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Nathan specialises in complex regulatory issues for financial institutions and individual members of senior management. He conducts internal investigations, represents clients in regulatory investigations by the PRA, FCA, PSR and other enforcement agencies, and defends enforcement proceedings and litigation.

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Adam specialises in advising financial institutions and their senior management on complex regulatory issues including investigations. He has experience of working for the regulator, having spent over a year on secondment to the FCA’s Enforcement & Financial Crime Division.
EXTENDED SENIOR MANAGERS AND CERTIFICATION REGIME OVERVIEW: ENHANCED FIRMS
(COMMENCEMENT DATE: 9 DECEMBER 2019)

### Senior Management Functions

| SMF1 | Chief Executive* |
| SMF2 | Chief Finance Function* |
| SMF3 | Executive Director |
| SMF4 | Chief Risk Function |
| SMF5 | Head of Internal Audit |
| SMF7 | Group Entity Senior Manager |
| SMF9 | Chair* |
| SMF10 | Chair of the Risk Committee |
| SMF11 | Chair of the Audit Committee |

### Prescribed Responsibilities

- **A** - Performance by the firm of its obligations under the Senior Managers Regime, including implementation and oversight
- **B** - Performance by the firm of its obligations under the Certification Regime
- **C** - Performance by the firm of its obligations in respect of notifications and training of the Conduct Rules
- **D** - Compliance with the rules relating to the firm’s Responsibilities Map

### Certification Functions

- **Functions that are subject to qualification requirements (set out in the FCA’s TC sourcebook)**
- **Client dealing function (expanded from current FCA CF30 function)**
- **Algorithmic trading function**

### Conduct Rules Staff

- **Receptionists**
- **Switchboard operators**
- **Post room staff**
- **Reprographics/print-room staff**
- **Property/facilities management**
- **Events management**
- **Security guards**
- **Invoice processing**
- **Audio visual technicians**
- **Vending machine staff**
- **Medical staff**
- **Archive records management**
- **Drivers**
- **Corporate social responsibility staff**
- **Data controllers/processors**
- **Cleaners**
- **Catering staff**
- **Personal assistants/secretaries**
- **IT support**
- **HR administrators/procesors**

### Impact

- **Firms must vet fitness and propriety upon appointment**
- **Regulatory pre-approval required**
- **Regulators can attach conditions and/or time limits to approvals and can vary approvals**
- **Duty of responsibility applies**
- **New conduct rules apply and firms must provide training on these**
- **Statement of Responsibility must be produced for each SMF**

- **FCA must be notified of any breach of conduct rules within 7 business days (if disciplinary action taken)**
- **Regulatory references and criminal records checks required**
- **Firms must have Responsibility Maps setting out governance arrangements and allocation of responsibilities**
- **Handover procedures required for Senior Managers**

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**Note:** These rules should be allocated, where possible, to a Senior Manager who is a NED.

**Impact:**

- **Firms must assess fitness and propriety (for each separate certification function) upon appointment and at least annually thereafter**
- **If a firm cannot certify an individual as fit and proper to perform their role, the firm must remove the individual from the role**
- **New conduct rules apply and firms must provide training on these**

**Note:** Only applicable in relation to the firm’s regulated and unregulated financial services activities (including any related ancillary activities)