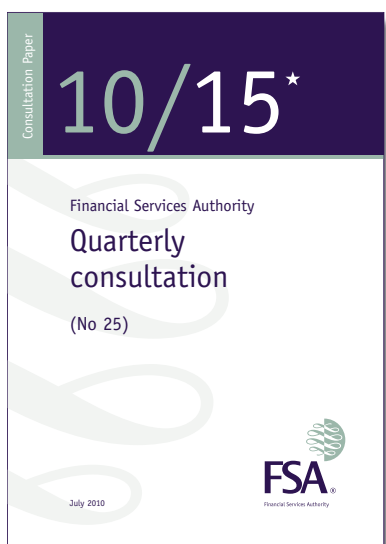


In Summary

Consultation Paper 10/15*



How the Quarterly Consultation Paper (QCP) affects your firm

As we publish our Consultation Paper (CP) – *QCP July 2010* – here we outline the main areas covered. For more details, read the full paper on our website: www.fsa.gov.uk.

The full CP10/15 can be found at:

www.fsa.gov.uk/pages/Library/Policy/CP/2010/10_15.shtml

Will this affect you – directly or indirectly?

This will be of interest to firms and individuals who are affected by:

- the Fees manual;
- the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU);
- the Conduct of Business sourcebook (COBS);
- the Banking Conduct of Business sourcebook (BCOBS);
- the Title Transfer Collateral Arrangements (TTCA) in the Client and Assets Sourcebook (CASS);
- the Retail Mediation Activities Return (RMAR); and
- the Supervision manual (SUP).

Why is this important?

In this CP, we invite comments on miscellaneous amendments to the Handbook.

We propose amendments to:

- the Fees manual, to restrict the FSCS's right to raise an exit levy for anticipated compensation and/or management expenses to the FSCS levy year in which the firm exits the scheme, and to enable the FSCS to raise an exit levy when a firm stops carrying out activities within a particular activity class or sub-class;
- the explanation of the tariff base for deposit-takers set out in the Fees manual to clarify that, from 31 December 2010, the tariff base of 'protected deposits' will continue to apply for all accounts that are excluded from the Single Customer View;
- the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU), to simplify the regime of liquidity assessment for Simplified ILAS firms, to simplify liquidity reporting requirements, to amend liquidity systems and controls requirements to implement changes to the Banking Consolidation Directive, and to introduce additional guidance to BIPRU TP 30 clarifying how the liquidity floor for mismatch banks is intended to operate;
- the Conduct of Business sourcebook (COBS), to incorporate Recommendation 20 of the Walker Review on Corporate Governance, which states that we should require institutions that are authorised to manage assets for others to disclose clearly on their websites or in other accessible form the nature of their commitment to the Stewardship Code or their alternative business model;
- the pensions rules in COBS, in order to make it clear that contracting-out comparisons should only reflect the period up to abolition of contracting-out (April 2012);
- the Banking Conduct of Business sourcebook (BCOBS), to provide guidance in relation to exercising a right of set-off on retail consumer accounts and to make a minor drafting amendment to guidance relating to information about compensation arrangements;
- the Title Transfer Collateral Arrangements (TTCA) rules and the money due and payable to the firm provisions in the Client and Assets Sourcebook (CASS), to strengthen protection for retail clients who place money and assets with investment businesses, as well as to ensure a consistent application of our client money and asset rules;

- sections D1 and E, as well as the replacement of section D2, of the Retail Mediation Activities Return (RMAR) of Chapter 16 in the Supervision manual (SUP), following from changes to the capital resources computation and connected requirements for Personal Investment Firms, and professional indemnity insurance requirements;
- guidance notes to data item FSA015 of Chapter 16 in SUP, to clarify guidance on regulatory reporting via FSA015 and facilitate more effective data gathering;
- Chapter 16 Annex 24R and Chapter 16 Annex 25G of SUP, to include capital buffer planning data in reporting of capital adequacy in FSA003; and
- Chapter 10 of SUP, to correct a technical error and, in so doing, clarify the types of firm for which the significant management function, CF29, is relevant.

What do you need to do next?

Send us your responses for Chapter 4 by **13 August 2010** and for all other chapters by **6 September 2010**.

What will the FSA do next?

We will consider all responses.

How can I get the full paper?

You can download the full Consultation Paper from:
www.fsa.gov.uk/pages/Library/Policy/CP/2010/10_15.shtml

Or you can order hard copies of the paper by phoning our helpline on 0845 608 2372, quoting reference CP10/15.

Copies are available at £20 each.

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www.fsa.gov.uk

This newsletter summarises Consultation Paper 10/15. The Financial Services Authority invites comments on this CP. Comments on Chapter 4 of this CP should reach us by 13 August 2010. Comments on all other Chapters should reach us by 6 September 2010.

- Comments may be sent by electronic submission using the form on the FSA's website at:
www.fsa.gov.uk/pages/library/policy/cp/2010/cp10_15_response.shtml
- Or you can respond by email: cp10_15@fsa.gov.uk
- Alternatively, please send comments in writing to:

Nicole Whitton
 Communications
 The Financial Services Authority
 25 The North Colonnade
 Canary Wharf
 London E14 5HS

Telephone: 020 7066 4472
 Fax: 020 7066 4473
 E-mail: cp10_15@fsa.gov.uk

It is the FSA's policy to make all responses to formal consultation available for public inspection unless the respondent requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure.

A confidential response may be requested from us under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Tribunal.

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