



GENERAL PROVISIONS (GEN)

5. **General Provisions (GEN)**

Five topics appear under General Provisions:

- guidance on “referring to the approval by the FCA”;
- interpreting the handbook;
- statutory status disclosure;
- use of the FCA logo and keyfacts Logo;
- insurance against financial penalties.

5.1 **Referring to “approval by the FCA”**

A firm or anyone acting on its behalf should not unless it is required to do so, make claims in a public statement or to a client expressly or by implication that its affairs have the approval or the endorsement of the FCA.

This does not apply to statements that explain:

- The firm is authorised by the FCA
- The firm has permission to carry on a regulated activity
- The firm’s approved persons have been approved by the FCA

An example of such a statement would be the requirement in section 5.2. below and under ICOBS rules to inform clients regarding the firm’s statutory status. Details of this can be found in Section 3, Business Standards, Chapter 3 Insurance Conduct of Business Rules.

5.2 **Statutory status disclosure**

FCA rules require firms to provide appropriate and adequate information about the identity of the firm's regulator, i.e. the FCA. The requirements regarding statutory status can be summarised as follows:

(1) **Authorised firms** must take reasonable care to ensure that every letter (or electronic equivalent) which it or its employees send to a consumer, with a view to or in connection with the firm carrying on a regulated activity, discloses that the firm is "**Authorised and regulated by the Financial Conduct Authority**".

(2) **Appointed representatives** are required to disclose that "[name of appointed representative] is an appointed representative of [Firm] which is authorised and regulated by the Financial Conduct Authority".

(3) You should not abbreviate the Financial Conduct Authority to FCA in this context.

(4) You are likely to find it convenient to include the required disclosure on your firm's letterhead.

A firm should not refer to its business having approval of the FCA but rather it should either refer to being authorised or having permission to carry out an activity.

Statutory status disclosure is not required on business cards, compliment slips, text messages, account statements and other similar documents.

5.3 Use of FCA logo and Keyfacts Logo

Both the FCA logo and the keyfacts logo are the property of the FCA. They are both subject to copyright and can only be used with permission from the FCA. **No general licence is granted by the FCA with respect to use of the FCA logo.** Therefore a firm must not use the FCA logo (and must take all reasonable steps to ensure that its representatives do not use the FCA logo) in any communication with a client.

Keyfacts Logo

There are two versions of the keyfacts logo. A low resolution version and a high resolution version.

For general insurance intermediaries the keyfacts logo can only be used in the following circumstances:

- in an initial disclosure document;
- in a policy summary; and
- in a key features document being used as an alternative to a policy summary.

There are conditions imposed on the appearance of the logo including:

- the regulatory mark ® must be attached to the logo;
- the keyfacts logo and regulatory mark must appear in:
 - black type
 - reversed out white on a coloured background or
 - in colour provided this does not diminish their prominence
- the two elements must appear together in the same way and same proportion;
- the logo must not be redrawn or matched by a typesetter;
- the low resolution version can only be used on documents intended to be read on a computer, television or other screen; and
- if the logo is reproduced electronically no hyperlink is incorporated.

5.4 General interpretation of the Handbook

The handbook uses capital letters, italics and other identifiers to show how rules should be interpreted:

- **Italics** refer to words that appear in the glossary.
- “**R**” stands for Rule.
- “**G**” means guidance.
- “**E**” refers to evidential provisions which are rules but are not binding in their own right. They will always relate to another binding rule. Compliance with an E provision may be relied on as “tending to establish compliance”.
- Where documents are required in writing this means that they should be legible and capable of being reproduced on paper.
- Expressions in the handbook have the same meaning as in the Financial Services and Markets Act 2000.

There are other definitions that can be found in the Glossary in the FCA Handbook.

5.5 Insurance against financial penalties

Financial penalties imposed by the FCA on a firm or an individual must be paid by that firm or individual.

You must not therefore set up a policy of insurance that would indemnify the firm or persons acting on behalf of the firm against all or part of a financial penalty.

5.6 Fees

The FCA is funded entirely by the organisations it regulates. The FCA levies two types of fee:

- Application fees – payable when a firm seeks authorisation; and
- Annual (periodic) fees – payable each year.

Fees are also sought when a firm seeks to change its authorised permissions. Firms are invoiced annually unless they are above a certain size.

Unpaid fees become a debt to the FCA and may incur late payment and administration charges. The regulator may also take regulatory action in relation to non-payment of fees. The action (if any is to be taken) will be decided in light of the circumstances relating to the case.