

SM&CR ROUNDUP

TISA'S SM&CR NEWSLETTER



Welcome to the first SM&CR Roundup – your guide to the help, updates and resources available from TISA to assist you with implementation. We hope you find it useful, please do give us your feedback and let us know if you have colleagues who would benefit from receiving a copy.

What is SM&CR?

The Senior Managers and Certification Regime (SM&CR) was introduced for deposit takers (banks) in 2016 by the PRA and has recently been extended to insurers (9 December 2018) and FCA solo-regulated firms (10 December 2019).

The main aims of SM&CR are to improve culture in financial services firms by ensuring there is individual accountability for senior managers, making sure the right people are in the right roles (stopping the 'rolling of bad apples') and setting minimum standards for everyone working in financial services.

Who does it affect?

The simple answer is EVERYONE! All FCA and PRA regulated firms will be caught by SM&CR. PRA firms implemented in 2016 and insurers have just implemented (December 2018) so that leaves around 47,000 FCA solo-regulated firms for December 2019 implementation.

This includes a vast range of firms from large multi-nationals to dentists offering a payment plan and in recognition of this the FCA has split firms into 3 tiers for a more proportionate approach.

Senior managers and certain roles will fall under the Senior Managers or Certification Regime and all staff (apart from a small range of ancillary staff e.g. cleaners), will need to follow the Conduct Rules.

For the purpose of SM&CR anyone who is 'employee like' is considered staff, this is broader than the definition of employee/staff for tax purposes and captures contractors and similar employment types.

When is SM&CR coming?

At the time of writing this in December 2018, insurers have just days to implementation and FCA solo-regulated firms have almost a year. The Senior Manager elements must be in place for implementation but the FCA have allowed a further 12 months for full implementation of the Certification Regime and Conduct Rules (for non-Senior Managers).

Firms shouldn't get too complacent with the additional 12 months as many processes will need to be in place from implementation to ensure relevant information is captured, recorded and monitored. The impact of the Certification Regime shouldn't be underestimated as it can have potentially career ending consequences.

What do firms need to do?

1. Review your firm's organisational structure and chart
Does it reflect what happens in practice (e.g. is the responsibility for an area sitting at the relevant level)
2. Identify your Senior Managers and Certified Individuals
Allocate and agree Senior Management Functions and Certification Functions
3. Review your business processes for SM&CR requirements
Identify what needs to change and what new processes are needed
4. Decide who will own SM&CR
Consider implementation and BAU processing
5. Understand and deliver training needs
Consider how to meet different training needs
6. Keep checking TISA's SM&CR Hub for information and guidance and details of upcoming SM&CR events
http://www.tisa.uk.com/sm_cr.html

For more on how to successfully implement SM&CR see our [SM&CR Implementation Considerations](#) paper.

When should firms start working on SM&CR?

Firms should start working on SM&CR as soon as possible. Implementation takes longer than you think and the SM&CR touches every area of the employee lifecycle and the firm's business functions. **Don't delay, start your SM&CR implementation today!**

Don't miss this seminar!

Join us on January 29th for our essential seminar [SM&CR – Certification starts sooner than you think](#) – hear from experienced speakers on the lessons that can be learnt from the implementation of the certification regime in banks and get an appreciation of the practicalities for implementing SM&CR within your firm.

If you have any queries or comments on the Roundup, please email enquiries@tisa.uk.com

Don't wish to receive these emails? Please email nicola.robbyns@tisa.uk.com