



SENIOR MANAGERS AND CERTIFICATION REGIME REVIEW (CP25/21)

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ICAEW welcomes the opportunity to comment on the Senior Managers and Certification Regime review (CP25/21) published by FCA on 15 July 2025, a copy of which is available from this [link](#).

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ANSWERS TO SPECIFIC QUESTIONS

Question 1: To what extent do you support the further changes we are considering in phase 2 of the reform (summarised in paragraph 1.11). Are there any other changes you suggest? We would welcome views on the impact (positive or negative) of each potential change and on any suggested additional improvements.

1. While we agree with the direction of the reforms, we are not in a position to judge the cumulative financial impact and implications for oversight. Our comments relate to individual changes proposed in phase 2.
2. It is not likely that reducing the number of SMF approvals will have a material financial effect on our members. Regulated activity typically forms a small part of their total activity and their structures are relatively simple with few SMF roles. There may be some savings, but these are not expected to be significant. If reforms necessitate major changes to these firms' systems and methodologies, the associated costs could negate savings in the period of change.
3. We would support more flexibility around the appointment of interim SMFs - this clearly would help in unforeseen situations such as long-term illness.

Question 2b: On which priority areas would firms welcome more information, guidance, or changes to forms?

4. We support the intention to make improvements.

Question 3: Do you agree to our proposals for changes to criminal record checks and disclosures?

5. We agree.

Question 4: Do you agree with our proposed changes to the 12-week rule?

6. We agree.

Question 7: Do you agree with our proposals on Prescribed Responsibilities?

7. We agree with the proposed approach.

Question 8: Do you agree with our proposals on raising the thresholds for becoming an Enhanced SM&CR firm?

8. We have no comment on this proposal.

Question 9: Do you agree with our proposals on SoRs and MRMs?

9. We agree.

Question 10: Do you agree with our proposal to align with the PRA on SoR submission requirements for dual-regulated firms?

10. The proposal is reasonable.

Question 11: Do you agree with our proposals on certification?

11. We agree with the proposals and streamlining of certification and re-certification. However, regarding the proposal to remove duplicate certifications, can the FCA confirm if this means that an employee holding two or more functions would now only be required to register for one?
12. Also, would the FCA consider confirming that a proportionate approach to recertification will apply when there are no changes?

Question 12: Do you agree with our proposal to change the timescales for updating the Directory?

13. We agree.

Question 13: Do you agree with our proposals on regulatory references?

14. We broadly agree.

Question 14: Do you agree with the proposed guidance on the Conduct Rules?

15. We agree.