## Hogan Lovells

Extension of Senior Managers and Certification Regime for FCA – Authorised firms

Designing a Project Plan: Sample Project Plan



## Determine the relevant category for your firm

Each firm will need to assess whether it falls within the limited, core or enhanced category, as this will impact on the precise rules applicable to it.



#### Mapping responsibilities

Step 1: Identifying Senior Manager Function ("SMF") holders

Firms must consider
whether any persons will
be undertaking these roles
In some cases FCA
approved person
controlled functions
will convert into SMEs



#### Step 2: Allocating prescribed

As part of the SMCR there are new prescribed responsibilities which must be allocated amongst SMFs where required.



## Drafting responsibilities map (if applicable) and statements of responsibilities

draft required documents, responsibility maps (only applicable to firms within the Enhanced category) and statements of responsibilities. It will also be necessary to create any new policies required as part of SMCR.



#### Conduct rules changes

Persons will become subject to conduct rules as a result of SMCR. Firms may need to update employment documentation and policies or provide training to staff.



# Preparing for the introduction of the new Duty of Responsibility

This may include providing training to SMF holders and updating employment documents.



#### Implementation of certification regime

#### Step 1: Identifying relevant certification function holders

It will be necessary to identify people who are performing certification functions as they will be subject to the certification regime.

#### Step 2: Update processes to reflect the certification regime

Persons performing certification functions will be subject to various requirements, including that firms will need to certify that such persons are fit and proper on an annual basis.



### Updating HR processes: regulatory references and disciplinary notifications

SMCR will introduce some changes in respect of fit and proper processes (such a regulatory references), and firms will need to update their processes accordingly. There are also new rules on notifying conduct rule breaches by individuals to the regulator.



#### Preparing regulatory submissions and applications

These include new applications for approval for new SMFs, and notifications fo FCA controlled functions which are converting into SMFs (where required).



#### Implement delayed SMCR requirements

Certain requirements will likely only come into effect a year after implementation



## Commencement date for SMCR extension: 9 December 2019

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