

**MEMO# 32413**

April 24, 2020

## **COVID 19 - UK FCA's Expectations for Wet-Ink Signatures**

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TO: ICI Global Members  
Chief Compliance Officer Committee  
International Compliance Advisory Committee SUBJECTS: Compliance  
International/Global  
Operations RE: COVID 19 - UK FCA's Expectations for Wet-Ink Signatures

In light of COVID-19 restrictions, the UK Financial Conduct Authority (FCA) has published a Statement that sets out its expectations for firms regarding the use of “wet-ink” signatures (*i.e.*, physical signatures).[\[1\]](#)

### **Fund-Related Applications and Interactions with the FCA**

In its earlier COVID-19 guidance,[\[2\]](#) the FCA stated that it would accept electronic signatures for fund-related applications. The FCA’s current Statement confirms that firms may use electronic signatures for all interactions with the FCA.

### **Legal Agreements**

The Statement noted that, while the FCA’s rules do not explicitly require wet-ink signatures or prevent using electronic signatures in agreements, the validity of electronic signatures is a matter of law on which the FCA cannot give legal advice. According to the Statement, firms should consider any related requirements set out in the FCA’s Principles for Businesses and the FCA’s general rules.[\[3\]](#)

The Statement specifically notes that firms should consider:

- Principles 2, 3, and 6[\[4\]](#), review the risks and harms of using electronic signatures, and take appropriate steps to minimise such risks; and
- The client’s best interests rule (COBS 2.1.1R)[\[5\]](#) and the fair, clear, and not misleading rule (COBS 4.2.1R)[\[6\]](#) to ensure that, when a client signs a document electronically, the electronic signature process does not make it more difficult for the client to understand what they are agreeing to.

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#### endnotes

[1] See <https://www.fca.org.uk/news/statements/expectations-wet-ink-signatures-coronavirus-restrictions>.

[2] See [Memorandum No. 32366](#) to Chief Compliance Officer Committee, Chief Risk Officer Committee, International Compliance Advisory Committee, International Internal Audit Advisory Committee, and Technology Committee, dated April 8, 2020.

[3] See <https://www.handbook.fca.org.uk/handbook/PRIN/2/>.

[4] See <https://www.handbook.fca.org.uk/handbook/PRIN/2/>.

[5] See <https://www.handbook.fca.org.uk/handbook/COBS/2/1.html>.

[6] See <https://www.handbook.fca.org.uk/handbook/COBS/4/2.html>.

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