SICSIC ADVISORY
FINANCIAL SERVICES RISK & REGULATION

OUR SOLUTIONS

Ensuring Successful SMF Approval: Support for firms and individuals

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Once a candidate for a Senior Management role accepts an offer in a financial services firm, there is still an important step to be completed: they need to receive approval by the regulators (FCA for solo-regulated firms and PRA and FCA for dual-regulated firms). Following the implementation of Senior Managers & Certification Regime (SM&CR) and the additional focus on culture and governance, this process has never been so important.

We offer a dedicated service to support your firm and the candidate throughout the application and interview process.

Senior Management Functions (SMFs) are the most senior roles held by a firm's senior decision-makers. These individuals have key responsibilities, including running the firm, protecting consumers, and safeguarding market integrity. Anyone performing an SMF role must be approved to hold it.

The regulators have expectations towards both the firms and the individuals.

Senior managers must:	• Be Fit and Proper • Understand and comply with Individual Conduct Rules. • Understand and comply with Senior Manager Conduct Rules. • Understand Prescribed Responsibilities
Firms need to:	• Regularly review the fitness and propriety of SMFs. • Keep their statements of responsibilities up to date.
Firms must tell the regulator:	• About breaches of any Individual and Senior Manager Conduct rules resulting in disciplinary action. • If there's a significant change to a senior manager's responsibilities.

Preparing for SMF interviews with the regulator

Key individuals at larger regulated firms may be interviewed by the regulator as part of the SMF approval process. The decision to interview is a risk-based decision by the regulators and it is a formal process which needs to be treated with the seriousness it deserves. The interview can be wide-ranging and may present challenges for both the individual and the firm. We offer different options that include the following components:

Fast track option	***Comprehensive option***
• Initial briefing with the firm and the candidate • Outside-in view of the risk profile of the firm • Asking about the firm's key interactions with the regulator • Reviewing the application before submission • Full 90 minutes mock interview with a panel of experts • Extensive 60 minutes debrief with the candidate and written feedback to the SMF applicant and a follow up session if they require	*All elements of the fast track option, plus:* • 60 minutes face-to-face briefing with the candidate covering the role, the market and the regulatory expectations • Customised mock interview based on extensive review of internal documents (board papers, key policies, regulatory correspondence) to replicate the "real experience". • Briefing materials on key regulatory focus areas • Available on call in advance of the formal interview – for last minute prep and questions

We can also provide bespoke options tailored to individual firms and senior managers, including mentoring for senior executives and board members.

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Why Sicsic Advisory?

Sicsic Advisory is a strategic regulatory and risk consultancy.

We work with financial services boards and senior managers to deliver sustainable business models by helping them achieve commercial, operational, and financial resilience. Our team of 25+ senior consultants have a combination of expertise gained through direct experience as ex-regulators, lobbyists, consultants, and industry practitioners.

Sicsic Advisory was founded in 2019 by Michael Sicsic, a senior executive in the field of risk and regulation and former head of supervision for the UK general insurance retail sector at the Financial Conduct Authority (FCA).

We are uniquely placed to understand the regulator's approach to firm engagement – from business as usual to the stickiest situations. We combine this with a solid commercial grasp and a solution-driven mindset.

Our team of senior consultants includes three former senior members of the FCA/FSA senior leadership team and the former Director of Regulation at the ABI, bringing first-hand experience of successful regulatory engagement. Members of the team have led numerous FCA & PRA Senior Manager interviews, and they have practical experience of preparing and conducting such interviews.

For more information visit sicsicadvisory.com

Contact

Michael Sicsic
Managing Partner
michael@sicsicadvisory.com

Nadege Genetay
Partner
nadegegenetay@sicsicadvisory.com

Clive Gordon
Practice Lead, Consumer Investments
clivegordon@sicsicadvisory.com

Hugh Savill
Senior Adviser
hughsavill@sicsicadvisory.com

Nindy Mellett
Senior Consultant
nindymellett@sicsicadvisory.com

Adam Bedi
Senior Consultant
adambedi@sicsicadvisory.com

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