

Senior Managers and Certification Regime Extension

The Financial Conduct Authority (FCA) published its consultation paper (CP17/25) on extending the Senior Managers and Certification Regime (SMCR) to all FCA solo-regulated firms on 26 July 2017.

Having discussed the consultation paper with clients and contacts across the industry, we have now submitted our response to the FCA and the consultation has closed. [See full details of our response.](#)

On 13 December 2017, the FCA published two further consultation papers relating to FCA solo-regulated firms: (i) CP 17/40 which focuses on transitioning to the SMCR and how firms and their senior staff will move over to the new regime, and (ii) CP 17/42 on the duty of responsibility. These consultations closed on 21 February 2018.

The new consultation paper (CP 17/40) sets out various proposals regarding the conversion process, which include that:

- Various existing approved roles will fall away because they will no longer require FCA approval, such as CF 29 and CF30, which will fall into the Certification Regime.
- Non-executive Chairs (currently approved under the generic CF2) are an exception to the automatic conversion process and a Form K must be submitted to convert from approved NED status to the SMF 9 – Chair function.
- Executive Chairs will need to hold an additional controlled function (SMF9 – Chair) and will need to submit a Form A to apply for this. The executive controlled function (eg CF1 – Director to SMF 3 – Executive Director) will be automatically converted.
- In-flight applications (ie those submitted but not yet determined before Commencement of SMCR) will be converted to an application for the relevant SMF at Commencement.
- Firms may apply to vary current CFs prior to Commencement in order to achieve a smoother conversion.

The extension of SMCR will apply to all FCA solo regulated firms and replace the current FCA Approved Persons Regime for them. The final rules are expected to be published in a Policy Statement in Summer 2018 and are envisaged to apply to FCA solo-regulated firms from mid-to-late 2019.

This microsite relates to the new regime as it affects wider financial services firms. There is a slightly different regime for insurers on which the FCA and PRA are consulting. Please see [here](#) for more details.

Our specialist team has developed the SMCR Extension Toolkit in response to client demand for cost-effective, practical and user-friendly templates and guidance on how to comply with the extension of the Senior Managers and Certification Regime to all FCA regulated firms. Designed to meet the needs of Management, Compliance, HR and Legal, [the Toolkit is now available.](#)



Contact

[Philip Bartlett](#), [Andrea Finn](#)

This document (and any information accessed through links in this document) is provided for information purposes only and does not constitute legal advice. Professional legal advice should be obtained before taking or refraining from any action as a result of the contents of this document.

© Simmons & Simmons LLP 2018. All rights reserved. Registered in England & Wales Registered Number OC352713

ellexica Limited, CityPoint, One Ropemaker Street, London EC2Y 9SS T: +44 20 7628 2020