



# Senior Manager Regime



## Background to the Senior Manager Regime

Most senior decision-makers in a firm will be approved by the FCA, with firms also having a responsibility to ensure they are suitable for their role (reviewed once a year).

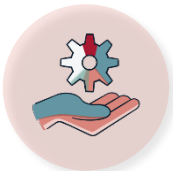
The number of senior manager functions and their scope will be dependent upon the type of firm.



## Statement of Responsibilities (All firms)

Senior managers are required to have a Statement of responsibilities which is a single document that clearly sets out what each director is responsible and accountable for.

It must be a self-contained document that doesn't refer to any other document. These are submitted to the FCA upon appointment as part of the approval process for directors.



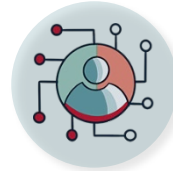
## Duty of Responsibility (All firms)

Senior managers are required to have a duty of responsibility, meaning that if something goes wrong in an area they are responsible for; the FCA will consider if they took "reasonable steps" to stop it from happening.



## Prescribed Responsibilities (Core & Enhanced firms)

Prescribed responsibilities will vary by firm and are responsibilities that the FCA requires firms to place on their senior managers. This includes the performance the firm of its obligations under the senior manager, certification and conduct rule regimes.



## Overall Responsibility (Enhanced firms only)

An Enhanced firm will need to make sure that every activity, business area and management function has a Senior Manager with overall responsibility for it.

This is to prevent unclear allocation of responsibilities and issues falling between the cracks.



## Responsibilities Maps (Enhanced firms only)

Enhanced firms must prepare and maintain a Responsibilities Map. This is a single document that sets out the firm's management and governance arrangements.

They help the FCA to identify who is accountable about if something goes wrong.



## Handover procedures (Enhanced firms only)

Enhanced firms are required to take all reasonable steps to make sure that a person taking a Senior Manager role has all the information and materials they could reasonably expect to have to do their job effectively. One way of doing this could be for the predecessor to prepare a handover note.

Every enhanced firm must have a policy which explains how it complies with this requirement and maintain adequate records of the steps it has taken.