

A response to the PRA's CP2/23

MOVING SENIOR MANAGERS REGIME FORMS FROM THE PRA RULEBOOK

February 2023

Introduction

The Association for Financial Markets in Europe (AFME) and UK Finance welcome the opportunity to comment on [PRA CP2/23](#).

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia.

UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms, we act to enhance competitiveness, support customers, and facilitate innovation.

Comments

We welcome the PRA's consideration of how to lessen the process required for administrative or other non-material changes to Senior Managers and Certification Regime (SM&CR) forms.

However, we would like to raise the following concerns with the proposed change:

- It is important that firms have an opportunity to respond to suggested future proposals and suggest alternative solutions which may be more effective from the users' perspective.
- Some members consider that such a consultation process would be a helpful awareness raising exercise, offering them the opportunity to prepare and implement requisite changes in their internal processes.
- Members are concerned about how they will be notified about changes administrative or other non-material changes to SM&CR forms and how they will be able to keep track with these changes; for example, it would be problematic if a firm were to find out about a change only at the time of submission.

- Some members are also concerned that there may be a difference of opinion as to what constitutes a significant changes, resulting in some amendments being made without a consultation
- We also note that, following the FCA's proposal of a similar change in its CP21/27: FCA Quarterly Consultation Paper No. 33 in 2021, to which we responded¹the FCA's forms remain available in the Handbook.

For these reasons, we suggest that the forms should remain as part of the Rulebook, despite the consultation process required for minor changes.

If the forms are nonetheless to be removed from the Rulebook, we raise the following points:

- We encourage the PRA to consider how future administrative or other non-material changes to forms could be communicated to firms beyond a notice on the PRA website, for example by also communicating the change to industry associations to disseminate to members.
- We request that pdf copies of the forms remain available to download before any submission begins. The internal process within firms to gather and approve the required data for the form can be significant.
- Our strong preference would be for the Word versions of the forms to be made available rather than pdf. Our members have found PRA / FCA pdf forms (not just those relating to SM&CR) very difficult to use. The relevant boxes often do not have capability to expand, so any drafting added shrinks to become illegible, or disappears altogether.
- In relation to the proposal to increase the length of employment history requested in long form A, we support the change, given its aim of consistency with MiFID.

Of course we would be happy to discuss the contents of this short response with the PRA if required.

Responsible Executives

AFME

Fiona Willis

✉ fiona.willis@afme.eu
☎ +44 (0)20 3828 2739

UK Finance

Simon Hills

simon.hills@ukfinance.org.uk
+44 (0) 7921 498183

¹ <https://www.afme.eu/Portals/0/DispatchFeaturedImages/UKF-AFME%20UK%20F%20Quarterly%20CP%20reponse%20October%202021.pdf>