

## FCA Consults on Changes to DEPP and EG in Its Handbook to Reflect EU Securitization Regulation Implementation

---

Friday, October 19, 2018

On October 12, the UK Financial Conduct Authority (FCA) published a consultation paper (October Consultation Paper) setting out its proposals to amend the Decision Procedure and Penalties (DEPP) manual and Enforcement Guide (EG) of the *FCA Handbook*. The FCA explains that the amendments are needed because of the changes introduced by the statutory instrument (SI), which will be given to the UK Parliament by HM Treasury, implementing the EU Securitization Regulation (SR) that goes into effect on January 1, 2019.

The October Consultation Paper should be read alongside the FCA's consultation paper that it published on August 1 (August Consultation Paper), which sets out other changes that will be needed to the *FCA Handbook* to implement the SR.

Proposed amendments by the FCA in the October Consultation Paper include the following:

1. changing the decision-making procedure in DEPP for applications for the temporary withdrawal of and the cancellation of authorization of entities wishing to act as third-party verifiers (TPVs);
2. extending the FCA's existing policy and procedure in the exercise of its disciplinary and investigatory powers to cover firms already authorized by the FCA and the UK Prudential Regulation Authority (PRA), when those firms are acting as sponsors, originators, original lenders or securitization special purpose entity (SSPEs) in a securitization or other persons subject to the SR;
3. exercising investigatory and disciplinary powers over TPVs and originators, sponsors, original lenders, SSPEs and other persons subject to the EU SR that are not authorized by the FCA or the PRA, and that fail to adhere to certain obligations set out in the SI;
4. imposing a temporary disciplinary prohibition preventing an individual from holding an office or position involving responsibility for taking decisions about the management of an originator, sponsor or SSPE if the individual has contravened a requirement; and
5. imposing a temporary ban on simple, transparent and standardized notifications.

The FCA's proposals are based on the expectation that the SI will give the FCA supervisory, disciplinary and investigatory powers over persons subject to the SR. If the SI differs from this understanding, then the FCA may need to change its approach.

The deadline for comments on the proposals in the October Consultation Paper is November 2.

The October Consultation Paper is available [here](#).

The August Consultation Paper is available [here](#).

© 2019 Katten Muchin Rosenman LLP

**Katten**

Katten Muchin Rosenman LLP

Article By [Carolyn H. Jackson](#)  
[John Ahern](#)[Nathaniel W. Lalone](#)[Neil Robson](#)  
[Katten Muchin Rosenman LLP](#)  
[Corporate and Financial Weekly Digest](#)  
[Financial Institutions & Banking](#)  
[Global](#)  
[United Kingdom](#)

**Source URL:** <https://www.natlawreview.com/article/fca-consults-changes-to-depp-and-eg-its-handbook-to-reflect-eu-securitization>