

What is SMCR?

The Senior Managers and Certification Regime (**SMCR**) will be extended to all authorised firms in **December 2019** with the aim of **reducing consumer harm** and **strengthening market integrity** by focusing on personal accountability.

The SMCR will embed consistent standards of personal conduct for all individuals working in financial services and highlight the individual accountability of senior managers. It will replace the Approved Persons Regime with individuals being designated as either Senior Managers or Certified Individuals.

Why is SMCR important?



Governance and culture is a key cross-sector priority for the FCA

The FCA sees governance and culture as drivers of good outcomes for consumers. SMCR is an opportunity for firms to demonstrate appropriate levels of accountability and that SMFs drive an appropriate firm culture.



The FCA will be able to leverage SMCR documentation for supervisory visits

The FCA will more easily be able to identify senior individuals during BAU supervision and when things go wrong. SMCR documentation will make it easier for the FCA to review and scrutinise firms' governance arrangements.



SMCR will support the FCA's enforcement powers where breaches occur

Senior Managers' Duty of Responsibility will make it easier for the FCA to hold individuals to account during enforcement proceedings. The FCA must prove reasonable steps were not taken, but it will be harder for individuals to deny responsibility.

How can PwC help?

Getting the right start

- Mapping the activities you are undertaking today
- Assembling the right project team
- Obtaining early senior buy-in



Getting SMCR right

- Avoiding implementation mistakes
- Periodic 'health checks' of progress
- Staff training
- Assessing progress against peers



Bringing SMCR to life

- Identifying who is accountable
- Embedding SMCR into control frameworks and processes
- Scenario testing to stress your implementation and identify gaps



SMCR mobilisation

Mobilise your project with the PwC implementation accelerator

SMCR 'health check'

Understand where you are and whether you're on track with a PwC health check

SMCR programme assurance

Comfort that your SMCR programme is compliant and works in practice

For more information, get in touch

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