

Individual Accountability: Transitioning FCA firms and individuals to the Senior Managers & Certification Regime

Consultation Paper

CP17/40***

December 2017



How to respond

We are asking for comments on this Consultation Paper (CP) by 21 February 2018.

You can send them to us using the form on our website at: www.fca.org.uk/cp17-40-response-form.

Or in writing to:
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How to navigate this document onscreen



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takes you to helpful abbreviations

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1 Summary

Why we are consulting

- 1.1** We are creating a new regime for firms and regulators, to strengthen accountability in financial services.
- 1.2** The regime was consulted on in CP17/25, published in July 2017, when we proposed changes to how individuals in relevant firms are assessed and held accountable for what they do, or fail to do. The Senior Managers & Certification Regime (SM&CR) will make it easier for firms and regulators to hold these people to account. This Consultation Paper sets out how we propose to move these relevant firms and individuals to the new regime, as well as associated consequential changes to our Handbook.

Who is affected by the changes

- 1.3** All FCA solo-regulated firms will be affected by these changes, as well as EEA and third-country branches (but not insurers, these firms should read CP17/41). The requirements depend on whether firms are classified as Limited Scope, Core or Enhanced. Use Figure 1 and Table 1 to determine your firm's classification.

Figure 1: Firm Checker Tool

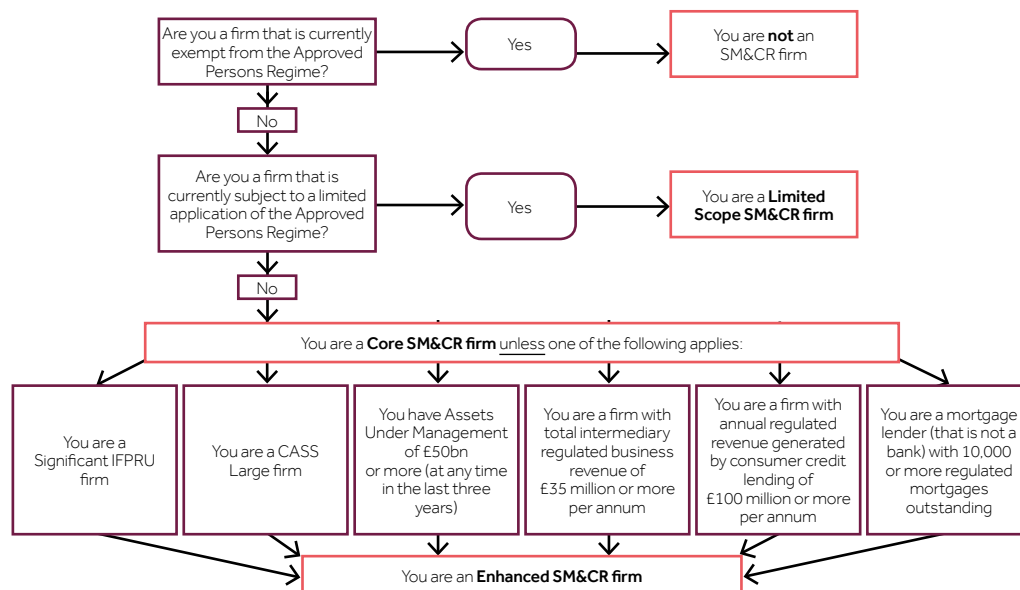


Table 1: Table of Firm Types

Firm type	Description
Limited Scope Firm	<p>Firms that will be subject to fewer requirements than Core firms. This covers all firms that currently have a limited application of the Approved Persons Regime, including:</p> <ul style="list-style-type: none"> • limited permission consumer credit firms • sole traders • authorised professional firms whose only regulated activities are non-mainstream regulated activities • oil market participants • service companies • energy market participants • subsidiaries of local authorities or registered social landlords • insurance intermediaries whose principal business is not insurance intermediation and who only have permission to carry on insurance mediation activity in relation to non-investment insurance contracts • authorised internally managed Alternative Investment Funds (AIFs)
Core Firm	<p>Firms that will have a baseline of SM&CR requirements applied. EEA and non-EEA branches will fall into this category.</p>
Enhanced Firm	<p>A small proportion of solo-regulated firms that will have to apply extra rules.</p>

1.4 People who should read this whole document:

- all FCA solo-regulated firms in scope of the proposals set out in CP17/25 (conversion proposals for Core and Limited Scope Firms can be found in Chapter 4, and Enhanced firms will find their proposals in Chapter 5).
- EEA and third-country branches (but not insurers). Conversion proposals for branches can be found in Chapter 4.

1.5 People who only need to read sections of this document:

- firms subject to the Banking Regime (Chapters 6, 7 and 8)
- firms that apply for authorisation before Commencement – ‘applicant firms’ (the end of chapters 4 and 5 depending on whether the firm is likely to be categorised as Limited Scope, Core or Enhanced).
- Appointed Representatives¹ (chapters 6 and 7).

1.6 People who only need to read this summary:

- incoming EEA firms providing cross-border services only – these firms are out of scope of the SM&CR.
- Insurers (please read CP17/41 for the relevant proposals for these firms).
- Payment Services firms – these firms are out of scope of the SM&CR.

¹ Limited permission consumer credit firms that are also Appointed Representatives should take note of 7.4 – 7.8.

The wider context of this consultation

1.7 The Bank of England and Financial Services Act 2016 made changes to the Financial Services and Markets Act 2000 (FSMA) and the proposals in this CP – and those set out in CP17/25 – will implement them. The changes expand the Senior Managers and Certification Regime (SM&CR) to all authorised firms and will extend:

- the Senior Managers Regime (SMR) to all FCA solo-regulated firms and focus regulatory approval on fewer senior individuals in a firm than under the current Approved Persons Regime (APR)
- the Certification Regime to most FCA solo-regulated firms. This requires firms to assess the fitness and propriety of certain individuals who could harm the firm, its customers or the market.
- the Conduct Rules to most staff in FCA solo-regulated firms.

This CP sets out the proposed technical amendments that apply to FCA solo-regulated firms.

The Core, Enhanced and Limited Scope Regimes

In Chapters 2 and 3 of CP17/25 we set out our intention to apply a set of requirements to all FCA solo-regulated firms (the Core regime). We also set out extra requirements (the Enhanced regime) for a subset of firms and a reduced set of requirements for Limited Scope firms. The proposed criteria for a firm being in scope of the Core, Limited Scope and Enhanced regimes are set out in CP17/25.

The proposals in chapters 2, 3, 4 and 5 of this CP refer to this categorisation.

What we want to change

1.8 There will be changes to the Handbook because of the proposals in CP17/25. This CP explains our proposals for how firms and individuals will be transitioned to the new regime, and includes the forms needed to achieve this.

Conversion of individuals from the APR to the SM&CR

1.9 Chapter 3 sets out our proposed transitional arrangements for moving from the APR to the SM&CR.

1.10 Our proposed approach to conversion of relevant individuals is set out in chapters 4 and 5. The proposals are different for Core, Limited Scope or Enhanced firms under the criteria set out in CP17/25. There is a Firm Checker Tool in 1.3 for firms to work out which category applies to them.

1.11 In CP17/25, we explained that many different types of firms will be subject to the extended SM&CR, ranging from the very smallest to some of the largest global firms.

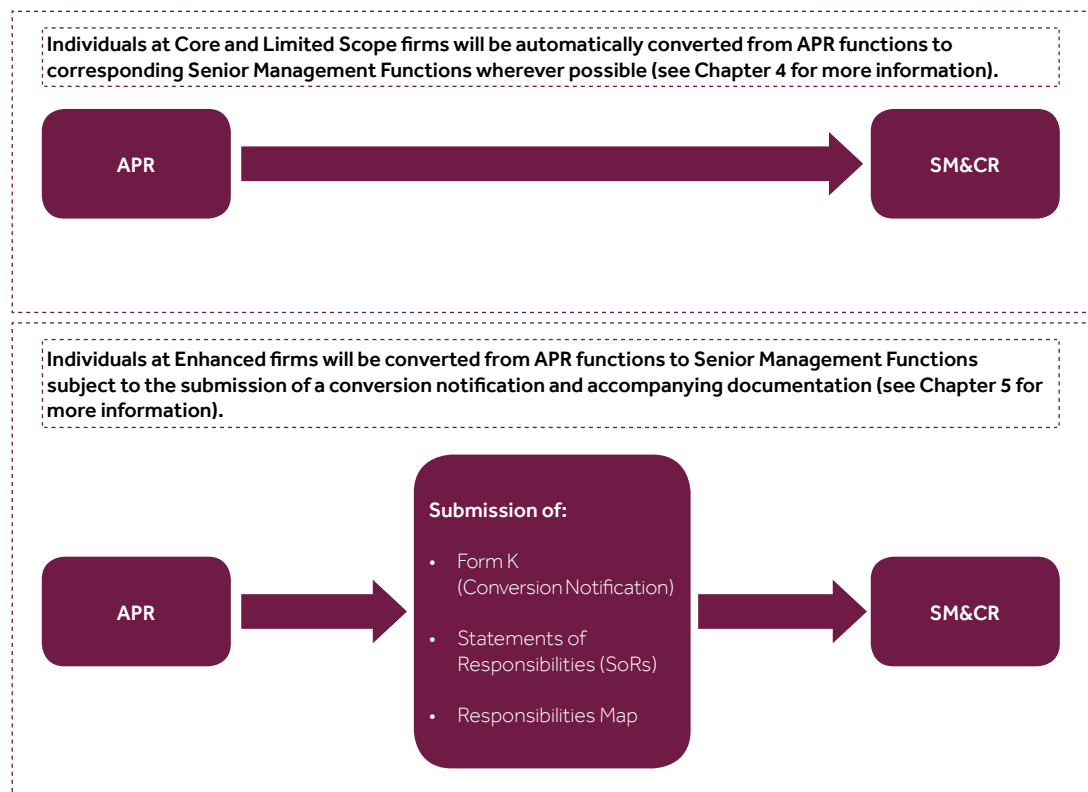
1.12 Given the differences in the size and nature of firms covered by the extended regime, we recognise that it would not be appropriate to approach moving individuals into the

SM&CR in the same way for all firms. We want our approach to conversion to be simple, clear and proportionate, and flexible enough to accommodate different business models. For the majority of FCA firms, our proposed approach to moving individuals will require little or no interaction with the FCA.

1.13 We propose:

- to automatically convert most of the approved persons at Core and Limited Scope firms into the corresponding new Senior Management Functions
- that Enhanced firms need to submit a conversion notification (Form K) and accompanying documents.

Figure 2: Proposed approach to conversion



Changes to forms

- 1.14** Chapter 6 sets out our proposed changes to regulatory forms. These reflect the move to the SM&CR, while keeping APR for Appointed Representatives (ARs), and some consequential changes, including applying the late returns fee to late or non-submitters of REP008 (the annual report of Conduct Rules breaches).

Changes affecting Banking firms

- 1.15** Proposals included in CP17/25 that are directly relevant to firms subject to the Banking Regime (banks, building societies, credit unions and PRA-designated investment firms) are listed in Chapter 8.

- 1.16** Banking firms will need to note our proposal to apply the late returns fee to non-submitters of REP008.

Other proposals

1.17 In Chapter 7, we set out several consequential amendments to our Handbook to make sure that the move to the new regime is effective. These include:

- changes necessary to keep the Approved Persons Regime for Appointed Representatives
- changes to SUP 10C, to reflect the extension of the SM&CR to FCA solo-regulated firms, and Insurers
- some changes to clarify how the regime applies to different types of firms
- consequential changes to the Enforcement Guide (EG) and the Decision Procedure and Penalties Manual (DEPP)
- additional guidance on the SMF24 – Chief Operations function
- changes to the Glossary

1.18 This CP does not propose any requirements for benchmark administrators and these will be addressed separately.

Outcome we are seeking

1.19 We want to make the transition from APR to the SM&CR as simple, clear and proportionate as possible.

Appointed Representatives

1.20 While there are consequential amendments that will be of interest to Appointed Representatives (ARs) of firms, the extension of the SM&CR proposed in CP17/25 does not affect individuals and Approved Persons working at ARs. The Bank of England and Financial Services Act 2016 does not currently provide us with the power to extend the regime to ARs.²

1.21 The provisions of the Approved Persons Regime still apply to ARs. Principal firms remain fully responsible for their ARs and networks meeting our rules and Senior Managers at these firms must make sure that this happens.

The Financial Services Register

1.22 In CP17/25 and CP17/26 we proposed that, for firms subject to SM&CR, only details of people holding Senior Management Functions would be included on the Financial Services Register. This is because Senior Management Functions will be the only

² One exception is for Limited Permission Consumer Credit firms that also act as Appointed Representatives for other business. These fall within scope of the extended SM&CR as they are authorised firms.



roles approved by the FCA under the new regime. This would mean that, under these proposals, people performing Certification Functions would not appear on the Register following the extension of the SM&CR.

- 1.23** We are reviewing all feedback that we received to these consultations to decide the right approach. This includes concerns raised around the potential impact of excluding certain people from the Register. We have listened to this feedback and are considering next steps as part of our preparations to implement the new regime.

Next steps

What you need to do

- 1.24** We want to know what you think of our proposals in this CP. Please send us your comments by 21 February 2018.
- 1.25** You may wish to think about whether you have the appropriate people in the correct approved functions before the conversion of approved individuals from the APR to the SM&CR takes place. This will help to make your transition to the new regime as easy as possible.

How to send us your response

- 1.26** Use the online response form on our website, email us at cp17-40@fca.org.uk or write to us at the address on page 2.

What we will do next

- 1.27** We will consider your feedback and publish our rules, including our final approach to transition and conversion, in a Policy Statement in summer 2018.

2 The wider context

Background

Extending the SM&CR to all FCA-authorised firms

- 2.1** In July 2017, we proposed changes to how individuals working in financial services are regulated.
- 2.2** These proposals affect most of the firms that we regulate. These range from very small firms and those with limited permissions (including sole traders and consumer credit firms), to some of the largest global firms.
- 2.3** Almost every firm that offers financial services and is regulated by the FCA will be affected by these changes – especially firms currently subject to the Approved Persons Regime (APR). It will also affect the people who work in these firms, including those not currently subject to the APR.

Why we are doing this

- 2.4** We currently regulate individuals in FCA solo-regulated firms through the Approved Persons Regime.
- 2.5** After the financial crisis, Parliament recommended that we develop a new accountability system to focus on Senior Managers and individual responsibility, so we created the new Senior Managers and Certification Regime. This applies to banks, building societies, credit unions and PRA-designated investment firms, and replaced the Approved Persons Regime for these firms from March 2016.
- 2.6** Our next step is to replace the Approved Persons Regime with the Senior Managers and Certification Regime in almost all financial services firms, not just banking firms.
- 2.7** Our priority is to reduce harm to consumers and markets by raising standards of conduct for everyone who works in financial services, and by making senior people in firms more responsible and accountable for their actions.
- 2.8** However, we have to make some changes to our rules and forms to move firms and individuals from the APR to the SM&CR, and these are set out in this CP.

How it links to our objectives

Consumer protection

Improving culture and governance at firms reduces consumer harm

- 2.9** Moving to the SM&CR will improve the way financial services firms operate, with specific people being personally responsible for considering consumers' interests and treating them fairly.



- 2.10** We want the Conduct Rules in CP17/25 to improve the way people behave in financial services.

Market integrity

Improving culture and governance at firms

- 2.11** We want people in senior roles to be responsible for maintaining market integrity and make sure they are they are accountable for this. Our Conduct Rules will apply to staff at all levels, which will help raise standards across the whole industry.
- 2.12** We also want the new requirements to help firms hire the right people as Senior Managers, Non-Executive Directors and Certification Functions.

Wider effects of this consultation

- 2.13** The new focus on accountability and conduct in senior management will make it easier to spot and rectify misconduct at all levels, while improving the decisions that firms make.

What we are doing

- 2.14** We will consider the feedback to this CP alongside the feedback received to CP17/25 (Individual Accountability: Extending the Senior Managers & Certification Regime to all FCA-regulated firms), CP17/26 (Extending the Senior Managers & Certification Regime to insurers) and CP17/41 – (Transitioning insurers and individuals to the Senior Managers & Certification Regime).
- 2.15** We will then make final rules for the regime and finalise how the transition to the SM&CR will work.
- 2.16** The new rules will start when the Treasury sets the dates. For the purpose of our draft rules that form part of this consultation, we have assumed that the rules will apply to insurers in late 2018 and solo-regulated firms in mid-to-late 2019. The actual commencement dates will be announced and set by the Treasury in due course.
- 2.17** Firms should also refer to our separate consultation paper – CP17/42 (The Duty of Responsibility for insurers and solo-regulated firms), which explains the extension of the 'duty of responsibility' applying to Senior Managers.

Related publications

CP17/25 – Extending the Senior Managers & Certification Regime to all FCA firms
CP17/26 – Extending the Senior Managers & Certification Regime to insurers
CP17/41 – Transitioning insurers and individuals to the Senior Managers & Certification Regime
CP17/42 – The Duty of Responsibility for Insurers and solo-regulated firms

Equality and diversity considerations

- 2.18** We have considered the equality and diversity issues that may arise from the proposals in this Consultation Paper.
- 2.19** Overall, we do not believe that our proposals result in direct discrimination for any of the groups with protected characteristics; ie age, disability, sex, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment.
- 2.20** Our assessment of the equality and diversity considerations for the main rules is set out in CP17/25 and we will continue to consider the implications of the proposals during the consultation period. We welcome views on these issues.



3 Transitional arrangements

Who should read this chapter?

This chapter is relevant to all FCA solo-regulated firms currently subject to the Approved Persons Regime. It sets out the main provisions to achieve the move from the APR to the SM&CR. Our proposals for the transition of people who are already approved by us are set out in detail in chapters 4 and 5.

Overview

- 3.1** The detail of the transitional arrangements for moving Approved Persons to the Senior Managers Regime (SMR) are set out in this chapter and in chapters 4 and 5.
- 3.2** The draft rules and guidance in Appendices 1 to 3 assume that the Treasury will provide a statutory instrument enabling the FCA to implement the proposals.

Conversion

- 3.3** In CP17/25, we set out our intention for Approved Persons who will be performing a corresponding Senior Management Function in a relevant firm to be eligible to be converted into that new function without needing to reapply.
- 3.4** This means that if someone is currently approved by us for their function, and the equivalent role exists in the SMR, they do not need to apply for re-approval. For example; someone currently approved as a Director (CF1) will not need to re-apply for approval to take on an Executive Director (SMF3) function, as long as:
 - they continue to perform the function
 - for Enhanced firms, the conversion notifications are made on time
- 3.5** Chapters 4 and 5 set out our approach to converting existing, new and in-flight approvals for Core, Limited Scope and Enhanced firms.

Notification deadline

- 3.6** The Treasury will announce when the new regime will start. We will subsequently communicate the date by which all Enhanced firms, and – by exception³ – Core firms, will need to have submitted the appropriate conversion documentation to transition their relevant approved individuals into the new regime. Read Chapters 4 (for Core firms) and 5 (for Enhanced firms) for more information on the steps required.

³ We intend to convert approved individuals at Core firms to new Senior Management Functions automatically. However, there is an exception where firms have a CF2 – Non-Executive Director performing the role of Chair. Read 4.5 for more information.

- 3.7** To maximise the transition period available to firms, we propose that the cut-off date for Form K conversion notifications will be one week before the start of the new regime.

After Commencement

- 3.8** Firms will be required to check the updated Financial Services Register after the start of the new regime to ensure that they hold the correct approvals after automatic conversion has taken place.

Certified staff

- 3.9** We plan to implement the rules for Certification gradually, so that firms can get used to applying the new regime.
- 3.10** Once a year, firms will need to confirm that their certified staff are fit and proper for their roles. They'll have to do this even if the individuals were in these roles before the Certification Regime comes into force, or were approved by the FCA under the Approved Persons Regime (eg as a CF29 – Significant Management Function or CF30 – Customer Function). Some people who previously needed our approval will now fall under the Certification Regime instead.
- 3.11** The Treasury intends to commence the requirement for firms to certify relevant employees as fit and proper for the first time 12 months after the start of the main SM&CR.
- 3.12** The Conduct Rules in COCON will apply to these employees from Commencement at all firms.
- 3.13** This means that firms will need to know who all of their certified staff are on day one of the regime. The employees must meet the Conduct Rules straight away, but firms will have 12 months to complete their fitness and propriety assessments and to get the certification paperwork in place. Firms will not be required to obtain regulatory references for existing employees who will be performing the same role after the start of the new regime.

Other Conduct Rules staff

- 3.14** 'Other Conduct Rules staff' are those who are subject to the Conduct Rules in COCON but who do not hold a Senior Management Function or a Certification Function.
- 3.15** We propose giving firms 12 months from Commencement to get ready to apply the Conduct Rules to their Other Conduct Rules Staff – the same as we did in the Banking Regime – as we know that it may take firms longer to arrange the right staff training. This transitional provision applies to Core, Enhanced and Limited Scope firms.

Q1: Do you have any comments on our proposed transitional arrangements?

4 Conversion – Core and Limited Scope Firms

Who should read this chapter?

This chapter is relevant to Core (including EEA and non-EEA branches) and Limited Scope FCA solo-regulated firms and sets out our proposed approach to converting individuals from the Approved Persons regime to the new Senior Managers Regime.

The Senior Managers Regime for Core and Limited Scope firms: conversion

Converting existing approvals

4.1

This chapter gives the details of the conversion process and how it applies to Core and Limited Scope firms. Information on how we will categorise firms is in Chapter 1. Information on the forms referred to in this chapter can be found in Chapter 6 but a summary can be found in Table 2 below.

Individuals at Core and Limited Scope firms will be automatically converted wherever possible, with no action required by firms. We recommend that firms consider whether any changes to their approvals are required ahead of Commencement. This will ensure that the move to the new regime is as smooth as possible.

Table 2: Summary of key forms referenced in this chapter

Form reference	Purpose
Later in this chapter, we explain how firms can make changes to their approved individuals to prepare for the new regime, if they wish to do so. Most firms will not need to take any action as existing APR functions will be converted to new SM&CR functions.	
There are two versions of Forms A and E referred to in this chapter – the existing APR versions and the new SM&CR versions. The SM&CR forms will be available for submission before the start of the new regime and we will try to process them before Commencement, as long as they are submitted in good time, but approval of these applications can only be effective from the start of the new regime. ⁴	
Table 4 summarises the forms relevant in a variety of scenarios. 4.11 to 4.20 explain this in more detail.	
Form A	Application form used to apply for a new controlled function for an individual.
Form C	Application form used to cancel an individual approval.
Form E	Application form used to transfer an approved individual from one controlled function to another.
Form K	Used to notify conversion. Only relevant for Core and Limited Scope firms where a CF2 Non-Executive Director is going to perform the SMF9 – Chair function.

⁴ The statutory clock for these applications will technically start at the Commencement date, but we will try to process these before the start of the new regime as long as they are received in good time.

Conversion mapping for Core and Limited Scope firms

In the legal instrument in Appendices 1 to 3, Core and Limited Scope firms are referred to as 'non-notifying' firms.

- 4.2** Firms will not have to apply for re-approval for their approved individuals.
- 4.3** No extra checks are required either (for example, mandatory criminal records checks and regulatory references). This is because firms already have to ensure that these individuals are, and continue to be, fit and proper.
- 4.4** Details for the conversion of people with existing APR approvals are in Table 3. The first column shows existing controlled functions under the Approved Persons Regime. The second column shows the set of new Senior Management Functions into which a person performing the controlled function in column one will be eligible to be converted ('mapped functions').
- Exception – individuals to perform the SMF9 – Chair role**
- 4.5** While we will automatically convert approvals according to the mapping proposed in Table 3, there is one exception. We currently approve a firm's non-executive Chair under the generic CF2 – Non-Executive Director (NED) function. This means that we will not know whether an individual CF2 performs the Chair role, unless firms tell us.
- 4.6** We will therefore require firms with a non-executive Chair to submit a Form K, telling us that they wish to convert an approved NED to the SMF9 – Chair function. Core firms will not be required to submit this individual's Statement of Responsibilities to the FCA. If a Form K is not submitted for the Chair, the individual's approval will lapse at the start of the new regime.
- 4.7** Read 4.9 to 4.10 for our proposed approach to executive Chairs. All other NEDs at Core firms will no longer be approved by us. Such non-approved NEDs are still subject to certain extra requirements on top of the Conduct Rules.⁵

Statements of Responsibilities (SoRs)

Every converted Senior Manager at a Core or Limited Scope firm must have a Statement of Responsibilities (SoR), even though they are not required to be submitted to the FCA at conversion. Firms must be prepared to provide a Senior Manager's SoR to the FCA on request.

5 Refer to Chapter 4 of CP17/25 for these.

Table 3: Proposed function mapping for Core and Limited Scope firms

Current controlled function	Possible corresponding Senior Management Function(s)
CF1 – Director	SMF3 – Executive Director
CF2 – Non-Executive Director ⁶	SMF9 – Chair
CF3 – Chief Executive	SMF1 – Chief Executive
	SMF19 – Head of Third Country Branch
CF4 – Partner	SMF3 – Executive Director ⁷
	SMF27 – Partner
CF5 – Director of Unincorporated Association	SMF3 – Executive Director
CF6 – Small Friendly Society Function	SMF3 – Executive Director
CF8 – Apportionment and Oversight Function	SMF29 – Limited Scope ⁸
CF10 – Compliance Oversight	SMF16 – Compliance Oversight
CF11 – Money Laundering Reporting Officer (MLRO)	SMF17 – Money Laundering Reporting Officer (MLRO)
CF29 – Significant Management Function ⁹	SMF21 – EEA Branch Senior Management Function

Q2: Do you have any comments on our proposed mapping of functions for Core and Limited Scope firms?

Example: Automatic conversion for a Core or Limited Scope firm

Someone performing the CF10 (Compliance Oversight function) for a Core firm will be eligible to be converted automatically into an SMF16 (Compliance Oversight function).

⁶ Non-Executive Directors at Core and Limited Scope firms who are not the firm's Chair will no longer be approved by the FCA.

⁷ CF4 – Partner to SMF3 – Executive Director is only a valid conversion for EEA and non-EEA branches.

⁸ This function is only applicable to Limited Scope firms that have a CF8 – Apportionment and Oversight function. Core firms should not have this function under APR but if they do, it will lapse. Firms should move the individual to a mapped function if the individual is intended to perform an SMF. Refer to 4.15 for how to do this.

⁹ This mapping only applies for EEA Branches. Individuals holding CF29 at other Core firms will not be converted to a Senior Management Function unless approved for a mapped controlled function before Commencement.

Existing approved roles that fall away at SM&CR Commencement

A number of existing functions at Core and Limited Scope firms will not be automatically converted at Commencement of the new regime. This is because these roles will no longer require approval by the FCA. However, some of these roles will fall into the Certification Regime.

These functions are:

- CF2 – Non-Executive Director (NED) (with the exception of an SMF9 – Chair, read 4.5 to 4.7)
- CF10a – CASS Oversight Function
- CF28 – Systems & Controls Function
- CF29 – Significant Management Function (though this can be converted to the new EEA Branch Manager Function for EEA Branches)
- CF30 – Customer Function

Individuals performing these functions **will not be converted** to a new Senior Management Function unless they also hold an existing mapped function, apply for an additional mapped function using Form A, or the firm submits a Form E to transfer them to one of these functions (see paragraph 4.15).

Example: A CF1 – Director becoming SMF1 – Chief Executive at Commencement

This function does not directly correspond in Table 3, so the firm will need to submit a SM&CR Form A to apply for the individual to assume a corresponding function. This application must be approved before the regime starts so that the new approval can start from Commencement, and it is up to firms to submit the application in advance.

People who want to carry out functions in the right hand column of Table 3 need to make sure that they are approved by us for the correct corresponding function in the left hand column if they want to be converted automatically.

4.8 What to do if your current controlled function is not listed

Conversion only applies for the controlled functions and corresponding Senior Management Functions listed in Table 3. For all other controlled functions, regulatory approval will no longer be required and existing approvals will lapse when the new regime begins. These people can become part of the Certification Regime.¹⁰

Core Firms – Executive Chairs

This section only applies to Core firms with Executive Chairs. If your firm has a Non-Executive Chair please refer to paragraphs 4.5 to 4.7.

4.9 In certain sectors, there are firms with Executive Chairs in executive controlled functions, such as a CF1 – Director.

4.10 Under the SM&CR, being an Executive Chair will mean holding an additional controlled function. Where Core firms have an Executive Chair, we propose to automatically convert the executive controlled function (e.g. CF 1 – Director to SMF3 – Executive

¹⁰ There are more details on the Certification Regime in Chapter 5 of CP17/25.



Director) and ask them to complete a Form A to apply for the additional SMF9 – Chair function.

Q3: Do you have any comments on our approach to conversion for Core and Limited Scope firms?

New and in-flight applications (including transfers of existing approved individuals)

This section explains how we propose to deal with applications by Core and Limited Scope firms submitted near to Commencement.

Firms may wish to refer to the summary table at the end of this chapter.

4.11 The Approved Persons Regime will continue to apply in full up until the start of the new regime and we will therefore still deal with applications for these controlled functions right up until Commencement. We set out our approach for new and in-flight applications below. Figure 3 shows different scenarios depending on how firms' business models fit into the new regime.

Summary

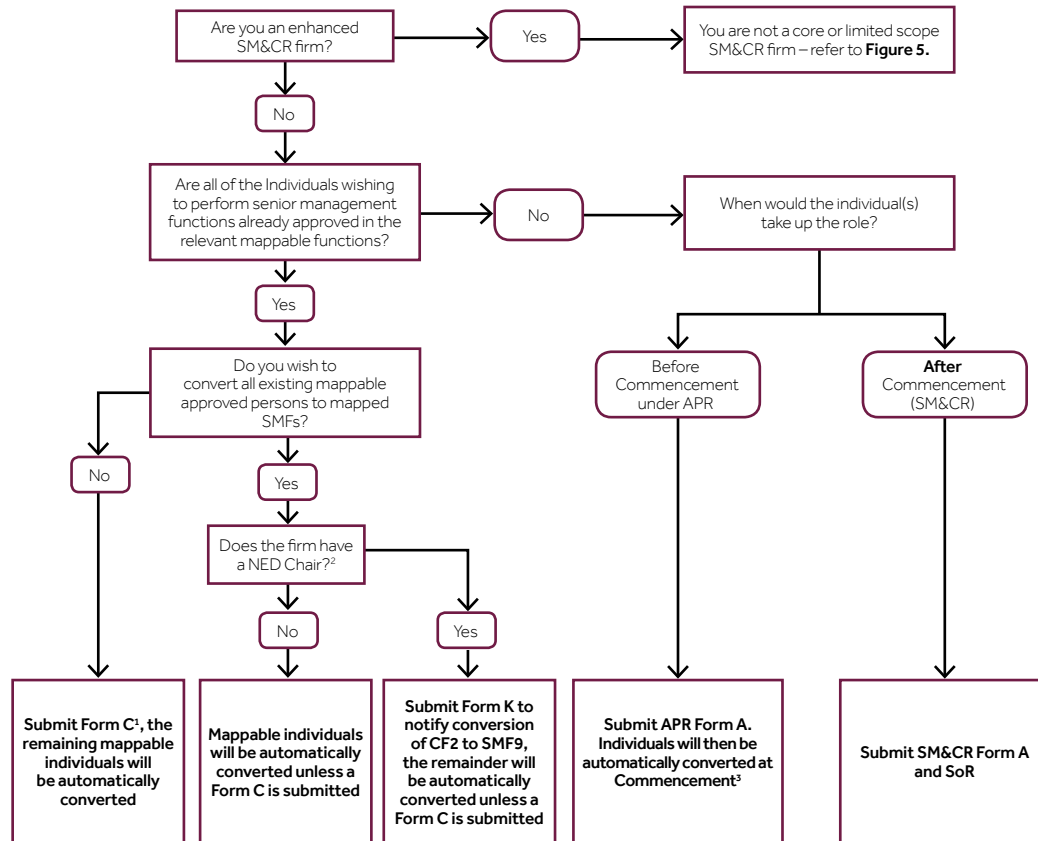
Most Core firms will not need to take any action ahead of conversion, but where firms wish to change their approved individuals, the following principles apply:

- the existing processes for individual applications continue to apply as usual, until the start of the new regime
- the SM&CR application forms will be available for submission before Commencement, but these approvals will only be effective from the start of the new regime
- an APR application submitted, but not determined before the start of the new regime, will be converted to an application for the relevant Senior Management Function at Commencement.

If you do not intend to apply for any new individual approvals, or make any changes to existing ones, then you can read ahead to paragraph 4.21.

Figure 3: Core and Limited Scope firms: what do I need to submit?

The diagram provides a non-exhaustive summary of the most common scenarios explained in this section.



¹Where a function falls away at Commencement, firms do not need to submit a Form C – the individual's approval will lapse at the Commencement date.

²If the firm has an Executive Chair read 4.9 to 4.10.

³If an individual is giving up an existing controlled function under the APR in order to take up a new APR function, a firm may use Form E to apply for this transfer. Read 4.15 for the scenarios in which this may be appropriate.

Example: An individual holding the CF30 – Customer Function who will hold the SMF3 – Executive Director function after Commencement, but not before

If the firm intends for the individual to retain their CF30 approval until Commencement, then an SM&CR Form A is required. The individual's CF30 approval will lapse at the start of the new regime and, as long as the application is approved, the individual will hold the SMF3 function after Commencement.

New approvals to be effective before Commencement

- 4.12** Applications for APR functions before Commencement must be submitted using the APR version of Form A. If not approved ahead of Commencement, they will be converted to an application for the relevant Senior Management Functions once the regime has started.

New approvals to be effective after Commencement

- 4.13** If a firm wants someone not currently approved for an equivalent role to perform a mapped Senior Management Function after Commencement, they will need to use the new SM&CR Form A.

- 4.14** Firms should remember that applications submitted to take effect after Commencement using the SM&CR versions of the forms have to meet the majority



of the SM&CR application requirements, even if submitted for approval prior to Commencement. These include conducting criminal records checks, but will not include regulatory references, as the rules requiring firms to provide these will only come into force at Commencement.

Moving an existing approved individual into a Senior Management Function that does not map from their APR function

4.15 Firms have three options in these circumstances:

- if the individual will perform the APR function until Commencement and both an equivalent SMF and a new function after Commencement, the firm should apply for the new function using the SM&CR Form A. The new function will become effective upon approval of the Form A, or at the start of the new regime, whichever is later.
- if the individual will perform the APR function until Commencement and also take up a new mapped function before Commencement under the existing Approved Persons Regime, the firm should use the APR Form A to apply for the new function. Where the individual is intended to hold only the new function after Commencement (and their existing function is not one which lapses at the start of the new regime), then a Form C should be submitted to cancel the original approval.
- if the individual will stop performing the existing un-mapped function and start performing a new mapped function immediately upon approval, the firm should use an APR Form E to transfer the individual. The individual will then be converted to the appropriate SMF at Commencement.

In-flight applications at Commencement

We will continue to receive applications for new approvals under the current rules right up until Commencement ('new applications').

We will not have made a decision on all applications when the new rules commence, so there will be a number of 'in-flight' applications, ie those that we have received before Commencement, but on which we have not made a decision by the start of the new regime.

4.16 We do not propose to apply the new criminal records checks and regulatory references requirements for in-flight applications, ie where the old APR forms are used, the APR rules apply.

4.17 A firm may not know whether an application will be determined by the FCA prior to Commencement. It will therefore not know whether the application will be subject to automatic conversion. In these circumstances, we propose to adopt the following approach:

- if the application is not approved by the start of the new regime, we intend to automatically convert the application where possible, meaning that an APR application in-flight at Commencement will be converted to be an application for the applicable SMF upon Commencement. In these circumstances, there will be no need for the firm to make a new application for the applicable Senior Management Function.

- request a Form K for CF2 – Non-Executive Director approvals for Core firms where the individual is intended to be the SMF9 – Chair under the new regime. However, even in this scenario, there is no need for the firm to make a new application for the SMF9 role, if the application is not approved before Commencement.

Q4: Do you agree with our approach to new and in-flight applications by Core and Limited Scope firms?

Interim applications for roles which will not be approved under the proposed SM&CR

- 4.18** We plan to only approve Senior Managers, so several roles currently approved under APR – including CF29 – Significant Management Function and CF30 – Customer Function – will move into the Certification Regime.
- 4.19** The Approved Persons Regime will apply until the new regime starts and we know that we'll get applications for these controlled functions until this date.
- 4.20** Firms may wish to plan their recruitment activities during the transitional period accordingly. Any application that will not require approval under the SM&CR and that is not approved prior to the new regime will automatically lapse at the Commencement date. Firms should be clear that if people are actively performing controlled functions, then approval is still required, regardless of how close we are to Commencement.

Summary table – which forms to submit

- 4.21** The table below summarises the forms required in different scenarios, and will help Core and Limited Scope firms to work out which forms (if any) they need. It should not, however, be considered exhaustive.

Table 4: Core and Limited Scope Firms – Applicable forms in various scenarios

Scenario	Action
Summary: Individuals at Core and Limited Scope firms will be automatically converted at Commencement. Other forms may be needed for additional applications, and where the firm has a CF2 – Non-Executive Director planning to hold the SMF9 – Chair function. The main scenarios are outlined below.	
Convert approved individuals to mapped Senior Management Functions.	No action required
An approved individual in a mapped function is not to be converted to the corresponding Senior Management Function (eg where they have resigned).	Submit Form C for that individual
A CF2 – Non-Executive Director is currently also acting as the Chair and wishes to continue in that role under the new regime.	Submit Form K only for the individual to become the Chair.

Scenario	Action
An approved individual is going to give up an existing controlled function that will lapse at the start of the new regime and take up a new convertible controlled function, with the intention that they will be converted to a relevant Senior Management Function. For example, an individual moving from the CF29 – Significant Management Function to the CF1 – Director function in order to hold the SMF3 – Executive Director function under the new regime.	Submit the existing APR Form E.
An approved individual is going to give up an existing controlled function that will lapse at the start of the new regime and take up a new Senior Management Function after Commencement.	Submit the new SM&CR Form A
	Submit a Statement of Responsibilities
Seeking approval for a new individual with immediate effect, so that they can be converted to a mapped Senior Management Function after Commencement.	Submit the existing APR Form A
Seeking approval for a new individual with effect after Commencement.	Submit the SM&CR Form A
	Submit a Statement of Responsibilities
An existing Executive Chair is currently approved to perform the CF1 – Director function and wishes to continue as Executive Chair under the new regime.	Submit the SM&CR Form A for the new SMF9 – Chair function. The existing executive CF held will be automatically converted to a mapped SMF.
	Submit a Statement of Responsibilities
Applying for a new individual to become Executive Chair at the start of the new regime.	Submit the SM&CR Form A for the executive SMF function and SMF9 – Chair functions being applied for.
	Submit a Statement of Responsibilities

Applicant firms

- 4.22** Some firms will apply for authorisation before the new regime starts, but it is likely they will only need to submit Form A (application for approval) for their relevant individuals.

Q5: Do you agree with our approach to Core and Limited Scope applicant firms?

5 Conversion – Enhanced Firms

Who should read this chapter?

This chapter is relevant to Enhanced FCA solo-regulated firms. Core and Limited Scope firms should refer to Chapter 4. For more details on the proposed approach to new applications and applications in-flight at Commencement, refer to 5.23. In the legal instrument in Appendices 1 to 3, Enhanced firms are referred to as 'notifying' firms.

The Senior Managers Regime: conversion

Converting existing approvals

- 5.1** This chapter details the conversion process and how it will apply to Enhanced firms. Check Chapter 1 for firm categorisation.

Enhanced firms will need to submit a Form K conversion notification, Statements of Responsibilities and a Responsibilities Map to convert existing approved individuals to new Senior Management Functions.

Firms should submit an updated Form K where the information submitted changes. Failure to do so may mean problems converting the firm's individuals.

- 5.2** Table 6 shows how we propose to convert people with existing approvals at Enhanced firms. The first column shows existing controlled functions under the Approved Persons regime. The second column shows the new Senior Management Functions into which a person performing the controlled function in column one will be eligible to be converted ('mapped functions').

Figure 4: Enhanced firms: what do I need to submit?

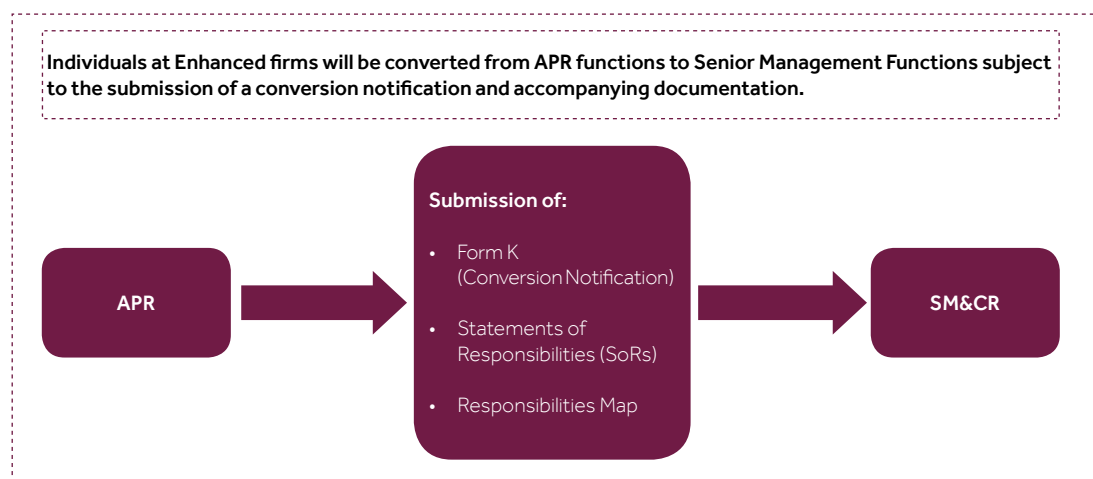


Table 5: Summary of key forms referenced in this chapter

Form reference	Purpose
<p>Later in this chapter we explain how firms can make changes to their approved individuals to prepare for the new regime, if they wish to do so. Firms that do not wish to make any changes will just need to submit Form K, SoRs and a Responsibilities Map for their existing APR functions to be converted to new SM&CR functions.</p> <p>There are two versions of Forms A and E referred to in this chapter – the existing APR versions and the new SM&CR versions. The SM&CR forms will be available for submission before the start of the new regime and we will try to process them before Commencement, as long as they are submitted in good time, but approval of these applications can only be effective from the start of the new regime.¹¹</p> <p>Table 4 summarises the forms relevant in a variety of scenarios and 5.14 to 5.29 explain this in more detail.</p>	
Form A	Application form used to apply for a new controlled function for an individual.
Form C	Application form used to cancel an individual approval.
Form E	Application form used to transfer an approved individual from one controlled function to another.
Form K	Used to notify conversion of mapped individuals.

Conversion mapping for Enhanced firms

In the legal instrument in Appendices 1 to 3, Core and Limited Scope firms are referred to as 'notifying' firms.

- 5.3** Enhanced FCA solo-regulated firms will have to tell us who they want to assign to the new Senior Management Functions, but they will not have to re-apply for approval if the proposed Senior Management Functions can be mapped directly from the Approved Persons Regime. This is the same approach we took when we implemented the SM&CR for banking firms.
- 5.4** There is no need for firms to do extra checks on these individuals when they are converted. Firms are already required to ensure that these individuals are, and continue to be, fit and proper. Again, this is the same approach as we took for the Banking Regime.
- 5.5** Enhanced firms will need to submit:
- Form K, detailing all of the approved persons to be converted to SMFs as at Commencement
 - Statements of Responsibilities (SoRs) for all of the SMFs included in the Form K
 - a Responsibilities Map
 - Forms A and E for new or transferred individuals respectively (see Figure 5)

¹¹ The statutory clock for these applications will technically start at the Commencement date, but we will try to process these before the start of the new regime as long as they are received in good time.

Table 6: Proposed function mapping for Enhanced firms¹²

Current controlled function	Possible corresponding Senior Management Function(s)
CF1 – Director	SMF2 – Chief Finance Officer
	SMF3 – Executive Director
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
	SMF7 – Group Entity Senior Manager
	SMF24 – Chief Operations
CF2 – Non-Executive Director	SMF9 – Chair
	SMF10 – Chair of the Risk Committee
	SMF11 – Chair of the Audit Committee
	SMF12 – Chair of the Remuneration Committee
	SMF13 – Chair of the Nomination Committee
	SMF14 – Senior Independent Director
	SMF7 – Group Entity Senior Manager
CF3 – Chief Executive	SMF1 – Chief Executive
	SMF2 – Chief Finance Officer
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
CF4 – Partner	SMF27 – Partner
	SMF2 – Chief Finance Officer
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
CF5 – Director of Unincorporated Association	SMF3 – Executive Director
	SMF2 – Chief Finance Officer
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
	SMF7 – Group Entity Senior Manager
CF6 – Small Friendly Society Function	SMF3 – Executive Director
	SMF2 – Chief Finance Officer
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
	SMF7 – Group Entity Senior Manager
CF10 – Compliance Oversight	SMF16 – Compliance Oversight
	SMF24 – Chief Operations

¹² Firms should note that the CF30 – Customer Function will no longer be approved under the SM&CR and is therefore not available for conversion mapping. CF30s at Appointed Representatives will be unaffected by these proposed changes, as they remain subject to the APR.

Current controlled function	Possible corresponding Senior Management Function(s)
CF10a – CASS Operational Oversight Function¹³	SMF18 – Other Overall Responsibility
CF11 – Money Laundering Reporting Officer (MLRO)	SMF17 – Money Laundering Reporting Officer (MLRO)
CF28 – Systems and Controls Function	SMF2 – Chief Finance Officer
	SMF4 – Chief Risk Officer
	SMF5 – Head of Internal Audit
CF29 – Significant Management Function	SMF18 – Other Overall Responsibility
	SMF24 – Chief Operations

Dealing with functions that 'roll up' under the Approved Persons Regime

- 5.6** Under the APR, an individual holding a governing function (CFs 1-6) can perform the CF28 – Systems and Controls or the CF29 – Significant Management functions, without needing further FCA approval. This means that an individual may be performing more than one of those functions in Table 6 above, but only be approved for the governing function.
- 5.7** Where an individual holds a governing function and performs one or more of the functions mapping from that governing function, the firm should select all of those relevant convertible functions in Form K.
- 5.8** Where this scenario occurs, firms must ensure that the correct Senior Management Functions are selected, or the individual will not have the correct approvals at Commencement.

Q6: Do you have any comments on our proposed mapping of functions for Enhanced firms?

Enhanced Firms – Executive Chairs

This section applies to Enhanced firms with Executive Chairs only.

- 5.9** Some firms have Executive Chairs and these people hold an executive controlled function, usually as a CF1 – Director.
- 5.10** Under the SM&CR, being an Executive Chair will involve holding an additional controlled function. We propose that these firms add this person to their Form K for the executive function (eg CF1 – Director to SMF3 – Executive Director) and submit an SM&CR Form A to apply for the additional SMF9 – Chair function.
- What to do if your current controlled function is not listed**
- 5.11** Conversion only applies for the controlled functions and corresponding Senior Management Functions listed above. For all other current controlled functions, regulatory approval will not be needed and existing approvals will lapse when the new regime begins.

¹³ If an Enhanced firm elects not to convert an individual performing a CF10a (CASS Oversight) function to SMF18 (Other Overall Responsibility) function, then this individual should be certified under the Certification Regime. The CASS prescribed responsibility should then be allocated to the Senior Manager to whom the individual reports.

Example: Conversion for an Enhanced firm

An individual at an Enhanced firm currently approved as a CF1 – Director will be eligible to be converted on Commencement into the Chief Finance Officer function (SMF2), as long as Form K and accompanying documentation is submitted on time.

Failure to submit a conversion notification

5.12 If an Enhanced firm doesn't submit a conversion notification (Form K), it will be in breach of regulatory requirements. APR approvals will lapse and they will not have any SMR approvals. This means that they will have no-one approved by us and will consequently be in breach of our rules. We will consider what further regulatory action needs to be taken if the firm is unable to rectify the breach, including possible enforcement action. This is consistent with our approach to the implementation of the Banking Regime.

5.13 Firms in this situation would have to re-apply for approval of individuals through the full SM&CR application process, including mandatory criminal records checks and regulatory references.

Q7: Do you have any comments on our approach to conversion for Enhanced firms?

New and in-flight applications (including transfers of existing approved individuals)

This section explains how we propose to deal with the various scenarios that may arise with applications submitted near to Commencement.

Firms may wish to refer to the summary diagram in Figure 5 and the summary table at the end of this chapter.

5.14 The Approved Persons Regime will continue to apply in full up until Commencement and we will therefore still deal with applications for the Approved Persons Regime right up until Commencement. We set out our approach for new and in-flight applications below. Figure 5 shows different scenarios that Enhanced firms may encounter, depending on how their business model fits to the new regime.

Summary

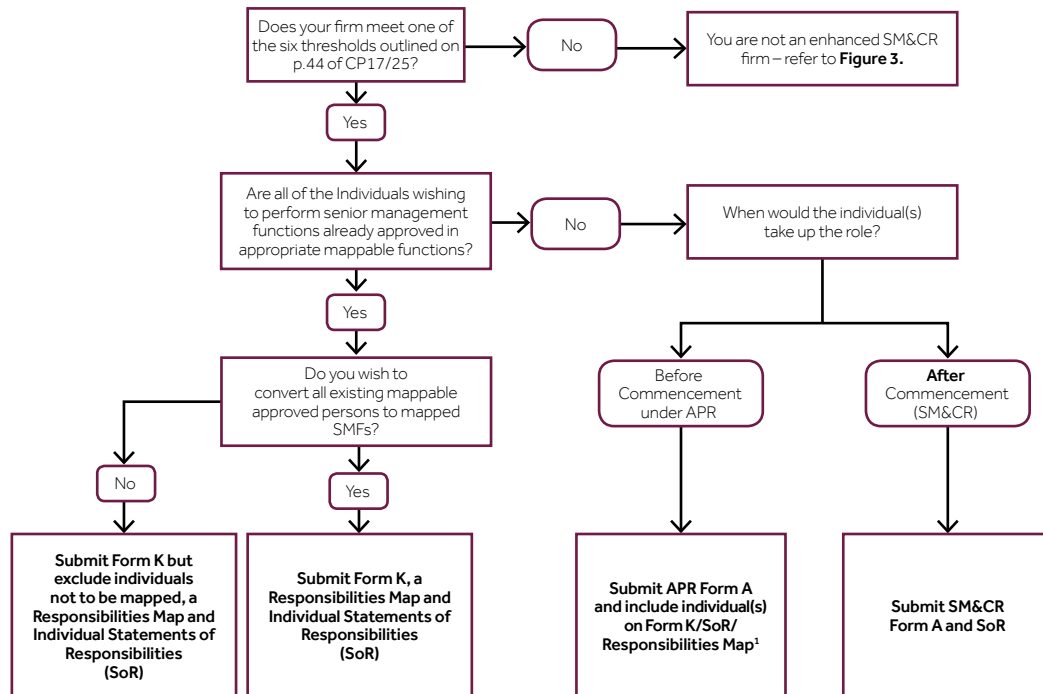
Where Enhanced firms wish to change their approved individuals, the following principles apply:

- the existing processes for individual applications continue to apply as usual, until the start of the new regime. Individuals approved under APR should be included on the firm's Form K if they are to be converted
- the SM&CR application forms will be available for submission before Commencement, but these approvals will only be effective from the start of the new regime
- an APR application submitted, but not determined before the start of the new regime, will be converted to an application for the relevant Senior Management Function at Commencement, as long as it is included on the firm's Form K

If you do not intend to apply for any new individual approvals or make any changes to existing ones, then you can read ahead to paragraph 5.30.

Figure 5: Enhanced firms: what you need to submit

The diagram provides a non-exhaustive summary of the most common scenarios explained in this section.



This decision tree should be used with the CF to SMF mapping table above. It shows firms which forms are required. We will include a cut-off date for notifications to be received in our SM&CR Policy Statement.

Executive Chairs are not covered in this diagram. Please refer to paragraphs 5.9 and 5.10 for what you need to do here.

¹If an individual is giving up an existing controlled function under the APR in order to take up a new APR function, a firm may use Form E to apply for this transfer. Read 5.18 to 5.20 for the scenarios in which this may be appropriate.

Approval for a new function to be effective after Commencement

5.15 Where a firm wants someone to perform a Senior Management Function after Commencement (but not before) and they do not hold a mapped APR function, they will need to submit the new SM&CR Form A.

5.16 However, firms should note that applications submitted to take effect on or after Commencement (using the SM&CR versions of the forms) come under the majority of the SM&CR application requirements, even if submitted before the start of the new regime. This includes criminal records checks but will not include regulatory references, as the rules requiring firms to provide these will only come into force at Commencement.

Seeking approval for a new function to be effective before Commencement

5.17 If a firm applies for an individual to take up a function under APR, before Commencement, and this function is intended to be converted to a new Senior Management Function, this needs to be submitted using the APR version of Form A and the individual should be included in the firm's Form K. If not approved ahead of Commencement, the application for approval will be converted to an application for the mapped Senior Management Function upon Commencement.

Moving an existing approved individual into a Senior Management Function that does not map from their APR function

5.18 Where an individual is proposed to give up an existing function that cannot be mapped appropriately according to Table 6 above and take up a new mapped function before the start of the new regime, firms must submit a transfer application using APR Form

E and add the individual to their Form K. We will reject applications to map an individual to a non-mapped Senior Management Function using Form K alone.

5.19 If the individual will continue to hold their existing APR function until Commencement and also take up the new mapped function prior to Commencement, then Form A should be used instead of Form E (read 5.17).

5.20 Form E submissions will be processed as follows:

- we will endeavour to determine these applications before the new regime starts. Form E applications submitted alongside Form K before the cut-off date should be submitted using the existing APR version of the form.
- if a Form E application is submitted but is not approved by Commencement, the application will be converted into an application for the new SMF at the start of the new regime.

Moving a lapsing approved individual into a Senior Management Function role that starts after Commencement

5.21 Where an approved individual holding a function that lapses at Commencement will perform a Senior Management Function after Commencement, the firm has two options:

- If the individual will perform the existing function until Commencement and a new function after Commencement, the firm should apply for the new role using the SM&CR Form A and submit a SoR. The existing function will lapse at Commencement and the new function become effective upon approval of the new Form A.
- If the individual will perform the existing function until Commencement and also take up a new mappable function before Commencement, the firm should use the APR Form A and include the individual on the submitted Form K.

5.22 The next section sets out the proposed approach to applications which have not been approved by Commencement.

In-flight applications at Commencement

We will keep getting applications for new approvals under the current rules right up until Commencement ('new applications').

We won't have made a decision on all applications when the new rules commence, so there will be a number of 'in-flight' applications, ie those that we have received before Commencement, but on which we have not yet made a decision by the start of the new regime.

5.23 We don't plan to apply the new criminal records checks and regulatory references requirements for in-flight applications – where the old APR forms are used, the APR rules apply.

5.24 Firms might not know if we will have determined applications before the new regime starts, which means not knowing if the application will be subject to conversion. A firm

that has applied under the APR for a convertible function should include details of that application and intended conversion in its Form K.

- 5.25** If the application is not approved before the start of the new regime, we propose to convert the application, where possible, into an application for the corresponding Senior Management Function in accordance with the firm's Form K. In this scenario, there is no need for the firm to make a new application for the relevant Senior Management Function.
- 5.26** For example, if a firm applies for approval for someone to perform the CF1 – Director function, that application would be converted to an application for the SMF3 – Executive Director function if the application is not approved before the start of the new regime (as long as the application has been included in the firm's Form K).

Q8: Do you agree with our approach to new and in-flight applications by Enhanced firms?

Interim applications for roles which will not be approved under the proposed SM&CR

- 5.27** In CP17/25, under the SM&CR, we said that we plan to only approve Senior Managers. This means that a number of roles that are currently approved under APR will fall into the Certification Regime when the new regime starts (and will not require FCA approval). These are the CF10a – CASS Oversight Function, CF28 – Systems & Controls Function, CF29 – Significant Management Function and CF30 – Customer Function. This is the same approach that we took for banking firms.
- 5.28** The Approved Persons Regime will apply until the new regime starts and we know we'll get applications for these controlled functions until this date.
- 5.29** Firms may wish to plan their recruitment activities during the period between the publication of final rules and Commencement accordingly. Any application for approval of a role that will not require approval under the SM&CR not approved prior to Commencement will automatically lapse at the Commencement date. Firms should be clear though that if people are actively performing controlled functions, then approval is required, regardless of how close we are to Commencement.

Summary table – which forms to submit

- 5.30** The table below summarises the forms required in different scenarios, and will help Enhanced firms to work out which forms (if any) they need. It should not, however, be considered exhaustive.

Table 7: Enhanced Firms – Applicable forms in various scenarios

Scenario	Action
Summary: Enhanced firms will need to submit a conversion notification (Form K), Statements of Responsibilities (SoR) for their proposed Senior Managers, and a Responsibilities Map. Other forms may be needed if they make additional applications. Possible scenarios are outlined below.	
Convert approved individuals to mapped Senior Management Functions.	Form K – Conversion Notification
	Statements of Responsibilities
	Include the individual on the firm's Responsibilities Map
An approved individual in a mapped function is not to be converted to the corresponding Senior Management Function (eg where they have resigned)	Do not include the individual on Form K – Conversion Notification or Responsibilities Map
	No SoR required
	If the individual leaves the role before the start of the new regime, then an APR Form C should be submitted
An approved individual is going to give up an existing controlled function that will lapse at the start of the new regime and take up a new convertible controlled function, with the intention that they will be converted to a relevant Senior Management Function. For example, an individual moving from the CF29 – Significant Management Function to the CF1 – Director function in order to hold the SMF3 – Executive Director function under the new regime.	Submit the existing APR Form E
	Include the individual on Form K
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map
An approved individual is going to give up an existing controlled function that will lapse at the start of the new regime and take up a new Senior Management Function after Commencement. ¹⁴	Submit the new SM&CR Form A
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map
Seeking approval for a new individual with immediate effect, with the intention that they will be converted to a relevant Senior Management Function after Commencement.	Submit the existing APR Form A
	Include the individual on Form K
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map
Seeking approval for a new individual with effect after Commencement.	Submit the SM&CR Form A
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map
An existing Executive Chair is currently approved to perform the CF1 – Director function and wishes to continue as Executive Chair under the new regime.	Submit the SM&CR Form A
	Include the individual on Form K for their existing function only, ie not for the SMF9 – Chair function
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map

Scenario	Action
Applying for a new individual to become Executive Chair at the start of the new regime.	Submit the SM&CR Form A for the executive SMF function and SMF9 – Chair functions being applied for
	Submit a Statement of Responsibilities
	Include the individual on the firm's Responsibilities Map

- 5.31** Firms should submit a revised Form K where they wish to make changes to the conversions proposed in their initial Form K. This may happen, for example, where the firm hires a new approved individual in a convertible role before the new regime starts or where a firm has submitted a Form C to cancel an individual's approval since the submission of the firm's first Form K.

Applicant Firms

- 5.32** Some firms will apply for authorisation before the new regime starts, but it is likely they will only need to submit Form A (application for approval) for their relevant staff.
- 5.33** If the firm is to be an Enhanced firm and if the application is submitted prior to Commencement, it should also submit a Form K in line with the requirements for authorised Enhanced firms.

Q9: Do you agree with our approach to Enhanced applicant firms?

14 Such an individual must have an existing approval after Commencement. If the individual was not converted at Commencement, then a new application (Form A) must be submitted.

6 Forms

Who should read this chapter

All FCA solo-regulated firms need to read this chapter. Some of it may be of interest to Appointed Representatives and to banking firms as it lists new and amended forms for conversion notifications and applications under the new regime. Copies of the forms are in Appendices 1 and 3.

Introduction

- 6.1** This chapter sets out the new forms as well as updates to existing forms and explains how they will be used. Please refer to figures 3 and 5 in chapters 4 and 5 to see which forms you need to complete.

Simplification

- 6.2** The new and amended forms have been simplified and combined where possible to make things easier for firms. They can be submitted via our Connect system.
- 6.3** A summary of the forms and their proposed use within the Senior Managers and Certification Regime can be found in SUP 10C Annex 2G of the legal instrument that accompanied CP17/25.

Changes to forms for Appointed Representatives

- 6.4** We have moved the APR application sections for Appointed Representatives into these new versions to reduce the number of forms.
- 6.5** The existing APR forms will no longer be valid when the new regime starts. We will not be able to accept them and firms will need to use the new forms instead.

New forms for solo-regulated firms

- 6.6** There will be new versions of forms for solo-regulated firms, reflecting the new statutory and regulatory requirements of the Senior Managers and Certification Regime. These forms and the relevant significant changes are set out in the table below.

Table 8: List of amended/amalgamated forms for FCA solo-regulated firms

Form Name	Affected Firms	Purpose/Changes
Form A (Long) – Application to perform controlled functions including Senior Management Functions	All	An application for an individual to perform a specified Senior Management Function (or, for Appointed Representatives only, controlled function) at the firm(s). Changes: <i>consolidation of multiple APR forms into a single SM&CR Form A for solo-regulated firms. Addition of a new section for ARs to reflect the differing regimes.</i>
Form A (Short) ¹⁵ – Application to perform controlled functions including Senior Management Functions	All	An application for an individual to perform a specified Senior Management Function (or, for Appointed Representatives only, controlled function) at the firm(s). Changes: <i>consolidation of multiple APR forms into a single SM&CR Form A for solo-regulated firms. Addition of a new section for ARs to reflect the differing regimes.</i>
Form D – Changes to personal information/ application details and conduct breaches/disciplinary action related to conduct	All	Used to notify the FCA of Conduct Rule breaches by Senior Managers, disciplinary action taken against Senior Managers and changes to personal information. Changes: <i>Changes to language to reflect the extension of the SM&CR to solo-regulated firms.</i>
Form E – Internal transfer of a person performing a controlled function for solo-regulated firms	All	An application for an individual to change the approved function being performed. See Chapter 4 for more information. Changes: <i>Minor consequential text changes (eg replacing APR with SM&CR). Addition of a new section for ARs to reflect the differing regimes.</i>
Form I – Application for the Variation of a Conditional Approval for the performance of a Senior Management Function	All	An application for changes to the conditions associated with a conditional approval to perform a Senior Management Function. Changes: <i>Changes to language to reflect the extension of the SM&CR to solo-regulated firms.</i>

15 A 'short' Form A can generally be used where:

- a) a currently approved individual is applying for an additional controlled function at the same firm
- b) an individual has stopped holding a controlled function at one firm and now needs approval to perform a controlled function at another firm within six months
- c) an individual is applying to hold a controlled function and is already approved for a corresponding controlled function in the same group of functions (ie governing and/or required functions).

Form Name	Affected Firms	Purpose/Changes
Form J – Notification of Significant Changes in Responsibilities of a Senior Management Function Manager	All	<p>A notification submitted to inform the FCA of significant changes to a Senior Manager's Statement of Responsibilities.</p> <p>Changes: <i>Changes to language to reflect the extension of the SM&CR to solo-regulated firms.</i></p>
Form K – Conversion Notification Form – FCA solo-regulated firms	Enhanced, Core on an exceptions basis ¹⁶	<p>An application to convert the firm's approved individuals from the Approved Persons regime to new functions under the SM&CR. This can also be used to submit updates to a previous Form K.</p> <p>Changes: <i>A new version of Form K to facilitate the transfer of individuals from the APR to the SM&CR.</i></p>
REP008 – Notification of Conduct Rule Breaches and Disciplinary Action	All	<p>Used to notify the FCA of Conduct Rule breaches by Certification and Conduct Rules Staff (but not SMFs), or to submit a nil return. See 6.12 for more details.</p> <p>Changes: <i>Changes to language and explanatory text. Addition of a question asking which Significant Harm Function is held where a breach by a certified staff member is being reported. Addition of a field requesting information on the Conduct Rule that was breached.</i></p>
Statement of Responsibilities for solo-regulated SMCR firms	All	<p>A firm must use this template to create a Senior Manager's Statement of Responsibilities. At approval it should be attached to a Form A, Form E or Form K submission.</p> <p>A firm must also use this template when preparing an updated SoR and it should be attached to a Form I (application for the variation of a conditional approval) or Form J (notification of a significant change to a SoR) application.</p> <p>Changes: <i>Changes to language to reflect the extension of the SM&CR to solo-regulated firms.</i></p>

6.7 We have also made minor changes to forms B and C¹⁷, which are effective from the start of the extended SM&CR for insurers. This means that they will be in force before the start of the new regime and can be used while the APR is still in force.

¹⁶ Please refer to Chapters 4 and 5 for more information on Form K and Statements of Responsibilities. Enhanced firms will be required to submit a Form K setting out the allocation of Senior Management Functions proposed at Commencement. A Core firm may need to submit a Form K where they wish to allocate a CF2 – Non-Executive Director to the SMF9 – Chair role.

¹⁷ Form B is used to notify the FCA of the intention to withdraw an application for an individual to perform a controlled function, while Form C is used to notify the FCA that an individual has ceased to perform a controlled function.

Q10: Do you have any comments on our proposed changes to forms?

Amendments to Fitness and Propriety Questions

- 6.8** The FCA and PRA have worked together to revise the Fitness and Propriety questions that are repeated in several solo and dual-regulated forms.
- 6.9** These amendments include changes to the Civil Proceedings, Regulatory Matters and Business and Employment Matters sections. This will improve clarity and reduce the range of questions to strike the correct balance between the information the FCA needs and proportionate requirements for firms. There is a summary of the changes below.

Table 9: List of proposed amendments to Fitness and Propriety questions

Form Section	Specific Reference	Explanation of Change
Civil Proceedings	5.02.3(c)	This question asks whether the candidate is aware of any potential or current proceedings that may lead to a County Court Judgment (CCJ) or judgment debt against them. We propose to delete (c) and the reference to claims over £1000.
Civil Proceedings	5.02.8	We plan to add text to include whether the candidate has ever been found by a judge or tribunal to have lied under oath and/or that their evidence was to be disbelieved.
Civil Proceedings	5.02.10	We propose to add a 10 year time limit to the period in which an individual has to declare if a firm in which the individual has held a position of influence has been: <ul style="list-style-type: none"> • adjudged by a court to be civilly liable for any fraud, malfeasance, wrongful trading or other misconduct • the subject of a judgement debt or award against the firm • party to any other civil proceedings which resulted in an order against the firm other than above.
Business and Employment Matters	5.03.4	We propose to add a new question asking whether the candidate has ever participated in arbitration proceedings.

Q11: Do you have any feedback on our proposed amendments to the Fitness & Propriety questions?

Changes to 'Application for Authorisation' and Variation of Permission Forms

- 6.10** We have updated all of the 'Application for Authorisation' and Variation of Permission forms.
- 6.11** These changes include the removal of some obsolete sections previously used for the calculation of regulatory fees, eg reference to the number of CF30s at a firm. These technical changes do not affect how we calculate fees or levies and are purely administrative.

REP008– Notification of Conduct Rule Breaches

- 6.12** In CP17/25, we proposed the application of Conduct Rules breach notification and reporting requirements to firms in scope of the extended SM&CR. The rules and guidance associated with these proposals are in SUP 15.11 of the legal instrument for that consultation paper.
- 6.13** REP008 (submitted using GABRIEL) is currently used by most firms subject to the Banking Regime to notify the FCA and PRA where they have taken disciplinary action because of a breach of the Conduct Rules by certified staff and other Conduct Rules staff, but not SMFs. This must be submitted annually in October, for the year 1 September to 31 August.
- 6.14** We plan to extend the use of this form to all solo-regulated firms and are proposing consequential changes to reflect this extension.

REP008 is submitted on GABRIEL and is used to notify breaches of the Conduct Rules and disciplinary action taken against certified staff and Conduct Rules staff.

- 6.15** Conduct Rules breaches and disciplinary action relating to SMF holders should not be reported via this form. Form D (Changes to personal information/ application details and conduct breaches/disciplinary action related to conduct) should be used instead. Where a Conduct Rules breach results in dismissal, the firm may use Form C and will not need to submit Form D as well.

Application of REP008 and the Late Returns Fee

- 6.16** We also want firms to confirm that their staff have not breached any Conduct Rules. The submission of a confirmation (in the form of a nil return) will be made as easy as possible on GABRIEL and provides certainty about whether a firm has any breaches to report. We can then assess how effective the regime is and spot trends in misconduct across the industry.
- 6.17** The FCA incurs costs when firms do not submit REP008. These are associated with chasing submission of this information. Because of this, we propose to apply the Late Returns Fee (SUP 16.3.14R of our Handbook) when this form is late or not submitted. This aligns the return with the remainder of our regulatory reporting requirements, to which this rule already applies.



6.18 Both of these changes will also apply to firms subject to the Banking Regime but will not apply to Credit Unions, which can submit Conduct Rules Breaches using Form H.

Q12: Do you have any comments on our proposal to extend the use of REP008 to all SM&CR firms?

Q13: Do you have any comments on our proposal to require a nil return to be submitted where no Conduct Rules breaches have occurred, and to apply the late returns fee to late or non-submitters of REP008?

7 Consequentials

Who should read this chapter

This chapter sets out consequential amendments to the FCA Handbook. It is relevant to all FCA solo-regulated firms and Appointed Representatives but does not require any additional action by firms.

Introduction

- 7.1** The FCA has considered additional amendments to existing rules and guidance because of the Bank of England and Financial Services Act 2016 and the proposals set out in CP17/25.
- 7.2** These are minor and technical amendments, but they clarify the application of certain rules and guidance to firms, and ensure that rules and guidance for non-relevant firms are also appropriately amended.
- 7.3** Consequential changes to forms are set out in the previous chapter.

Summary of consequential amendments

Maintaining SUP 10A and APER for Appointed Representatives

- 7.4** The Bank of England and Financial Services Act 2016 does not give us the power to extend the SM&CR to ARs. Because of this, our consequential amendments reflect the retention of SUP 10A and elements of APER.
- 7.5** The relevant Governing Functions and Customer Function (CF30) will be retained for Appointed Representatives. For all other firms, APER will no longer apply and will be replaced by the requirements in COCON and SUP 10C.
- 7.6** When designing the new forms for the SM&CR, we combined the Appointed Representatives application forms with the new SM&CR versions of the forms. The existing APR versions of the forms will be invalid when the new regime starts.
- 7.7** We have also added, in SUP 10C Annex 1, some extra text to clarify the status of limited permission consumer credit firms that are also ARs.
- 7.8** Principal firms remain responsible for the oversight and conduct of their Appointed Representatives and come under the SM&CR.



Limited Permission Consumer Credit firms that are also ARs

Limited permission consumer credit firms that are also ARs for other business are authorised firms and therefore subject to the SM&CR. These firms have a particular status – they are authorised and exempt at the same time. What this means is that these firms will be part of the Limited Scope regime but their employees who are also approved as extra governing functions due to their AR business will also be converted to the relevant SMF. This avoids the firm being subject to both the SM&CR and APR.

Amendments to the Glossary

7.9 We have proposed a number of amendments to the Glossary:

- updates to Handbook references
- clarifying existing definitions
- adjustments the titles of some Senior Management Functions (refer to 7.11 for some examples)
- deletions definitions which are no longer needed

The extension of the SM&CR to solo-regulated firms

7.10 We have proposed amendments to SUP 10C that reflect the extension of the SM&CR to FCA solo-regulated firms. These include replacing references to 'relevant authorised persons' with 'SMCR firm'.

Gender-neutral language

7.11 With the PRA, we plan to introduce gender-neutral language to the titles of the SM&CR functions. This will affect roles that include the word 'Chairman', which we propose to amend to 'Chair'. Specifically, the relevant roles are:

- SMF9 – Chair of the Governing Body
- SMF10 – Chair of the Risk Committee
- SMF11 – Chair of the Audit Committee
- SMF12 – Chair of the Remuneration Committee
- SMF13 – Chair of the Nominations Committee

Amendments to the Enforcement Guide (EG) and Decision Procedure and Penalties Manual (DEPP)

7.12 The legal instrument that goes with this consultation paper contains changes to the Enforcement Guide (EG) and the Decision Procedure and Penalties Manual (DEPP). These changes largely reflect amendments to the Glossary.

Extra guidance on SMF24 – Chief Operations function

7.13 We have proposed extra guidance for SUP 10C to clarify our expectations of the areas of responsibility that we would expect to be relevant to the SMF24 – Chief Operations function. This guidance more closely aligns the role with the current SMF24 for banks and insurers, and includes responsibility for areas such as:

- Business continuity
- Cybersecurity
- Information technology
- Internal operations
- Operational continuity, resilience and strategy
- Outsourcing, procurement and vendor management
- Shared services

7.14 We have also included these areas in the table in Annex 1 in SYSC 25 of the legal instrument, which gives examples of the business activities and functions that a firm can use to help it prepare its Management Responsibilities Map. It can also be used to help a firm to allocate responsibilities under the overall responsibility rules in chapter 26 of SYSC.

Q14: Do you have any comments on our proposed consequential amendments?

Notes for reading the Legal Instrument

7.15 Readers will find three documents in these appendices:

- A first draft instrument that sets out the rules and Handbook forms for conversion, transitional provisions, consequential amendments to the Handbook and amendments to the text consulted on in CP17/25 in July. The dates should be considered placeholders until we confirm them in our Policy Statement next year
- A second draft instrument, that shows how the July draft instrument will be adjusted to provide for the staggered Commencement dates being proposed in this CP. Where we propose a permanent amendment to the July instrument, we have only included this in the first draft instrument referred to above
- A schedule of other forms which are being amended as a result of the extended SM&CR



Changes to the text of the legal instrument in CP17/25

7.16 We have made a small number of additional permanent changes to the legal instrument that accompanied CP17/25. These are set out in the first draft instrument accompanying this CP and include:

- amendments dealing with consumer credit firms with a limited permission (read paragraph 7.7)
- clarification of which Senior Management Functions apply to Limited Scope firms.

8 Changes affecting Banking Firms

Who should read this chapter

This chapter affects Banks, Building Societies, Credit Unions and PRA-designated Investment Firms ('banking firms'). Changes for Insurers are in CP17/41.

New Prescribed Responsibility for Conduct Rules

- 8.1** This section sets out how, and when, we will implement the new Prescribed Responsibility for training staff in the Conduct Rules, as explained in chapters 4 and 10 of CP17/25.
- 8.2** The new Prescribed Responsibility means firms have to allocate responsibility to a Senior Manager, who must ensure that the firm meets its obligations under the Conduct Rules. More specifically, these include the requirement to ensure that relevant staff are trained on the Conduct Rules. Staff must understand how the Conduct Rules apply to their role, and the Senior Manager must ensure that the notification and reporting requirements are met.
- Implementation for banking firms**
- 8.3** This Prescribed Responsibility applies to all firms under the proposed extension of the SM&CR. We also propose to implement this new requirement for banking firms before the Commencement of the extended SM&CR. This is because the change is incremental – the wider regime, including the Conduct Rules requirements, is already in place for these firms. The relevant legal text dealing with the implementation of this Prescribed Responsibility can be found in the second draft instrument accompanying this CP (read paragraph 7.16).
- 8.4** The allocation of the additional Prescribed Responsibility will require the amendment of existing Statements of Responsibilities. We plan to achieve this using Form J – 'Significant changes to an approved person's responsibilities', through the existing channels. Firms should also update their Responsibilities Maps.

The new Prescribed Responsibility requires firms to allocate responsibility for 'performance by the firm of its obligations in respect of notifications and training of the Conduct Rules.'

Q15: Do you agree with our proposal to implement the new Conduct Rules prescribed responsibility for firms subject to the Banking Regime ahead of the Commencement of the extended SM&CR?



Application of the Late Returns Fee for REP008

- 8.5** If firms do not submit REP008, we incur costs associated with chasing submission of this information. For this reason we propose to apply the Late Returns Fee (SUP 16.3.14R of our Handbook) to all firms where this form is submitted late or not submitted. This aligns the return with the remainder of our regulatory reporting requirements, to which this rule already applies. This fee will not apply to Credit Unions.

Q16: Do you have any comments on our proposal to apply the late returns fee to late or non-submitters of REP008?

Annex 1

Questions in this paper

- Q1:** Do you have any comments on our proposed transitional arrangements?
- Q2:** Do you have any comments on our proposed mapping of functions for Core and Limited Scope firms?
- Q3:** Do you have any comments on our approach to conversion for Core and Limited Scope firms?
- Q4:** Do you agree with our approach to new and in-flight applications by Core and Limited Scope firms?
- Q5:** Do you agree with our approach to Core and Limited Scope applicant firms?
- Q6:** Do you have any comments on our proposed mapping of functions for Enhanced firms?
- Q7:** Do you have any comments on our approach to conversion for Enhanced firms?
- Q8:** Do you agree with our approach to new and in-flight applications by Enhanced firms?
- Q9:** Do you agree with our approach to Enhanced applicant firms?
- Q10:** Do you have any comments on our proposed changes to forms?
- Q11:** Do you have any feedback on our proposed amendments to the Fitness & Propriety questions?
- Q12:** Do you have any comments on our proposal to extend the use of REP008 to all SM&CR firms?
- Q13:** Do you have any comments on our proposal to require a nil return to be submitted where no Conduct Rules breaches have occurred, and to apply the late returns fee to late or non-submitters of REP008?
- Q14:** Do you have any comments on our proposed consequential amendments?



- Q15:** Do you agree with our proposal to implement the new Conduct Rules prescribed responsibility for firms subject to the Banking Regime ahead of the Commencement of the extended SM&CR?
- Q16:** Do you have any comments on our proposal to apply the late returns fee to late or non-submitters of REP008?

Annex 2

Cost benefit analysis

Introduction

1. FSMA, as amended by the Financial Services Act 2012, requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules. This is defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.
2. The changes to rules and guidance that we have proposed in this paper cover how we will transition people from the Approved Persons Regime to the proposed Senior Managers & Certification Regime set out in CP17/25.
3. In CP17/25, we proposed a proportionate three-tier regime, categorising firms as Limited Scope, Core or Enhanced. See Chapter 4 for more on categorisation.

Assessment

Limited Scope and Core firms

4. We think our proposed approach to moving Limited Scope and Core firms from APR to the SM&CR incurs costs of minimal significance. This is because firms will not have to contact the FCA directly to convert individuals. If exceptions are involved, this might be different -see chapters 4 and 5.
5. If firms do need to submit conversion documentation, we do not believe that the associated costs over and above those incurred for the main proposals are likely to be material.

Enhanced firms

6. Any costs incurred by Enhanced firms will be for completing and submitting the documents required under our proposals in CP17/25. These were explained in the CBA¹⁸ that accompanied that CP. Additional costs over and above those previously assessed (captured in the one-off costs in the CBA) are also likely to be of minimal significance.

Conclusion

7. For the reasons above, we consider that the costs incurred in implementing these proposals do not affect the estimates of costs and benefits in the CBA published in July and we do not therefore need to adjust that CBA.

18 www.fca.org.uk/publication/research/cba-extension-senior-managers-certification-regime.pdf



Annex 3

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with the legal requirements for the proposals in this consultation, including an explanation of why we think that our proposals in this consultation are compatible with requirements under the Financial Services and Markets Act 2000 (FSMA).
2. When consulting on new rules, we are required by section 138I(2)(d) FSMA to include an explanation of why we believe the rules are (a) compatible with our general duty, under s. 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with our strategic objective and advances one or more of our operational objectives, and (b) our general duty under s. 1B(5)(a) FSMA to have regard to the regulatory principles in s. 3B FSMA. We are also required by s. 138K(2) FSMA to give our opinion on whether the proposed rules will have a significantly different impact on mutual societies, compared with other authorised persons.
3. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (s. 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.
4. See section 2.18 for an assessment of the equality and diversion implications of these proposals.
5. We have considered the recommendations made by the Treasury under s. 1JA FSMA about aspects of the economic policy of Her Majesty's Government to which we should have regard in connection with our general duties, and this Annex explains how we have done this.
6. The FCA, under the Legislative and Regulatory Reform Act 2006 (LRRRA) is required to consider a number of high-level 'Principles' when exercising some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with the regulatory requirements under the LRRRA.

The FCA's objectives and regulatory principles: Compatibility statement

7. The proposals in this consultation support the move to the Senior Managers & Certification Regime and will advance our operational objective of securing an appropriate degree of protection for consumers and ensuring market integrity.

They are also relevant to our operational objective of ensuring that markets function well. They will help clarify the lines of responsibility at the top of firms and help regulators hold people in such firms to account. This will, over time, reduce harm and instil a culture of personal accountability across financial services.

8. When preparing the proposals, the FCA has considered the regulatory principles set out in s. 3B FSMA.

The need to use our resources in the most efficient and economic way

9. Our proposals are designed to be as proportionate as possible and most firms will need to take no action in order to be transitioned to the SM&CR. This means that our active engagement will be focused on a smaller number of firms, ensuring that we use our resources in the most efficient way possible.

The principle that a burden or restriction should be proportionate to the benefits

10. Our proposals seek to transition firms and individuals to the new regime as efficiently as possible. The automatic conversion of the majority of individuals at Core and Limited Scope firms keeps the burden on firms to a minimum. We therefore believe that the proposals in this Consultation Paper are proportionate to the benefits.

The desirability of sustainable growth in the UK economy in the medium or long term

11. These proposals support the proposals made in CP17/25, which are intended to have a positive impact on firms' behaviour and culture, creating greater sustainability of any market growth.

The general principle that consumers should take responsibility for their decisions

12. The proposals concern the practicalities of moving to the extended regime proposed in CPs 17/25. Consumers do not have any influence over this.

The responsibilities of senior management

13. One of the main objectives of the proposals in CP17/25 was to make sure that Senior Managers understand their responsibilities and can be held to account for the performance of those responsibilities. These proposals provide for the transition to the new regime and therefore support the move to increased senior management responsibility.

The desirability of recognising differences in the nature and objectives of business carried out by different persons, including mutual societies and other kinds of business organisations

14. We believe our proposals do not undermine this principle and in applying them proportionally we believe that we have recognised the variety of firms affected. In considering applying the SM&CR to all firms, we have looked at the impact on smaller firms and those with limited permissions. Because of this we propose to automatically convert most approved individuals at Core and Limited Scope firms. The rules apply equally to mutual societies.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information

15. We will monitor compliance with the rules. We can do this from the information that firms give us (e.g. under existing requirements in SUP 15, Principle 11 or the new obligation to inform the regulators about disciplinary action arising out of breaches) or by a supervisory visit (e.g. the operation of the Certification Regime).



We do not plan to change our current policy of not publishing this information, but will consider each firm's circumstances on a case by case basis, or as part of any enforcement investigation.

The principle that we should exercise our functions as transparently as possible

16. During the pre-consultation stage, we spoke to stakeholders about our proposals and we will carry on speaking to them to get industry and consumer feedback during the consultation process.

Duty to have regard to the importance of taking action intended to minimise the extent to which business may be used for financial crime

17. It is very important to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s. 1B(5)(b) FSMA). Our proposals address the risk of financial crime through transitioning the existing CF 11-MLRO function to the new SMF17-MLRO.

Expected effect on mutual societies

18. We do not think that our proposals will affect mutual societies more than other firms.

Compatibility with the duty to promote effective competition in the interests of consumers

19. The proposals in this CP do not directly impact on competition in the interests of consumers.

Equality and diversity

20. We are required under the Equality Act 2010 to 'have due regard' to the need to eliminate discrimination and to promote equality of opportunity in carrying out our policies, services and functions. We conduct an equality impact assessment to consider the equality and diversity implications of any new policy proposals.
21. The outcome of the assessment in this case is stated in paragraphs 2.17 to 2.19 of the Consultation Paper.

Legislative and Regulatory Reform Act 2006 (LRR)

22. We have considered the principles in the LRR for the proposals that consist of general policies, principles or guidance and think that they will help firms understand and meet the regulatory requirements associated with the SM&CR more easily, leading to better outcomes for consumers and market integrity. We also believe the proposals are proportionate and take account of the variety of firms covered.

- 23.** We have had considered the Regulators' Code for the parts of the proposals that consist of general policies, principles or guidance and believe that the proposals are proportionate and give effect to the proposals set out in CP17/25 without creating an unnecessary burden on firms or adversely affecting competition.

Treasury recommendations about economic policy

- 24.** These are the most relevant Treasury recommendations to our proposals:
- the government's economic policy – "continuing to strengthen the financial system, improving the regulatory framework to reduce risks to the taxpayer and building resilience, so that it can provide finance and financial services to the real economy and realise better outcomes for consumers, supporting sustainable economic growth and encouraging productive investment."
 - aspects of the government's economic policy that relate to Growth, Better outcome for consumers and Competition.
- 25.** One of our main aims is to make sure that Senior Managers are clear about their responsibilities and are held accountable for their performance of these responsibilities. There are also specific conduct standards that will apply to Senior Managers and financial services staff. Our proposals aim to raise conduct standards and improve culture, with a positive impact on the financial system overall.
- 26.** We believe that our proposals do not undermine the Treasury's Competition recommendations. We have looked at the risk of weakening competitive pressure, putting smaller firms and potential new entrants at a disadvantage and specifically tailored our proposals to reflect how business models differ between firms.

Annex 4

Abbreviations in this document

AIF	Alternative Investment Fund
APER	Statements of Principle and Code of Practice for Approved Persons (Handbook)
APR	Approved Persons Regime
AR	Appointed Representative
Banking firms	Banks, Building Societies, Credit Unions and PRA-Designated Investment Firms
CBA	Cost Benefit Analysis
COCON	Conduct Rules (Handbook)
CP	Consultation Paper
DEPP	Decision Procedure and Penalties Manual (Handbook)
EEA	European Economic Area
EG	Enforcement Guide (Handbook)
EU	European Union
FCA	Financial Conduct Authority
FIT	The Fit and Proper Test for Approved Persons (Handbook)
FSMA	Financial Services and Markets Act 2000
MLRO	Money Laundering Reporting Officer
NED	Non-Executive Director
PCBS	Parliamentary Commission on Banking Standards
PRA	Prudential Regulation Authority
SM&CR	Senior Managers and Certification Regime
SMF	Senior Management Function

SMR	Senior Managers Regime
SoR	Statement of Responsibilities
SUP	Supervision Manual (Handbook)

Disclaimer

We have developed the policy in this Consultation Paper in the context of the existing UK and EU regulatory framework. The Government has made clear that it will continue to implement and apply EU law until the UK has left the EU. We will keep the proposals under review to assess whether any amendments may be required in the event of changes in the UK regulatory framework in the future.

We make all responses to formal consultation available for public inspection unless the respondent requests otherwise. We will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

You can download this Consultation Paper from our website: www.fca.org.uk.

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 706 0790 or email: publications_graphics@fca.org.uk or write to: Editorial and Digital team, Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS



Appendix 1

Main Legal Instrument

[Editor's note: This draft instrument (the Main Instrument) is one of two versions of the draft instrument included in this consultation. The other (the Restatement Instrument) shows how we propose to change the draft instrument included in CP17/25 and 17/26 to implement the different commencement dates described in this Consultation Paper.

The purpose of this draft instrument is to show how we propose to:

- (a) amend parts of the Handbook not amended by the draft instrument included in CP17/25 and 17/26;
- (b) provide transitional measures for the move from the approved persons regime to the SMCR;
- (c) amend draft Handbook text in the draft instrument included in CP17/25 and 17/26 as adjusted in the draft Restatement Instrument included in this CP (which shows how the text proposed in the instrument included in CP17/25 and 17/26 will be commenced); and
- (d) amend the Glossary contained in the draft instrument included in CP 17/25 and 17/26 to implement the different commencement dates proposed in this consultation paper and to make further changes.

The following points also apply to this draft of the instrument:

- (e) Cross references that change in accordance with paragraph F of the instrument are not marked up.
- (f) This instrument assumes that the Handbook amendments to be made by the draft instruments contained in PS17/21 (Insurance Distribution Directive implementation – Feedback to CP17/7 and near-final rules), CP17/23 (Insurance Distribution Directive Implementation – Consultation Paper 2) and CP17/33 (Insurance Distribution Directive Implementation – Consultation Paper 3) have been made and that the Insurance Distribution Directive is in force.
- (g) This instrument does not take account of CP17/17 (Handbook changes to reflect the application of the EU Benchmarks Regulation) and does not deal with Handbook text specifically dealing with benchmarks]

INDIVIDUAL ACCOUNTABILITY (No 2) INSTRUMENT 2018

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 59 (Approval for particular arrangements);
 - (2) section 59AB(1) (Specifying functions as controlled functions: transitional provision);
 - (3) section 60 (Applications for approval);
 - (4) section 60A (Vetting candidates by authorised persons);
 - (5) section 61 (Determination of applications);
 - (6) section 62A (Changes to responsibilities of senior managers);

- (7) section 63ZA (Variation of senior manager's approval at request of authorised person);
- (8) section 63ZD (Statement of policy relating to conditional approval and variation);
- (9) section 63C (Statement of policy);
- (10) section 63E (Certification of employees by authorised persons);
- (11) section 63F (Issuing of certificates);
- (12) section 64A (Rules of conduct);
- (13) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
- (14) section 69 (Statement of policy);
- (15) section 137A (The FCA's general rules);
- (16) section 137T (General supplementary powers);
- (17) section 138D (Action for damages);
- (18) section 139A (Power of the FCA to give guidance);
- (19) section 395 (The FCA's and PRA's procedures); and
- (20) paragraph 23 of Schedule 1ZA (Fees).

- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:

Annex	Date comes into force
Part 1 of Annex N	[] 2018 [shortly after instrument is made]
Part 2 of Annex N	[] 2018 [about six months before main commencement date for insurance firms]
Part 1 of Annex C	[] 2018 [about three months after instrument is made]
Part Four of Annex N	[] 2019 [about six months before main commencement date for solo-regulated firms]
Part 2 of Annex B	[] 2019 [main commencement date for solo-regulated firms]
Part 3 of Annex C	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex D	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex F	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex G	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex M	[] 2019 [main commencement date for solo-regulated firms]
Part 5 of Annex N	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex S	[] 2019 [main commencement date for solo-regulated firms]

Part 2 of Annex T	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex U	[] 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex W	[] 2019 [main commencement date for solo-regulated firms]
Part 3 of Annex B	[] 2019 [main commencement date for solo-regulated firms]
Part 3 of Annex D	[] 2019 [main commencement date for solo-regulated firms]
Part Two of Annex W	[] 2019 [main commencement date for solo-regulated firms]
The remainder of this instrument	[] 2018 [main commencement date for insurance firms]

Amendments to the Handbook

- D. The FCA's Handbook of rules and guidance is amended in accordance with paragraphs E, F, G, H and I of this instrument.
- E. Amendments to the numbering and location of provisions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and Chapter 10C of the Supervision Manual (SUP) are set out in the tables in Annex A.

Except as further amended by paragraphs F, G, H and I of this instrument, the provisions in column B of the tables in Annex A otherwise remain in full force and effect.

- F. Cross references throughout the FCA's Handbook to provisions listed in column A of the tables in Annex A of this instrument are amended accordingly, but only where both the existing and revised cross reference is a reference in one of the following forms (but the existing and revised cross references need not be in the same form):
- (1) a chapter;
 - (2) an annex;
 - (3) a section; or
 - (4) in a form not including any sub-paragraph numbering or lettering after the letter designating the legal nature of the provision, such as a rule (designated with an "R") or guidance (designated with a "G").
- G. The modules of the FCA's Handbook of rules and guidance listed in column (1) below (as amended, where applicable, by paragraphs E and F of this instrument) are amended or, as the case may be, further amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Glossary of definitions	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C

Code of Conduct (COCON)	Annex D
Threshold Conditions (COND)	Annex E
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex F
The Fit and Proper test for Approved Persons and specified significant-harm functions (FIT)	Annex G
Training and Competence (TC)	Annex H
General Provisions (GEN)	Annex I
Prudential sourcebook for Investment Firms (IFPRU)	Annex J
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex K
Conduct of Business Sourcebook (COBS)	Annex L
Client Assets (CASS)	Annex M
Supervision manual (SUP)	Annex N
Decision Procedure and Penalties Manual (DEPP)	Annex O
Dispute Resolution: Complaints (DISP)	Annex P
Credit Unions sourcebook (CREDS)	Annex Q
Consumer Credit sourcebook (CONC)	Annex R

- H. In each case in which one of the Annexes listed in column (2) of the table in paragraph G of this instrument says that the module of the FCA's Handbook of rules and guidance to which that Annex relates is amended by inserting a new form into that module as set out in Annex W of this instrument, that module is amended accordingly.
- I. The Fit and Proper test for Approved Persons and Specified significant-harm functions (FIT) module of the FCA's Handbook of rules and guidance is renamed the Fit and Proper test for Employees and Senior Personnel.

Amendments to the material outside the Handbook

- J. The material outside the Handbook listed in column (1) below is amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
The Energy Market Participants guide (EMPS)	Annex S
The Oil Market Participants guide (OMPS)	Annex T
Service companies guide (SERV)	Annex U
The Enforcement Guide (EG)	Annex V

Notes

- K. In this instrument, the “notes” (indicated by “*Editor’s note:*”) are intended for the convenience of the reader and do not form part of the legislative text.

Citation

- L. This instrument may be cited as the Individual Accountability (No 2) Instrument 2018.

By order of the Board
[*date*] 2018

Annex A

Renumbering and deletions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and the Supervision manual (SUP)

[Editor's note: We are not proposing any changes to Annex A of the draft instrument included in CP17/25 and 26]

Annex B

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

[Editor's note: Text of new definitions is marked up as against the text in the draft instrument included in CP17/25 and 17/26. Text that is the same as in the draft instrument has also been included so that the reader can see the proposed timing of changes to the Glossary. Some of the proposed amendments will only apply for the period between the main commencement date for insurance firms and the commencement date for solo-regulated firms: where this is the case the amendment is reversed in one of the later parts of this Annex. Definitions marked with an '*', were not included in CP17/25 and 17/26.]

Insert the following new definitions in the appropriate alphabetical position.

<u>approved person</u> <u>employer</u> *	<u>(in relation to an approved person with a current approved person approval) the firm on whose application approval for the performance of the controlled function was given under section 59 of the Act (Approval for particular arrangements).</u>
---	--

*compliance
requirements for
SMCR firms*

any of the following requirements:

- (a) SYSC 3.2.8R (The compliance function);
- (b) SYSC 6.1 (Compliance);
- (c) article 22 of the *MiFID Org Regulation* (Compliance); or
- (d) article 22 of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR

and SYSC 1 Annex 1 3.3R); ~~or~~ .

- (e) ~~article 61 of the AIFMD level 2 regulation (Permanent compliance function).~~

conduct risk oversight (Lloyd's) function FCA controlled function SMF23b in the table of FCA-designated senior management functions, described more fully in SUP 10C.6.6R.

EEA SMCR dual regulated banking sector firm an incoming EEA firm or incoming Treaty firm that meets the following conditions:

- (a) it has a *branch* in the *United Kingdom*;
- (b) it does not have *permission for effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (c) it meets one of the following conditions:
 - (i) it is a *credit institution* which has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that includes *accepting deposits*; or
 - (ii) it meets all the following conditions:
 - (A) the institution is an *investment firm*;
 - (B) it has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that covers *dealing in investments as principal*; and
 - (C) when carried on by it, that activity is a *PRA-regulated activity*.

EEA SMCR firm an SMCR firm that is an incoming EEA firm or incoming Treaty firm.

executive director function FCA controlled function SMF3 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.1R to 10C.5.9R.

internal audit requirements for SMCR firms any of the following requirements:

- (a) SYSC 3 (Systems and controls) insofar as it relates to internal audit;
- (b) SYSC 6.2 (Internal audit);
- (c) article 24 of the *MiFID Org Regulation* (Internal audit); or

- (d) article 24 of the *MiFID Org Regulation* (Internal audit) (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); ~~or~~ or .
- (e) ~~article 62 of the AIFMD level 2 regulation (Permanent internal audit function).~~

non-UK SMCR firm

an *SMCR firm* that is an *overseas firm*.

*risk control
requirements for
SMCR firms*

any of the following requirements:

- (a) SYSC 3 (Systems and Controls) insofar as it relates to risk controls;
- (b) SYSC 7.1.6R, SYSC 7.1.21R and SYSC 7.1.22R;
- (c) COLL 6.11 (Risk control and internal reporting);
- (d) article 23 of the *MiFID Org Regulation* (Risk management); or
- (e) article 23(2) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); ~~or~~ or .
- (f) ~~articles 38 to 45 of the AIFMD level 2 regulation (Risk management).~~

*SMCR dual regulated
banking sector firm*

any of the following:

- (a) a *UK SMCR dual regulated banking sector firm*;
- (b) an *EEA SMCR dual regulated banking sector firm*; or
- (c) a *third-country SMCR dual regulated banking sector firm*.

*SMCR financial
activities*

any of the following:

- (a) *regulated activities*;
- (b) an activity carried on in connection with a *regulated activity* (whether current, past or contemplated);
- (c) an activity held out as being for the purposes of a *regulated activity* (whether current, past or contemplated);

- (d) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of the *Regulated Activities Order* (Absence of holding out etc); or
- (e) activities listed in points 2 to 15 of Annex I to the *CRD* (List of activities subject to mutual recognition).

SMCR firm

a *firm* identified as an SMCR firm in the decision tree in *SYSC* 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms)

table of FCA-designated senior management functions

the table of *FCA-designated senior management functions* in *SUP* 10C.4.3R.

third-country SMCR dual regulated banking sector firm

a non-UK institution other than an *incoming firm* that meets the following conditions:

- (a) it has a *branch* in the *United Kingdom*;
- (b) it is not an institution that has *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (c) it meets one of the following conditions:
 - (i) it is a *credit institution* which has a *Part 4A permission* that includes *accepting deposits*; or
 - (ii) it meets all the following conditions:
 - (A) the institution is an *investment firm*;
 - (B) its *Part 4A permission* covers *dealing in investments as principal*; and
 - (C) when carried on by it, that activity is a *PRA-regulated activity*.

UK SMCR dual regulated banking sector firm

an institution that meets the following conditions:

- (a) it is incorporated in, or formed under the law of any part of, the *United Kingdom*;
- (b) it does not have *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*;
- (c) it meets one of the following conditions:

- (i) its *Part 4A permission* includes *accepting deposits*; or
- (ii) it meets all the following conditions:
 - (A) the institution is an *investment firm*; and
 - (B) its *Part 4A permission* covers *dealing in investments as principal*; and
 - (C) when carried on by it, that activity is a *PRA-regulated activity*.

- UK SMCR firm*
- (a) a *UK SMCR dual regulated banking sector firm*; or
 - (b) any other *SMCR firm* that is a *UK domestic firm*.

[*Editor's note:* Text of amended definitions is marked up as against the current Handbook text. It is not marked up as against the text in the draft instrument included in CP17/25 and 17/26. Text that is the same as in the draft instrument is included so that the reader can see the proposed timing of changes to the Glossary. Definitions marked with an asterisk '*' were either not included in CP17/25 and 17/26 or are now proposed to be amended rather than deleted.]

Amend the following definitions as shown.

*accountable functions** (in relation to an *approved person*) the functions described in *APER 1.1A.2P 1.1A.2R*, which are in summary:

- (a) *FCA controlled functions* in *SUP 10A (FCA Approved Persons)*; and
- (b) ~~*PRA controlled functions*~~; and [deleted]
- (c) any other functions of the *approved person* in relation to the carrying on of a *regulated activity*;

in relation to the ~~*authorised persons in relation to which that person is an approved person*~~ *approved person employer*.

*accountable higher management function** (in *APER*) any *accountable function* that is :

- (a) an *FCA controlled function* that is a *significant-influence function*; ~~or~~ .
- (b) ~~a *PRA controlled function*~~.

*advising on investments**

- (1) (except in *SUP* 10A (FCA Approved Persons), *SYSC* 27 (Senior managers and certification regime: Certification regime) and *APER*) the *regulated activities*, specified in articles 53(1) and 53(2) of the *Regulated Activities Order* (Advising on investments), which are:
 - (a) *advising on investments (except P2P agreements); and*
 - (b) *advising on P2P agreements.*
- (2) (in *SUP* 10A (FCA Approved Persons), *SYSC* 27 (Senior managers and certification regime: Certification regime) and *APER*) the *regulated activities* specified in articles 53(1) and 53(2) (Advising on investments) of the *Regulated Activities Order*. For these purposes, *advising on investments* includes any activities that would be included but for the exclusion in article 72AA (Managers of UCITS and AIFs) of the *Regulated Activities Order*.

apportionment and oversight function

FCA controlled function CF8 in ~~Parts 1 and Part 2~~ of the table of *FCA controlled functions*, described more fully in *SUP* 10A.7.1R.

*CASS operational oversight function**

FCA controlled function CF10a in ~~Parts 1 and 2~~ of the table of *FCA controlled functions*, described more fully in *SUP* 10A.7.9R.

certification employee

- (as described in more detail in section 63E(1) of the *Act* (Certification of employees by ~~relevant~~ authorised person)) an employee (as defined) of ~~a relevant authorised person~~ an SMCR firm who:
- (a) has a valid certificate issued by that ~~relevant authorised person~~ SMCR firm; or
 - (b) (in relation to an SMCR firm that is in the insurance sector (as defined in Part Three of SYSC 23 Annex 1 (Definition of insurance sector))) performs an FCA-specified significant harm function under an arrangement entered into by the SMCR firm in relation to the carrying on by the SMCR firm of a regulated activity, even though the obligation of the SMCR firm to issue a certificate under section 63F of the Act has not yet come into force.

[Note: Paragraph (b) of this definition applies until [] 2019 [one year after main commencement date for insurers].]

chair of the nomination committee function

- (1) ~~(for a relevant authorised person)~~ *FCA controlled function* SMF13 in ~~Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons)~~ table of FCA-designated senior management functions, described more fully in *SUP*

10C.5A.2R; .

- (2) ~~(for certain Solvency II firms including a large non-directive insurer) the FCA controlled function CF2a in Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.15AR.~~

chair of the with-profits committee function

~~(for certain Solvency II firms) FCA controlled function CF 2b SMF15 in Part 2 of the table of FCA controlled FCA-designated senior management functions, described more fully in SUP 10A.6.15BR~~ SUP 10C.5A.12R to SUP 10C.5A.13R.

chief executive function

FCA controlled function CF3 in Part 1 and Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.17R.

compliance oversight function

- (1) ~~(for relevant authorised persons SMCR firms) FCA controlled function SMF16 in Part 1 of the table in SUP 10C.4.3R (Table of FCA designated senior management functions for relevant authorised persons) the table of FCA-designated senior management functions, described more fully in SUP 10C.6.1R; and~~
- (2) ~~(for other firms) FCA controlled function CF10 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.8R.~~

controlled function

a function, relating to the carrying on of a regulated activity by a firm, which is specified by:

- (a) either the FCA in:
- (i) ~~(for relevant authorised persons SMCR firms) the tables in SUP 10C.4.3R (Table of FCA designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions; or~~
 - (ii) ~~(for other firms and in relation to appointed representatives) the table of FCA controlled functions; or~~
- (b) the PRA in:
- (i) ~~(for relevant authorised persons CRR firms, credit unions and third country CRR firms (as defined in the PRA Rulebook)) the part of the PRA's rulebook PRA Rulebook titled 'Senior Management Functions', which specifies controlled functions); or~~
 - (ii) ~~(for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the~~

~~PRA Rulebook~~; Rulebook applicable to Solvency II Firms and Non-Solvency II Firms; ~~or~~

(iii) ~~;~~ ~~or~~

under section 59 of the *Act* (Approval for particular arrangements).

*customer function** ~~FCA controlled function~~ CF30 in ~~Parts 1 and 2 of the table of FCA controlled functions~~, described more fully in SUP 10A.10.7R.

*director** (1) ...
 ...
 (c) in SYSC, COCON, MIPRU 2 (Responsibility for insurance distribution and MCD credit intermediation activity), SUP 10A (FCA Approved persons) and SUP 10C (FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms) a *partnership*;
 ...
 ...

*director function** ~~FCA controlled functions~~ function CF1 in ~~Part 1 and, for a Solvency II firm (including a large non-directive insurer) and a small non-directive insurer, Part 2 of the table of FCA controlled functions~~, described more fully in SUP 10A.6.7R and SUP 10A.6.8R.

*director of unincorporated association function** ~~FCA controlled function~~ CF5 in ~~Part 1 of the table of FCA controlled functions~~, described more fully in SUP 10A.6.29R.

EEA branch senior manager function ~~FCA controlled function~~ SMF21 in ~~Part 2 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons)~~ table of FCA-designated senior management functions, described more fully in SUP 10C.8.4R.

employee ...
 (3) (for the purposes of SYSC 27 (Senior management and certification regime: Certification regime) and the definition of *certification employee*) has the meaning in section 63E(9) of the *Act* (Certification of employees by ~~relevant~~ authorised persons) which, in summary, says an employee of a *person* (the “employer”) includes a reference to a *person* who:
 ...
 ...

FCA controlled function

a *controlled function* which is specified by the *FCA* under section 59 of the *Act* (Approval for particular arrangements) in:

- (a) ~~(for relevant authorised persons SMCR firms) the tables in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions; or~~
- (b) ~~(for other firms and in relation to appointed representatives) the table of FCA controlled functions.~~

FCA governing functions

any of the ~~following~~ *FCA controlled functions* labelled as FCA governing functions in the table of FCA-designated senior management functions or in the table of FCA controlled functions. ÷

- (a) ~~(for relevant authorised persons) FCA-controlled functions SMF3 and SMF13 in Parts 1 and 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons);~~
- (b) ~~(for a Solvency II firm, including a large non-directive insurer) FCA-controlled functions CF1, CF2a, CF2b, CF5 and, for large non-directive insurers only, CF6, in Part 2 of the table of FCA controlled functions; and~~
- (c) ~~(for a small non-directive insurer) FCA-controlled functions CF1, CF3, CF5 and CF6 in Part 2 of the table of FCA controlled functions; and~~
- (d) ~~(for other firms and appointed representatives) FCA controlled functions 1 to 6 in Part 1 of the table of FCA controlled functions.~~

FCA-prescribed senior management responsibilities

- (a) ~~(for UK relevant authorised persons) the responsibilities in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities) ÷~~
- (b) ~~(for third-country relevant authorised persons) the responsibilities in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities for third-country relevant authorised persons).~~

FCA required functions

any of the ~~following~~ *FCA controlled functions* labelled as FCA required functions in:

- (a) ~~(for relevant authorised persons SMCR firms) FCA controlled functions SMF16 and SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) the table of FCA-designated senior management functions; and~~
or

	(b) (for other firms) FCA controlled functions 8 to 11 in Part 1 or Part 2 of the table of FCA controlled functions <u>the table of FCA controlled functions</u> .
<i>FCA-specified significant-harm function*</i>	a <i>specified significant-harm function</i> that has been specified under section 63E of the <i>Act</i> (Certification of employees by relevant authorised persons) by the <i>FCA</i> (see SYSC 27.6.3R (Table: FCA-specified significant-harm functions)).
<i>firm*</i>	...
	(8) (in SYSC 18 with the exception of the guidance in SYSC 18.3.9G):
	(a) a UK relevant authorised person <u>UK SMCR dual regulated banking sector firm</u> except a <i>small deposit taker</i> ; and
	...
	...
<i>FIT</i>	the part of the <i>Handbook</i> in High Level Standards which has the title the Fit and Proper test for Approved Persons and Specified significant-harm functions <u>Employees and Senior Personnel</u> .
<i>management responsibilities map</i>	the document <u>document</u> describing the management arrangements of a relevant authorised person <u>certain SMCR firms</u> required by SYSC 4.5.4R, SYSC 4.6.6R or SYSC 4.6.15R SYSC 25 (Senior management and certification regime: Management responsibilities maps and handover procedures and material).
<i>money laundering reporting function</i>	(1) (for relevant authorised persons <u>SMCR firms</u>) <i>FCA controlled function</i> SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA designated senior management functions for relevant authorised persons) <u>table of FCA-designated senior management functions</u> , described more fully in SUP 10C.6.2R; and
	(2) (for other firms) <i>FCA controlled function</i> CF11 in Parts 1 and 2 of the table of FCA controlled functions , described more fully in SUP 10A.7.10R.
<i>non-executive director function*</i>	<i>FCA controlled function</i> CF2 in Part 1 of the table of FCA controlled functions , described more fully in SUP 10A.6.1R and SUP 10A.6.13R.
<i>other local responsibility function</i>	<i>FCA controlled function</i> SMF22 in Part 3 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons) <u>table of FCA-designated senior management functions</u> , described more fully in SUP 10C.8.1R.

*other overall
responsibility function*

FCA controlled function SMF18 in ~~Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons)~~ table of FCA-designated senior management functions, described more fully in SUP 10C.7.1R.

partner function

- (1) *(for an SMCR firm) FCA controlled function SMF27 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.16R to SUP 10C.5.20R; and*
- (2) *(for other firms and in relation to appointed representatives) FCA controlled function CF4 in ~~Part 1 of the table of FCA controlled functions~~, described more fully in SUP 10A.6.23R to SUP 10A.6.27R.*

*PRA controlled
function*

a controlled function which is specified by the PRA under section 59 of the Act (Approval for particular arrangements) in:

- (1) *(for ~~relevant authorised persons~~ CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)) the part of the ~~PRA's rulebook~~ PRA Rulebook titled 'Senior Management Functions'; or*
- (2) *(for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the ~~PRA Rulebook~~; Rulebook applicable to Solvency II Firms and Non-Solvency II Firms; ~~or~~ .*
- (3) *[deleted].*

*PRA-prescribed senior
management
responsibilities*

one of the functions described as:

- (1) *(for CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)):*
 - (a) *a 'prescribed responsibility' in Chapter 4; ~~or~~*
 - (b) *a 'small firm prescribed responsibility' in Chapter 5; or*
 - (c) *a 'UK branch prescribed responsibility' in Chapter 6;*

of the part of the ~~PRA's rulebook~~ PRA Rulebook called Allocation of Responsibilities;
- (2) *(for firms covered by the Insurance - Allocation of Responsibilities and Large Non-Solvency II Firms –*

Allocation of Responsibilities parts of the *PRA Rulebook*) an *SIMR* prescribed responsibility as defined in those parts; and

- (3) (for *firms* covered by the Non-solvency II Firms - Allocation of Responsibilities part of the *PRA Rulebook*) a small non-directive insurer prescribed responsibility as defined in that part.

*proprietary trader**

(in SYSC 27 (Senior managers and certification regime: Certification regime), SUP 10A (FCA Approved Persons), COCON and APER) a *person* (A) whose responsibilities include committing another *person* (B) as part of B's *proprietary trading*.

relevant senior management application

has the meaning in section 61(1)(b) of the *Act* (Determination of applications) which, in summary, is an application for approval to perform a *designated senior management function* in relation to the carrying on of a *regulated activity* by ~~a relevant authorised person~~ an *SMCR firm*.

senior conduct rules staff member

(in COCON) a *person* who:

- (a) comes within row (1) of the table in COCON 1.1.2R (an *SMF manager*);
- (b) comes within row (2) of the table in COCON 1.1.2R (an *employee* of ~~a relevant authorised person~~ an *SMCR firm* who performs the function of an *SMF manager*; or
- (c) ~~meets the following conditions:~~
 - (i) ~~they come within row (7) of the table in COCON 1.1.2R (an approved person performing a controlled function (including a *PRA controlled function*) in a *Solvency II firm* (including a large non-directive insurer) or a small non-directive insurer); and~~
 - (ii) ~~that controlled function is a significant influence function; or [deleted]~~
- (d) is a non-executive director who comes within row (8) of the table in COCON 1.1.2R (a *standard non-executive board director* of a ~~relevant authorised person~~, a *Solvency II firm* (including a large non-directive insurer) or a small non-directive insurer UK *SMCR firm*).

significant-harm function

a function defined in section 63E(5) of the *Act* (Certification of employees by ~~relevant~~ authorised persons) which is, in summary (in relation to the carrying on of a *regulated activity* by ~~a relevant~~ an authorised person), a function that meets the following conditions:

- (a) it requires the *person* performing it to be involved in one or more aspects of the ~~relevant~~ *authorised person's* affairs, so far as relating to the activity; and
- (b) those aspects involve, or might involve, a risk of significant harm to the ~~relevant~~ *authorised person* or to anyone who is using, or who is or may be contemplating using, any of the services provided by the ~~relevant~~ *authorised person*.

[Note: This definition is not relevant to a *firm* that is not an *SMCR firm*.]

*significant-influence function**

(for the purposes of *controlled functions* specified in SUP 10A (FCA Approved persons) and in relation to the carrying on of a regulated activity by an *authorised person*) a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *authorised person's* affairs, so far as relating to the activity. ~~For the purposes of SYSC 2, COCON and DEPP, this also includes a *PRA controlled function*, as specified in the Senior Insurance Management Functions parts of the PRA Rulebook: applicable to Solvency II Firms and Non-Solvency II Firms.~~

*significant management function**

FCA controlled functions CF29 in ~~Parts 1 and 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.9.9R.

SMF manager

(in relation to a ~~relevant authorised person~~ an *SMCR firm*) a *person* who has approval under section 59 of the Act (Approval for particular arrangements) to perform a *designated senior management function* in relation to the carrying on by that ~~relevant authorised person~~ *SMCR firm* of a regulated activity.

Solvency II firm

a *firm* which is any of:

...

- (f) in SUP TP 7 and SUP TP 8, SYSC, COCON, ~~APER, SUP 10A SUP 10C~~ and DEPP only, a *large non-directive insurer*;

...

small friendly society function

FCA controlled function CF6 in ~~Part 1 and Part 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.6.31R to SUP 10A.6.32R.

staff being assessed under FIT

(in FIT and in relation to a ~~relevant authorised person~~: an *SMCR firm*) those *persons* set out in FIT 1.1.1G(4) to (7).

- (a) ~~any of the following whose fitness is being assessed by the FCA or the relevant authorised person:~~

- (i) ~~an FCA approved SMF manager; or~~
- (ii) ~~a candidate for an FCA designated senior management function; or~~
- (b) ~~a person whose fitness to perform an FCA specified significant harm function is being assessed by the relevant authorised person under section 63F of the Act (Issuing of certificates), whether or not that person is already a certification employee in relation to that FCA specified significant harm function.~~

systems and controls function

~~FCA controlled function CF28 in Part 1 and, for a Solvency II firm which is a third country insurance or reinsurance undertaking or an insurance special purpose vehicle, Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.8.1R and SUP 10A.8.1AR.~~

[*Editor's note:* Definitions to be deleted are based on the current Handbook text. Deletions that were included in the draft CP17/25 and 17/26 instrument are included here so that the reader can see the proposed timing of changes to the Glossary. All the terms included for deletion in the draft instrument included in CP17/25 and CP17/26 are still being deleted (either in this part of the draft instrument or one of the following parts), except for the definitions of 'APER' and 'non-executive director function', which are now being retained.]

Delete the following definitions. The text is not shown struck through.

EEA relevant authorised person

~~an incoming firm which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is an incoming EEA firm or incoming Treaty firm that meets the following conditions:~~

- (a) ~~it has a branch in the United Kingdom;~~
- (b) ~~it does not have permission for effecting contracts of insurance or carrying out contracts of insurance; and~~
- (c) ~~it meets one of the following conditions:~~
 - (i) ~~it is a credit institution which has a permission under Part 4A, Schedule 3 or Schedule 4 of the Act that includes accepting deposits; or~~
 - (ii) ~~it meets all the following conditions:~~
 - (A) ~~the institution is an investment firm;~~

(B) it has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that covers *dealing in investments as principal*; and

(C) when carried on by it, that activity is a *PRA-regulated activity*.

full scope regulatory reference firm

for the purpose of SYSC 22 (Regulatory references):

- (a) a *relevant authorised person*;
- (b) a *Solvency II firm*; or
- (c) a *large non-directive insurer*.

non-UK relevant authorised person

- (a) an *EEA relevant authorised person*; or
- (b) a *third-country relevant authorised person*.

PRA-prescribed UK branch senior management responsibility

a “UK branch prescribed responsibility” in Chapter 6 of the part of the *PRA*’s rulebook called Allocation of Responsibilities.

relevant authorised person

- (a) an *EEA relevant authorised person*; or
- (b) a *third country relevant authorised person*; or
- (c) a *UK relevant authorised person*.

third-country relevant authorised person

a non-UK institution other than an *incoming firm* which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is a non-UK institution other than an *incoming firm* that meets the following conditions:

- (a) it has a *branch* in the *United Kingdom*;
- (b) it is not an institution that has *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (c) it meets one of the following conditions:
 - (i) it is a *credit institution* which has a *Part 4A permission* that includes *accepting deposits*; or
 - (ii) it meets all the following conditions:

- (A) the institution is an *investment firm*;
- (B) its *Part 4A permission* covers *dealing in investments as principal*; and
- (C) when carried on by it, that activity is a *PRA-regulated activity*.

*UK relevant
authorised person*

has the meaning in section 71A of the *Act* ('relevant authorised person') which, in summary, is an institution that meets the following conditions:

- (a) it is incorporated in, or formed under the law of any part of, the *United Kingdom*;
- (b) it does not have *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (c) it meets one of the following conditions:
 - (i) its *Part 4A permission* includes *accepting deposits*; or
 - (ii) it meets all the following conditions:
 - (A) the institution is an *investment firm*; and
 - (B) its *Part 4A permission* covers *dealing in investments as principal*; and
 - (C) when carried on by it, that activity is a *PRA-regulated activity*.

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* Text of new definitions is marked up as against the text in the draft instrument included in CP17/25 and 17/26. Text that is the same as in the draft instrument is included so that the reader can see the proposed timing of changes to the Glossary. Definitions marked with an asterisk '*' were not included in CP17/25 and 17/26.]

Insert the following new definitions in the appropriate alphabetical position.

*APER employer**

(in *APER* and in relation to an *approved person* whose approval is given under *SUP 10A* (FCA Approved Persons in Appointed Representatives)):

- (a) the *appointed representative* in relation to which that

approved person performs the controlled function in SUP 10A; and

(b) the approved person employer.

[Note: For the purposes of *Statements of Principle 5 to 7 the APER employer* does not include the *approved person employer*.]

chairman <u>chair</u> of the audit committee function	FCA controlled function SMF11 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.8R.
chairman <u>chair</u> of the remuneration committee function	FCA controlled function SMF12 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.10R.
chairman <u>chair</u> of the risk committee function	FCA controlled function SMF10 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.6R.
chairman <u>chair</u> of the governing body function	FCA controlled function SMF9 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.5R.
chief finance officer function	FCA controlled function SMF2 in the table of FCA-designated senior management functions, described more fully in SUP 10C.6A.3R.
chief operations function	FCA controlled function SMF24 in the table of FCA-designated senior management functions, described more fully in SUP 10C.6B.1R.
chief risk officer function	FCA controlled function SMF4 in the table of FCA-designated senior management functions, described more fully in SUP 10C.6A.4R.
core SMCR firm	a firm identified as a core SMCR firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms)
EEA core SMCR firm	a core SMCR firm that is an incoming EEA firm or incoming Treaty firm.
enhanced scope SMCR firm	a firm identified as an enhanced scope SMCR firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).
group entity senior manager function	FCA controlled function SMF7 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5B.1R.
head of internal audit	FCA controlled function SMF5 in the table of FCA-designated

<i>function</i>	<i>senior management functions</i> , described more fully in SUP 10C.6A.6R.
<i>head of third country branch function</i>	<i>FCA controlled function SMF19</i> in the <i>table of FCA-designated senior management functions</i> , described more fully in SUP 10C.5.15R.
<i>limited scope core SMCR firm</i>	a <i>firm</i> identified as a limited scope core SMCR firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).
<i>limited scope function</i>	<i>FCA controlled function SMF29</i> in the <i>table of FCA-designated senior management functions</i> , described more fully in SUP 10C.6.4R.
<i>non-SMF board director subject to competence requirements</i>	(in relation to a <u>an SMCR firm</u>) a <i>board director</i> of the <i>firm</i> who meets the following conditions: <ul style="list-style-type: none"> (a) they are not an <i>SMF manager</i> of the <i>firm</i>; and (b) the <i>firm</i> is required to assess their fitness and propriety under the <i>competent employee rule</i>, any directly applicable <i>EU</i> legislation or any other requirement of the <i>regulatory system</i>.
<i>non-UK core SMCR firm</i>	a <i>core SMCR firm</i> that is an <i>overseas firm</i> .
<i>senior independent director function</i>	<i>FCA controlled function SMF14</i> in the <i>table of FCA-designated senior management functions</i> , described more fully in SUP 10C.5A.14R.
<i>UK core SMCR firm</i>	a <i>core SMCR firm</i> that is a <i>UK domestic firm</i> .

[*Editor's note:* Text of amended definitions is marked up as against the current Handbook text as amended in Part 1 of this Annex. Where changes are being made to terms introduced to the Glossary by Part 1 of this Annex they are marked up as against that Part. Text is not marked up as against the text in the draft instrument included in CP17/25 and 17/26. Text that is the same as in the draft instrument is included so that the reader can see the proposed timing of changes to the Glossary. Definitions marked with an asterisk '*' were not included in CP17/25 and 17/26.]

Amend the following definitions as shown.

*accountable functions** (in relation to an *approved person*) the functions described in *APER* 1.1A.2R, which are in summary:

- (a) *FCA controlled functions* under *SUP* 10A (FCA Approved persons in Appointed Representatives); and

...

*advising on investments**

- (1) (except in *SUP* 10A (FCA Approved Persons in Appointed Representatives), *SYSC* 27 (Senior managers and certification regime: Certification regime) and *APER*) the *regulated activities*, specified in articles 53(1) and 53(2) of the *Regulated Activities Order* (Advising on investments), which are:

- (a) *advising on investments (except P2P agreements)*; and

- (b) *advising on P2P agreements*.

- (2) (in *SUP* 10A (FCA Approved Persons in Appointed Representatives), *SYSC* 27 (Senior managers and certification regime: Certification regime) and *APER*) the *regulated activities* specified in articles 53(1) and 53(2) (Advising on investments) of the *Regulated Activities Order*. For these purposes, *advising on investments* includes any activities that would be included but for the exclusion in article 72AA (Managers of UCITS and AIFs) of the *Regulated Activities Order*.

certification employee (as described in more detail in section 63E(1) of the *Act* (Certification of employees by authorised person)) an employee (as defined) of an *SMCR firm* who:

- (a) has a valid certificate issued by that *SMCR firm*; or
- (b) (in relation to an *SMCR firm* that is:
 - (i) in the insurance sector (as defined in Part Three of *SYSC* 23 Annex 1 (Definition of insurance sector))) ;
or
 - (ii) that is an FCA-authorised person);

performs a *significant-harm function* under an arrangement entered into by the *SMCR firm* in relation to the carrying on by the *SMCR firm* of a *regulated activity*, even though the obligation of the *SMCR firm* to issue a certificate under section 63F of the *Act* has not yet come into force.

[Note 1: Paragraph (b)(i) of this definition applies until [] 2019

[one year after commencement for insurers].]

[Note 2: Paragraph (b)(ii) of this definition applies until [] 2020
[one year after commencement for solo-regulated firms].]

*chief executive
function*

- (1) (for an SMCR firm) FCA controlled function SMF1 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.12R;
- (2) (in relation to an appointed representative) FCA controlled function CF3 the table of FCA controlled functions, described more fully in SUP 10A.6.17R.

*compliance oversight
function*

- (1) ~~(for SMCR firms) FCA controlled function SMF16 in the table of FCA-designated senior management functions, described more fully in SUP 10C.6.1R; and .~~
- (2) ~~(for other firms) FCA controlled function CF10 in the table of FCA controlled functions, described more fully in SUP 10A.7.8R.~~

*compliance
requirements for
SMCR firms*

any of the following requirements:

- (a) SYSC 3.2.8R (The compliance function);
- (b) SYSC 6.1 (Compliance);
- (c) article 22 of the *MiFID Org Regulation* (Compliance); ~~or~~
- (d) article 22 of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); or
- (e) article 61 of the AIFMD level 2 regulation (Permanent compliance function).

controlled function

a function, relating to the carrying on of a *regulated activity* by a *firm*, which is specified by:

- (a) either the *FCA* in:
 - (i) (for SMCR firms) the *table of FCA-designated senior management functions*; or
 - (ii) ~~(for other firms and~~ in relation to an *appointed representative*) the *table of FCA controlled functions*; or

...

<i>director*</i>	<p>(1) ...</p> <p>...</p> <p>(c) (in <i>SYSC</i>, <i>COCON</i>, <i>MIPRU</i> 2 (Responsibility for insurance distribution and MCD credit intermediation activity), <i>SUP</i> 10A (FCA Approved persons <u>in Appointed Representatives</u>) and <i>SUP</i> 10C (FCA senior managers regime for approved persons in SMCR firms) a <i>partnership</i>;</p> <p>...</p> <p>...</p>
<i>employee</i>	<p>(4A) (for the purposes of <i>SYSC</i> 22 (Regulatory references)) has the same meaning as in (3) and, in addition, includes a person who:</p> <p>...</p> <p>(c) ...</p> <p>(iii) a <i>person</i> who performs a function of that <i>group</i> member under an <i>arrangement</i> entered into by the <i>group</i> member or a contractor of the <i>group</i> member; <u>or</u></p> <p>(d) <u>is a board director of a person (the “employer”) who is not an SMF manager or certification employee of the employer.</u></p>
<i>FCA controlled function</i>	<p>a <i>controlled function</i> which is specified by the <i>FCA</i> under section 59 of the <i>Act</i> (Approval for particular arrangements) in:</p> <p>(a) (for <i>SMCR</i> firms) the <i>table of FCA-designated senior management functions</i>; or</p> <p>(b) (for other firms and in relation to an <i>appointed representative</i>) the <i>table of FCA controlled functions</i>.</p>
<i>FCA required functions</i>	<p>any of the <i>FCA controlled functions</i> labelled as <i>FCA required functions</i> in ÷</p> <p>(a) (for SMCR firms) the <i>table of FCA-designated senior management functions</i>; or ÷</p> <p>(b) (for other firms) the <i>table of FCA controlled functions</i>.</p>

*internal audit
requirements for
SMCR firms*

any of the following requirements:

- (a) SYSC 3 (Systems and controls) insofar as it relates to internal audit;
- (b) SYSC 6.2 (Internal audit);
- (c) article 24 of the *MiFID Org Regulation* (Internal audit); ~~or~~
- (d) article 24 of the *MiFID Org Regulation* (Internal audit) (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); or
- (e) article 62 of the AIFMD level 2 regulation (Permanent internal audit function).

*money laundering
reporting function*

- (1) ~~(for SMCR firms)~~ FCA controlled function SMF17 in the table of FCA-designated senior management functions, described more fully in SUP 10C.6.2R; ~~and~~ .
- (2) ~~(for other firms)~~ FCA controlled function CF11 in of the table of FCA controlled functions, described more fully in SUP 10A.7.10R.

partner function

- (1) (for an SMCR firm) FCA controlled function SMF27 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.16R to SUP 10C.5.20R;
- (2) ~~(for other firms and~~ in relation to an appointed representatives) FCA controlled function CF4 in the table of FCA controlled functions, described more fully in SUP 10A.6.23R to SUP 10A.6.27R.

*proprietary trader**

(in SYSC 27 (Senior managers and certification regime: Certification regime), SUP 10A (FCA Approved Persons in Appointed Representatives), COCON and APER) a person (A) whose responsibilities include committing another person (B) as part of B's *proprietary trading*.

*risk control
requirements for
SMCR firms*

any of the following requirements:

- (a) SYSC 3 (Systems and Controls) insofar as it relates to risk controls;
- (b) SYSC 7.1.6R, SYSC 7.1.21R and SYSC 7.1.22R;

- (c) *COLL* 6.11 (Risk control and internal reporting);
- (d) article 23 of the *MiFID Org Regulation* (Risk management);
~~or~~
- (e) article 23(2) of the *MiFID Org Regulation* (as applied in accordance with *SYSC* 1 Annex 1 2.8AR, *SYSC* 1 Annex 1 3.2-AR, *SYSC* 1 Annex 1 3.2-BR, *SYSC* 1 Annex 1 3.2CR and *SYSC* 1 Annex 1 3.3R); or
- (f) articles 38 to 45 of the *AIFMD level 2 regulation* (Risk management).

*significant-influence function** (for the purposes of *controlled functions* specified in *SUP* 10A (FCA Approved persons in Appointed Representatives) and in relation to the carrying on of a *regulated activity* by an *authorised person*) a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *authorised person's* affairs, so far as relating to the activity.

staff being assessed under FIT (in *FIT* and in relation to an *SMCR firm*) those *persons* set out in *FIT* 1.1.1G(4) to ~~(7)~~ (8).

[*Editor's note:* Definitions to be deleted are based on the current Handbook text as amended by Part 1 of this Annex. Deletions that were in the draft instrument included in CP17/25 and 17/26 instrument are included here so that the reader can see the proposed timing of changes to the Glossary. The definitions marked with an asterisk '*' were not included in CP17/25 and 17/26.]

Delete the following definitions. The text is not shown struck through.

<i>apportionment and oversight function</i>	<i>FCA controlled function</i> CF8 in the <i>table of FCA controlled functions</i> , described more fully in <i>SUP</i> 10A.7.1R.
<i>CASS operational oversight function*</i>	<i>FCA controlled function</i> CF10a in the <i>table of FCA controlled functions</i> , described more fully in <i>SUP</i> 10A.7.9R.
<i>significant management function*</i>	<i>FCA controlled functions</i> CF29 in the <i>table of FCA controlled functions</i> , described more fully in <i>SUP</i> 10A.9.9R.
<i>small friendly society function*</i>	<i>FCA controlled function</i> CF6 in the <i>table of FCA controlled functions</i> , described more fully in <i>SUP</i> 10A.6.31R to <i>SUP</i> 10A.6.32R.
<i>systems and controls</i>	<i>FCA controlled function</i> CF28 in the <i>table of FCA controlled</i>

function

functions, described more fully in SUP 10A.8.1R and SUP 10A.8.1AR.

Part 3: Comes into force [] 2020 [one year after main commencement date for solo-regulated firms]

[*Editor's note:* The text of the below amended definition is marked up as against the current Handbook text as amended by Parts 1 and 2 of this Annex. It is not marked up as against the text in the draft instrument included in CP17/25 and CP17/26.]

Amend the following definition as shown.

certification employee (as described in more detail in section 63E(1) of the *Act* (Certification of employees by authorised person)) an employee (as defined) of an *SMCR firm* who ÷

- ~~(a)~~ has a valid certificate issued by that *SMCR firm*; ~~or~~ .
 - ~~(b)~~ ~~(in relation to an *SMCR firm* that is:~~
 - ~~(i)~~ ~~in the insurance sector (as defined in Part Three of SYSC 23 Annex 1 (Definition of insurance sector))~~; ~~or~~
 - ~~(ii)~~ ~~that is an *FCA authorised person*);~~
- ~~performs a *significant harm function* under an arrangement entered into by the *SMCR firm* in relation to the carrying on by the *SMCR firm* of a *regulated activity*, even though the obligation of the *SMCR firm* to issue a certificate under section 63F of the *Act* has not yet come into force.~~

~~[Note 1: Paragraph (b)(i) of this definition applies until [] 2019 [one year after commencement for insurers].]~~

~~[Note 2: Paragraph (b)(ii) of this definition applies until [] 2020 [one year after commencement for solo-regulated firms].]~~

Annex C

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Comes into force [] 2018 [about three months after instrument is made]

[*Editor's note:* The material we are proposing to include in this Part of the annex is the material that is shown in the draft Restatement Instrument included in this CP (which shows how the text proposed in the instrument included in CP17/25 and 17/26 will be commenced) as coming into force on this date.]

Part 2: Comes into force [] 2018 [main commencement date for insurance firms]

[*Editor's note:* The text of SYSC 22 and 23 to 27 takes into account the amendments proposed in the instrument included in CP17/25 and 17/26 as if it was made.]

1 Application and purpose

1.1A Application

...

- 1.1A.1 G The application of this sourcebook is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Insurer</i>	Chapters 2, 3, 12 to 18, 21, 22, <u>23, 24, 25, 26, 27</u>
<i>Managing agent</i>	Chapters 2, 3, 11, 12, 18, 21, 22, <u>23, 24, 25, 26, 27</u>
<i>Society</i>	Chapters 2, 3, 12, 18, 21, 22, <u>23, 24, 25, 26, 27</u>
<u>Any other SMCR firm</u>	<u>Chapters 4 to 12, 18, 19D, 21, 22, 23, 24, 25, 26, 27</u>
Every other firm	...

...

1.4 Application of SYSC 11 to ~~SYSC 22~~ SYSC 27

What?

- 1.4.1 G The application of each ~~chapter~~ chapter from SYSC 11 to ~~SYSC 22~~ SYSC 27 is set out in those chapters and in SYSC 1.4.1AR.

Actions for damages

- 1.4.2 R A contravention of a *rule* in SYSC 11 to SYSC 21, SYSC 22.8.1R, ~~or SYSC 22.9.1R~~ or SYSC 23 to SYSC 27 does not give rise to a right of action by a *private person* under section 138D of the *Act* (and each of those *rules* is specified under section 138D(3) of the *Act* as a provision giving rise to no such right of action).

...

1 Annex 1 Detailed application of SYSC

...

Part 2	Application of the common platform requirements (<u>SYSC 4 to 10</u>)		
...			
2.13D	R	SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) also:	
		(1)	Apply to the carrying on of <i>unregulated activities</i> ; and
		(2)	Take into account any activity of other members of a <i>group</i> of which the <i>firm</i> is a member.
...			
	Where?		
2.15	R	The <i>common platform requirements</i> , except the <i>common platform record-keeping requirements</i> , apply to a <i>firm</i> in relation to activities carried on by it from an establishment in the <i>United Kingdom</i> . However, SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons),	

		SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) apply in accordance with the rules in those sections.
...		
2.18	R	The <i>common platform organisational requirements</i> , except the <i>common platform requirements on financial crime</i> , also apply in a <i>prudential context</i> to a <i>UK domestic firm</i> and to an <i>overseas firm</i> (other than an <i>incoming EEA firm</i> or an <i>Incoming Treaty firm</i>) with respect to activities wherever they are carried on. However, SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) apply in accordance with the rules in those sections.
...		
Part 3	Tables summarising the application of the common platform requirements to different types of firm	
...		
3.3A	R	SYSC 1 Annex 1 3.3R(1)(b) does not apply to a <i>firm</i> in relation to the requirements in SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime).
...		

Table A: Application of the common platform requirements in SYSC 4 to SYSC 10

Provision	COLUMN A	COLUMN A+	COLUMN A++	COLUMN B
SYSC 4

...
SYSC 4.5	Whole section applies to UK relevant authorised persons only	Not applicable	Not applicable	Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance .
SYSC 4.6	Applies to EEA relevant authorised persons and third country relevant authorised persons in accordance with the rules in SYSC 4.6	Not applicable	Not applicable	Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance .
SYSC 4.7	Whole section applies to UK relevant authorised persons only	Not applicable	Not applicable	Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance .
SYSC 4.8	Applies to third country relevant authorised persons only	Not applicable	Not applicable	Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance .
SYSC 4.9	Whole section applies to third country relevant authorised persons and UK relevant authorised persons only	Not applicable	Not applicable	Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance .
Provision SYSC 5	COLUMN A ...	COLUMN A+ ...	COLUMN A++ ...	COLUMN B ...
...

SYSC 5.2	Whole section applies to <i>relevant authorised persons</i> only. All rules apply as <i>rules</i> and not as <i>guidance</i> .	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons</i> only. All rules apply as <i>rules</i> and not as <i>guidance</i> .
...

Table B: Application of the common platform requirements in SYSC 4 to 10 to MiFID optional exemption firms and third country firms

Provision	COLUMN A MiFID optional exemption firms	COLUMN B Third country firms
SYSC 4		
...		
SYSC 4.5	Not applicable	Not applicable
SYSC 4.6	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.6</i>
SYSC 4.7	Not applicable	Not applicable
SYSC 4.8	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.8</i>
SYSC 4.9	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.9</i>
SYSC 5		
...		
SYSC 5.2	Not applicable	<i>Third country relevant authorised person: each provision applies as</i>

		rule or guidance as shown in SYSC 5.2
...		

...

Delete SYSC 2.1.3R, SYSC 2.1.3AR, SYSC 2.1.3BG, SYSC 2.1.3CR, SYSC 2.1.3DR, SYSC 2.1.4R, SYSC 2.1.5G and SYSC 2.1.6G. The deleted text is not shown but [deleted] tags are added to each provision as shown below.

2 Senior management arrangements

2.1 Apportionment of responsibilities

...

2.1.3 R [deleted]

2.1.3A R [deleted]

2.1.3B G [deleted]

2.1.3C R [deleted]

2.1.3D R [deleted]

2.1.4 R [deleted]

2.1.5 G [deleted]

2.1.6 G [deleted]

...

Amend the following as shown.

2.2 Recording the apportionment

2.2.1 R (1) A *firm* must make a record of the arrangements it has made to satisfy SYSC 2.1.1R (apportionment) and SYSC 2.1.3R (allocation) and take reasonable care to keep this up to date.

...

...

- 2.2.4 R (1) ~~A Solvency II firm (including a large non-directive insurer) must have, and maintain, a governance map which satisfies the following conditions:~~
- ~~(a) it complies, as applicable, with PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 and 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1 and 5.2, as if those rules had been made by the FCA;~~
 - ~~(b) it includes details relating to all persons carrying out a significant influence function within the firm not already included under (a);~~
 - ~~(c) the details in (b) must give as much information as required by, as applicable, the PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA;~~
 - ~~(d) where the FCA requires responsibilities to be allocated to a person carrying out a significant influence function, the governance map must clearly show the person allocated responsibilities; and~~
 - ~~(e) the details in (b) and (d) must be updated in the same way as required by, as applicable, PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.2, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA.~~
- (2) ~~A Solvency II firm must keep an up-to-date record of the scope of responsibilities for each approved person performing a significant influence function.~~
- (3) ~~The scope of responsibilities record in (2), and each updated version, must:~~
- ~~(a) have the form and content, subject to amendments to keep it up-to-date, as required to be provided to the FCA or PRA on the application of an approved person to perform a significant influence function; and~~
 - ~~(b) be signed by the approved person and also an appropriate representative of the firm.~~

- (4) ~~Where a *firm* amends its governance map to show changes in a *person's* responsibilities it must also ensure that:~~
- ~~(a) the *person* concerned is informed in writing of the changes; and~~
 - ~~(b) the document recording the *person's* scope of responsibilities is amended to show the changes.~~
- (5) ~~Each version of the governance map and, separately, the document recording a *person's* scope of responsibilities must be retained for ten years, or six years for *large non-directive insurers*, from the date on which it was superseded by a more up-to-date record, and the *firm* must be in a position to provide it to the *FCA* on request.~~
- (6) ~~*SYSC 2.2.4R(1)* only applies to firms to whom *PRA* Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 and 5.2 or *PRA* Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1 and 5.2, applies. [deleted]~~
- 2.2.5 G ~~*Firms* are not expected to update a *person's* scope of responsibilities record in *SYSC 2.2.4R(2)* more frequently than the governance map in *SYSC 2.2.4R(1)*. [deleted]~~
- 2.2.6 R ~~A *small non-directive insurer* must keep an up-to-date record of the scope of responsibilities for each *approved person* performing a *significant influence* and must:~~
- ~~(1) retain each version of the record for six years from the date on which it was superseded by a more up-to-date record;~~
 - ~~(2) be in a position to provide any version of the record in (1) to the *FCA* on request;~~
 - ~~(3) ensure that the record in (1) and each updated version:~~
 - ~~(a) has the form and content, subject to amendments to keep it up-to-date, as required, to be provided to the *FCA* or *PRA* on the application of an *approved person* to perform a *significant influence function*; and~~
 - ~~(b) is signed by the *approved person* and also an appropriate representative of the *firm*. [deleted]~~
- 2.2.7 G ~~A *firm* applying for a *person* to be approved to perform a *significant influence function* is required to submit with Form A (long and short form) a scope of responsibilities document (see *SUP 10A Annex 4D*).~~

...

3 Systems and Controls

...

3.2 Areas covered by systems and controls

...

- 3.2.9 G (1) ~~SUP 10A.7.8R~~ SUP 10C.6.1R uses SYSC 3.2.8R to describe the *controlled function*, known as the *compliance oversight function*, of acting in the capacity of a *director* or *senior manager* to whom this function is allocated.

...

...

Risk assessment

- 3.2.10 G ...
- (3) The term ‘risk assessment function’ refers to the generally understood concept of risk assessment within a *firm*, that is, the function of setting and controlling risk exposure. The risk assessment function is not an *FCA controlled function* itself, but for certain *firms* is part of the systems and controls function (CF28) it may fall under the PRA chief risk officer controlled function.

...

...

- 3.2.14 G ...
- (3) The requirements on *firms* with respect to *approved persons* are in Part V of the *Act* (Performance of regulated activities) and ~~SUP 10A~~ SUP 10C and the Senior Insurance Management Functions parts of the *PRA* Rulebook.

...

Internal audit

- 3.2.16 G ...
- (2) The term ‘internal audit function’ refers to the generally understood concept of internal audit within a *firm*, that is, the function of assessing adherence to and the effectiveness of internal systems and controls, procedures and policies. The internal audit function is not an *FCA controlled function* itself, but for certain *firms* is part of the systems and controls function (CF28) it may fall under the PRA chief risk officer controlled function.

...

...

4 General organisational requirements

4.1 General requirements

...

Application to a common platform firm

4.1.-2 G ...

Subject	Applicable rule or guidance
...	
Management responsibilities maps for UK relevant authorised persons	SYSC 4.5
Management responsibilities maps for non-UK relevant authorised persons	SYSC 4.6
Senior management responsibilities for UK relevant authorised persons	SYSC 4.7
Handover procedures and material	SYSC 4.9

...

4.4 Apportionment of responsibilities

Application

4.4.1A R (-1) This section applies to: a limited scope core SMCR firm.

- (1) This section only applies to an authorised professional firm that is a limited scope core SMCR firm in respect of its non-mainstream regulated activities unless the firm is also conducting other regulated activities and has appointed approved persons to perform the FCA governing functions with equivalent responsibilities for the firm's

non-mainstream regulated activities and other regulated activities; .

- (2) ~~activities carried on by a firm whose principal purpose is to carry on activities other than regulated activities and which is:~~
- ~~(a) an oil market participant; or~~
 - ~~(b) a service company; or~~
 - ~~(c) an energy market participant; or~~
 - ~~(d) a wholly owned subsidiary of:~~
 - ~~(i) a local authority; or~~
 - ~~(ii) a registered social landlord; or~~
 - ~~(e) a firm with permission to carry on insurance mediation activity in relation to non investment insurance contracts but no other regulated activity (except advising on P2P agreements); [deleted]~~
- (3) ~~a credit firm which holds only a limited permission (other than a not-for-profit debt advice body) with respect to the relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) for which it has limited permission; [deleted]~~
- (4) ~~an incoming Treaty firm, an incoming EEA firm or a UCITS qualifier (but only SYSC 4.4.5R(2) applies for these firms); and [deleted]~~
- (5) This section applies to a sole trader that is a limited scope core SMCR firm, but only if they:
- (a) he employs employ any person who is required to be approved under section 59 of the Act (Approval for particular arrangements) ; or
 - (b) are an approved person employer; or
 - (b) have any certification employees.

...

4.4.6 G Frequently asked questions about allocation of functions in SYSC 4.4.5R

Question		Answer
1	Does an individual to whom a function is allocated under SYSC 4.4.5R need to be an	An individual to whom a function is allocated under SYSC 4.4.5R will be performing the apportionment and oversight function (CF 8, see SUP 10A.7.1R) and an

	approved person or a certification employee?	<p>application must be made under section 59 of the Act for approval of the individual before the function is performed. There are exceptions from this in SUP 10A.1 (Approved persons Application).</p> <p>The apportionment and oversight function does not apply to a relevant authorised person. However, a person performing the role in SYSC 4.4.5R will fall into the certification regime in SYSC 5.2 (Certification Regime), unless the person performing it is an approved person. A person performing the role in SYSC 4.4.5R may be an approved person because of another role that they perform (such as being an executive director). <u>Yes</u></p>
...
3	What is meant by “appropriately allocate” in this context?	<p>The allocation of functions should be compatible with delivering compliance with Principle 3, SYSC 4.4.3R and SYSC 4.1.1R. The appropriate regulator <u>FCA</u> considers that allocation to one or two individuals is likely to be appropriate for most firms.</p>
...
7	If a <i>firm</i> has an individual as <i>chief executive</i> , must the functions be allocated to that individual?	<p>...</p> <p>If the <i>firm</i> chooses to allocate the functions to a <i>director</i> or <i>senior manager</i> responsible for the overall management of a relevant <i>group</i> division, the FSA <u>FCA</u> would expect that individual to be of a seniority equivalent to or greater than a <i>chief executive</i> of the <i>firm</i> for the allocation to be appropriate.</p> <p>See also Question 14.</p>
...
11	How does the requirement to allocate the functions in SYSC 4.4.5R apply to an <i>overseas firm</i> which is not an <i>incoming EEA firm</i> , <i>incoming Treaty firm</i> or <i>UCITS qualifier</i> ?	<p>The <i>firm</i> must appropriately allocate those functions to one or more individuals, in accordance with SYSC 4.4.5R, but:</p> <p>...</p> <p>The apportionment and oversight function applies to such a <i>firm</i>, unless it falls within a particular exception from the approved persons regime (see Question 1).</p>

12	How does the requirement to allocate the functions in SYSC 4.4.5R apply to an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> ?	SYSC 1 Annex 1.1.1R(2) and SYSC 1 Annex 1.1.8R restrict the application of SYSC 4.4.5R for such a <i>firm</i> . Accordingly: ... (2) Such a <i>firm</i> is required to allocate the function of oversight in SYSC 4.4.5R(2). However, the systems and controls that must be overseen are those relating to matters which the appropriate regulator <u>FCA</u> , as <i>Host State regulator</i> , is entitled to regulate (there is <i>guidance</i> on this in SUP 13A Annex 2). Those are primarily, but not exclusively, the systems and controls relating to the conduct of the <i>firm's</i> activities carried on from its <i>UK branch</i>
13	What about a <i>firm</i> that is a <i>partnership</i> or a <i>limited liability partnership</i> ?	The appropriate regulator <u>FCA</u> envisages that most if not all <i>partners</i> or <i>members</i> will be either <i>directors</i> or <i>senior managers</i> , but this will depend on the constitution of the <i>partnership</i> (particularly in the case of a <i>limited partnership</i>) or <i>limited liability partnership</i> . A <i>partnership</i> or <i>limited liability partnership</i> may also have a <i>chief executive</i> (see Question 5). A <i>limited liability partnership</i> is a <i>body corporate</i> and, if a member of a <i>group</i> , will fall within SYSC 4.4.5R, row (1) or (2).
...

...

6 Compliance, internal audit and financial crime

6.1 Compliance

...

- 6.1.4-C G (1) This *guidance* is relevant to ~~a relevant authorised person~~ an SMCR *firm* required to appoint a compliance officer under SYSC 6.1.4R.

...

...

6.2 Internal audit

...

6.2.1B G (1) This guidance is relevant to ~~a relevant authorised person~~ an SMCR firm required to establish and maintain an internal audit function under article 24 of the *MiFID Org Regulation*.

...

6.2.2 G ...

(2) For a *firm* that is not ~~a relevant authorised person~~ an SMCR firm, the internal audit function is not a *controlled function* itself, but is part of the *systems and controls function* ~~or the PRA's systems and controls controlled function~~ (CF28).

(3) For ~~a relevant authorised person~~ an SMCR firm, the internal audit function is a *PRA controlled function* (SMF5).

...

7 Risk control

7.1 Risk control

...

7.1.8 G ...

(3) For a *firm* that is not ~~a relevant authorised person~~ an SMCR firm, the risk management function is not a *controlled function* itself, but is part of the *systems and controls function* ~~or the PRA's systems and controls controlled function~~ (CF28).

(4) For ~~a relevant authorised person~~ an SMCR firm, the risk management function is a *PRA controlled function* (SMF4).

...

Additional rules for *CRR* firms

...

7.1.23 G (1) This guidance is relevant to ~~a relevant authorised person~~ an SMCR dual regulated banking sector firm that has appointed a head of the risk management function.

...

...

18 Whistleblowing**18.1 Application and purpose**

Application

18.1.1A R This chapter applies to:

...

- (3) in relation to SYSC 18.3.6R and SYSC 18.3.10R, ~~EEA relevant authorised persons~~ SMCR dual regulated banking sector firms and ~~third-country relevant authorised persons~~ SMCR dual regulated banking sector firms only in relation to a *branch* maintained by them in the *United Kingdom*; and

...

18.1.1AA G *Firms* are reminded that for the purpose of SYSC 18 (except for SYSC 18.3.9G) “*firm*” has the specific meaning set out in paragraph (8) of that definition in the *Glossary*, namely:

“(8) (in SYSC 18, with the exception of the *guidance* in SYSC 18.3.9G):

- (a) a ~~UK relevant authorised person~~ SMCR dual regulated banking sector firm except a *small deposit taker*; and

...

...

18.3 Internal arrangements

...

Reporting of concerns by employees to regulators

18.3.6 R This rule applies to ~~a firm~~, an ~~EEA relevant authorised person~~ SMCR dual regulated banking sector firm and a ~~third-country relevant authorised person~~ SMCR dual regulated banking sector firm.

...

...

Additional rules for UK branches

18.3.10 R (1) This rule applies where an ~~EEA relevant authorised person~~ SMCR dual regulated banking sector firm or a ~~third-country relevant authorised person~~ SMCR dual regulated banking sector firm has:

- (a) a *branch* in the *United Kingdom*; and
 - (b) a *group* entity which is a *UK ~~relevant authorised person~~ SMCR dual regulated banking sector firm*.
- (2) An *EEA ~~relevant authorised person~~ SMCR dual regulated banking sector firm* and a *third-country ~~relevant authorised person~~ SMCR dual regulated banking sector firm* must, in the manner described in (3), communicate to the *UK-based employees* of its *UK branch*:
- (a) the whistleblowing arrangements of the *group* entity that is a *UK ~~relevant authorised person~~ SMCR dual regulated banking sector firm*; and
- ...
- ~~(2)~~ ...
- (3)

...

18.4 The whistleblowers' champion

- 18.4.1 G (1) A *UK ~~relevant authorised person~~ SMCR dual regulated banking sector firm* is required under ~~SYSC 4.7.5R(1)~~ SYSC 24.2.1R to allocate the *FCA-prescribed* senior management responsibility for acting as the *firm's whistleblowers' champion*.

...

...

21 Risk control: additional guidance

21.1 Risk control: guidance on governance arrangements

...

Chief Risk Officer

- 21.1.2 G ...
- (2) *Firms* will need to seek the *appropriate regulator's* approval for a Chief Risk Officer to perform:
- (a) (for a ~~relevant authorised person~~ an SMCR firm) the *PRA's Chief Risk Function controlled function*; or
 - (b) (for any other *firm*) the *systems and controls function* (see *SUP 10A* (FCA approved persons)) ~~or the relevant PRA controlled function~~.

...

...

- 21.1.4A G (1) This *guidance* is relevant to ~~a relevant authorised person~~ an SMCR dual regulated banking sector firm that has appointed a chief risk officer.

...

...

22 Regulatory references

...

22.6 Giving and updating references: additional rules and guidance for SMCR firms

...

Requirement to consider whether there has been a conduct breach

- 22.6.3 G ...
- (4) ~~SYSC TP 5.4.5R disapples the~~ The requirement in (1) is disapplied for disciplinary action taken before ~~7 March 2017 or, in the case of SMCR dual regulated banking sector firms, 7 March 2016~~ certain specified dates, where an ~~SMCR dual regulated banking sector firm's~~ records do not record whether previous conduct subject to disciplinary action amounted to a breach. The date differs between different types of SMCR firms. SYSC TP 5 and SYSC TP 7 set out those specified dates and other details.

...

22.8 Additional rules and guidance for all firms

...

- 22.8.4 R When an *SMCR firm* is permitting or appointing someone to perform a *controlled function* whose approval is given under *SUP* 10A.1.15R or *SUP* 10A.1.16R (appointed representatives of *SMCR firms*), the requirements of this chapter for *firms* that are not *SMCR firms* apply in place of the requirements that only apply to SMCR firms.

...

22 Annex 1R Template for regulatory references given by SMCR firms and disclosure requirements

...

Part Two: Definitions used in Part One

...

Section One: Meaning of certain terms and phrases	
Defined term or phrase	Meaning
...	
Question (F)	This question is subject to <i>SYSC TP 5.4.5R</i> and <i>SYSC TP 7.4.5R</i> (where there is no need to disclose disciplinary action that took place before certain dates if the <i>firm's</i> records do not show whether there was a breach of individual conduct requirements).
...	

22 Annex 2 Factors to take into account when asking for and giving regulatory references

Matters to take into account	Comments
...	
(C) Section 5 of the relevant Form A in <i>SUP 10A Annex 4</i> (Application to perform controlled functions under approved persons regime) or <i>SUP 10C Annex 2 3</i> (Application to perform senior management functions)	
...	

...

24 Senior managers and certification regime: Allocation of prescribed responsibilities

24.1 Application

...

Territorial scope

- 24.1.3 R There is no territorial limitation on the application of this section chapter, subject to ~~SYSC 24.1.5R~~ SYSC 24.1.4R.

...

24.2 Allocation of FCA-prescribed senior management responsibilities: Main allocation rules

...

- 24.2.6 R Table: FCA-prescribed senior management responsibilities

...

Part Two (only applies to certain banks and insurance sector firms)		
FCA-prescribed senior management responsibility	Explanation	Reference letter
...		
<p>(2) Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all the <u>firm's</u>:</p> <p>(a) persons performing designated senior management functions on behalf of the firm <u>SMF managers; and</u></p> <p><u>(b) key function holders;</u></p> <p>other than members of the <u>firm's governing body</u>.</p>	<p><u>Key function holder has the same meaning as it does in the Glossary Part of the PRA Rulebook.</u></p>	(g)

...

<u>Part Four (functions applying in specified situations)</u>

FCA-prescribed senior management responsibility	Explanation	Reference letter
...		
(3) Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the internal audit function, in accordance <u>with</u> the <i>internal audit requirements for SMCR firms</i>
...		

...

24 **Which FCA-prescribed senior management responsibilities apply to which**
Annex 1 **kind of firm**

...

Banking sector firms

...

2.3 R Table: FCA-prescribed senior management responsibilities applying to
banking sector firms

Brief description of responsibility	Reference letter of responsibility	UK firm	Small UK firm	Third-country firm
...				
Training of staff performing <i>designated senior management responsibilities</i> <u>See Note (2)</u>	(g)	✓	×	×

...				
<p>Note (1): the categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> in SYSC 24 Annex 1 2.1R. Therefore:</p> <p>(1) (a) Column three (UK firm) refers to SYSC 24 Annex 1 2.1R(2)(a);</p> <p>(2) (b) Column four (Small UK firm) refers to SYSC 24 Annex 1 2.1R(2)(b); and</p> <p>(3) (c) Column five (Third-country firm) refers to SYSC 24 Annex 1 2.1R(2)(c).</p>				
<p>Note (2): Paragraph (b) of this <i>FCA-prescribed senior management responsibility (key function holder)</i> does not apply to any <i>firm</i> in this table.</p>				

25 Senior managers and certification regime: Management responsibilities maps and handover procedures and material

...

25.8 Management responsibilities maps: Records

...

- 25.8.3 R (1) This rule applies to a Solvency II firm (including a large non-directive insurer) to which SYSC 25.1.1R(3) (Main application rules) applies.
- (2) A firm must retain each version of its management responsibilities map for:
- (a) (in the case of a large non-directive insurer) six years; or
- (b) (in any other case) ten years;
- from the date on which it was superseded by a more up-to-date version.
- (3) A firm must be prepared to provide each version to the FCA on request for as long as the firm is required to retain it.

...

25 Annex 1G Examples of the business activities and functions of an SMCR firm

Business areas and management functions	Explanation
...	

<u>(30) The <i>firm's</i> information technology</u>	<u>This includes cybersecurity.</u>
<u>(31) Business continuity planning</u>	<u>If SYSC 4.1.6R and SYSC 4.1.7R (Business continuity) apply to the <i>firm</i>, this includes the systems and policies used to comply with those rules.</u> <u>It includes operational continuity, resilience and strategy.</u>
<u>(32) Outsourcing, procurement and vendor management</u> <u>Management of services shared with other group members</u>	
<u>(33) Internal operations</u>	

...

27 Senior managers and certification regime: Certification regime

...

27.7 Definitions of the FCA-specified significant-harm functions

...

- 27.7.9 G For the purposes of the definition of the significant management *FCA-specified significant-harm function*, the following additional factors about the *firm* should be considered:
- (1) the size and significance of the *firm's* business in the *United Kingdom* – for example, a *firm* carrying on *designated investment business* may have a large number of *certification employees* (for example, in excess of 100 individuals); or a *firm* carrying on general insurance business may have gross written premiums in excess of £100m;

...

...

Sch 1 Record keeping requirements

...

Sch 1.2G

Handbook	Subject of	Contents of	When record must	Retention
----------	------------	-------------	------------------	-----------

reference	record	record	be made	period
SYSC 2.2.1R	...	...	...	Six 6 years from the date on which the record is superseded by a more up-to-date record
SYSC 2.2.4R	Governance map and scope of responsibilities for certain <i>approved persons of Solvency II firms</i>	As stated in <i>rule</i>	The records should be kept up to date, as stated in the <i>rule</i>	10 years from the date superseded, or 6 years for <i>large non-directive insurers</i> .
SYSC 2.2.6R	Scope of responsibilities for certain <i>approved persons of small non-directive insurers</i>	As stated in <i>rule</i>	The records should be kept up to date, as stated in the <i>rule</i>	6 years from the date superseded.
...
SYSC 4.5.21G	Past versions of a <i>firm's management responsibilities maps</i>	Past versions of a <i>firm's management responsibilities maps</i>	SYSC 4.5.21G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important part of its records	SYSC 4.5.21G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important part of its records
SYSC 4.6.14G and SYSC 4.6.28G	Applies SYSC 4.5.21G to <i>non-UK relevant authorised</i>	See entry for SYSC 4.5.21G	See entry for SYSC 4.5.21G	See entry for SYSC 4.5.21G

	<i>persons</i>			
<u>SYSC 25.9.5R</u>	Steps taken to comply with <u>SYSC 25.9.4R</u> (Information to be made available to new manager)	Adequate	Adequate time	None specified.
...
<u>SYSC 22.9.1R</u>	...	...	...	...
<u>SYSC 25.8.1G</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>SYSC 25.8.1G does not itself impose requirements but says that past versions of a firm's management responsibilities maps are an important part of its records</u>	<u>SYSC 25.8.1G does not itself impose requirements but says that past versions of a firm's management responsibilities maps are an important part of its records</u>
<u>SYSC 25.8.3R</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>None specified</u>	<u>10 years from the date superseded, or 6 years for large non-directive insurers</u>
<u>SYSC 25.9.5R</u>	Steps taken to comply with <u>SYSC 25.9.4R</u> (Information to be made available to new manager)	<u>Adequate</u>	<u>Adequate time</u>	<u>None specified</u>

...

Sch 5 Rights of action for damages

...

Sch 5.4G ...

Chapter/ Appendix	Section/ Annex	Paragraph	Right of action under section 138D		
			For private person?	Removed?	For other person?
...
<u>SYSC 23 to SYSC 27</u>			<u>No</u>		<u>No</u>

...

TP 5 Financial Services (Banking Reform) Act 2013: Certification and regulatory references

	<u>Note to the reader</u>		
<u>5.1.1-2</u>	<u>G</u>	<u>(1)</u>	<u>SYSC TP 5 has not been amended to reflect changes in the FCA Handbook and Glossary since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then.</u>
		<u>(2)</u>	<u>A small number of provisions may have effect beyond that date. To help the reader, the table in SYSC TP 5.1.1-1G explains how superseded Glossary terms in SYSC TP 5 should be interpreted.</u>
<u>5.1.1-1</u>	<u>G</u>	<u>Table: meaning of superseded Glossary terms</u>	

<u>Term in SYSC TP 5</u>	<u>Term that has replaced it</u>	<u>Comment</u>
<u>relevant authorised person</u>	<u>SMCR dual regulated banking sector firm</u>	
<u>full scope regulatory reference firm</u>	<u>Any of the following:</u> <u>(a) an SMCR dual regulated banking sector firm;</u> <u>(b) a Solvency II firm; or</u>	<u>SYSC TP 5.4.2R refers to SYSC 22.2.1R (Obligation to obtain a regulatory reference). On 7 March 2017 (the date referred to in SYSC TP 5.4.2R), SYSC</u>

	<u>(c) a large non-directive insurer.</u>	<u>22.2.1R applied to what were then called full scope regulatory reference firms.</u>
--	---	--

	Purpose of SYSC TP 5			
5.1.1	G	...		
...				

...

After SYSC TP 6 (Transitional Provision 6) insert a new SYSC TP 7. The text is not underlined.

TP 7 Bank of England and Financial Services Act 2016: Certification and regulatory references

7.1 Application and purpose

- 7.1.1 R (1) Subject to (2) to (4), *SYSC TP 7* applies to *SMCR firms*.
- (2) Subject to (5), *SYSC TP 7* does not apply to an *SMCR dual regulated banking sector firm*.
- (3) *SYSC TP 7.4.2R* and *SYSC TP 7.4.3G* do not apply to a *firm* in the **insurance sector** except to a *small non-directive insurer*.
- (4) *SYSC TP 7.4.4R* does not apply to a *firm* in the **insurance sector** except that:
- (a) it applies to a *small non-directive insurer*; and
- (b) it applies to any *firm* in the **insurance sector** where the requirement to obtain a reference only arises under *SYSC 22.2.1R(1)(b)* (certification).
- (5) *SYSC TP 7.4.5R* and *SYSC TP 7.4.6G* apply to all *firms*.
- 7.1.2 G *SYSC TP 7*:
- (1) explains how the certification regime described in *SYSC 27* applies during the **certification transitional periods** described in *SYSC TP 7.2.1G*; and
- (2) has certain transitional provisions dealing with *SYSC 22* (Regulatory references).

- 7.1.3 G (1) The main time period for which SYSC TP 7 operates is 2018 to 2020.
- (2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.
- 7.1.4 G SYSC TP 7.5.2R has a glossary of terms used in SYSC TP 7 which have meanings that only apply in SYSC TP 7. These terms appear in bold type in SYSC TP 7.

7.2 Certification: The certification transitional period

- 7.2.1 G The obligation in section 63E(1) of the *Act* for an *SMCR firm* to take reasonable care to ensure that no *employee* of the *firm* performs an *FCA specified significant-harm function*, unless the *firm* has issued the *employee* with a valid certificate, does not apply until the end of the **certification transitional period**.
- 7.2.2 G However, other parts of the *Handbook* and the *Act* about *certification employees* apply in the **certification transitional period**.
- 7.2.3 G The table in SYSC TP 7.2.4G explains how the requirements of the *Handbook* and the *Act* about *certification employees* apply in the **certification transitional period**.
- 7.2.4 G Table: How the certification regime applies in the certification transitional period

Provision in the Act or the Handbook	What that provision is about	How it applies in the Certification Transitional Period
<i>Glossary</i> definition of <i>certification employee</i>		During the certification transitional period , the <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates were in force
SYSC 27.2 and the parts of the <i>Act</i> on which it gives <i>guidance</i>	Issuing certificates and fitness	Does not apply
SYSC 27.3	Territorial scope of the certification regime	

SYSC 27.4	General material about the scope of the certification regime	Applies for the purpose of those parts of the <i>FCA Handbook</i> and the <i>Act</i> that are in force as described in this table
SYSC 27.5	Exclusions for emergency and temporary appointments	
SYSC 27.6	Specification of functions	
SYSC 22	Regulatory references	No requirement to obtain a reference when appointing someone as a <i>certification employee</i>
SYSC 25	SYSC 25 says that the <i>management responsibilities map</i> should say whether <i>persons</i> described or identified in the <i>management responsibilities map</i> are <i>certification employees</i>	Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force
COCON		<p>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.</p> <p>This applies even if they have not been notified:</p> <p>(a) that <i>COCON</i> applies to them; or</p> <p>(b) of the <i>rules</i> that apply to them.</p> <p><i>COCON</i> also applies to those who would have been excluded from the certification regime by SYSC 27.5.1R(1) (Emergency appointments) or SYSC 27.5.3R (Temporary UK role).</p>
Section 64B of the <i>Act</i>	<p><i>Firm</i> should ensure that all <i>persons</i> subject to <i>COCON</i> are notified</p> <p><i>Firm</i> should take reasonable steps to ensure that those <i>persons</i> understand how <i>COCON</i> applies to them.</p>	Applies to everyone who would need a certificate to perform their job if the

The parts of <i>SUP</i> 15.3 that deal with <i>COCON</i> breaches	Notifying a significant breach of <i>COCON</i> to the <i>FCA</i>	obligation to issue certificates was in force
Section 64C of the <i>Act</i> and <i>SUP</i> 15.11	Notifying the <i>FCA</i> of disciplinary action	

7.3 General material about certification

- 7.3.1 G (1) *SYSC* 27.5.1R (Emergency appointments) allows a *firm* to appoint someone (P) to perform a function which would normally be an *FCA-specified significant-harm function* without P becoming a *certification employee*. There is a maximum period for which the appointment can last.
- (2) When calculating the maximum time period in (1), the *firm* need not take into account any time spent by P before the **general commencement date** performing what will become the *FCA-specified significant harm function* in (1).
- (3) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by P during the **certification transitional period** performing the *FCA-specified significant harm function* in (1).
- 7.3.2 G (1) *SYSC* 27.5.1R only applies where P (as referred to in *SYSC* TP 7.3.1G) is providing cover for a *certification employee* whose absence is reasonably unforeseen.
- (2) *SYSC* 27.5.1R may still apply if the absence referred to in (1) began before the **general commencement date** or during the **certification transitional period**.
- 7.3.3 G (1) Some *FCA-specified significant harm functions* only apply where the place of performance of the function has a connection with the *United Kingdom* (for example, it is carried on there).
- (2) *SYSC* 27.5.3R (Temporary UK role (the 30-day rule)) allows a *person* (P) to carry on a function for a *firm* that would normally be an *FCA-specified significant harm function* because of its connection with the *United Kingdom* without P becoming a *certification employee*. There is a time limit on how long the *firm* can allow P to do this.
- (3) When calculating the time limit in (2), the *firm* need not take into account any time spent by P before the **general commencement**

date performing functions with a *United Kingdom* connection.

- (4) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by P during the **certification transitional period** performing functions with a *United Kingdom* connection.

7.4 Transitional provisions about regulatory references

- 7.4.1 R (1) If on the **general commencement date** an *employee* (P) is already performing an *FCA-specified significant harm function* for an *SMCR firm* (A), the obligation under SYSC 22 (Regulatory references) for A to obtain a reference when issuing a certificate for P for that *FCA-specified significant harm function* does not apply.
- (2) If there has been a significant change in P's responsibilities forming part of that *FCA-specified significant harm function* as compared to the position on the **general commencement date**, paragraph (1) ceases to apply from that time.
- 7.4.2 R SYSC 22.2.1R (Obligation to obtain a regulatory reference) does not apply to an application for approval as an *approved person* that:
- (1) is made before the **general commencement date** and is continued in force by SUP TP 10.7 (In-flight applications: Conversion); or
- (2) is made under SUP TP 10.15 (Applications of approved persons to take effect from the commencement date).
- 7.4.3 G SYSC 22.2.4R (Obligation to revise references) does not apply to references given before the **general commencement date**.
- 7.4.4 R Question (F) (disciplinary action) in Part One of SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure requirements) does not require disclosure of breaches of individual conduct requirements referred to in question (F) if:
- (1) the disciplinary action referred to in that item took place before the **general commencement date**; and
- (2) the *firm's* records do not show whether the conduct that was subject to disciplinary action amounted to a breach of those individual conduct requirements.
- 7.4.5 R If:
- (1) a *firm* (A) asks another *firm* (B) for a reference before the **general commencement date**; but

(2) B gives the reference after that date;

SYSC 22 (Regulatory references) in the form it is in at the time in (2) applies to B.

- 7.4.6 G *SYSC 22* in the form it is in after the **general commencement date** applies to a reference requested or given after the **general commencement date** even if the matters covered by the reference occurred before then.

7.5 Terms used in SYSC TP 7

- 7.5.1 R The terms in the first column of the table in *SYSC TP 7.5.2R*, where they appear in bold in *SYSC TP 7*, have the meaning in the corresponding row of column 2 for the purposes of *SYSC TP 7*.

- 7.5.2 R Table: glossary of bespoke terms used in *SYSC TP 7*

Part One: General	
Defined term	Meaning
insurance sector	a <i>firm</i> is in the insurance sector if it is in the insurance sector under Part Three of <i>SYSC 23 Annex 1</i> (Definition of insurance sector).

Part Two: Dates		
Defined term	Meaning: Insurers	Meaning: Others
certification transitional period	[] 2018 to [] 2019 [the one year period following the main commencement date for insurers]	[] 2019 to [] 2020 [the one year period following the main commencement date for solo-regulated firms]
general commencement date	[] 2018 [the main commencement date for insurers]	[] 2019 [the main commencement date for solo-regulated firms]
Note (1): Column (2) (Insurers) applies to a <i>firm</i> in the insurance sector (to the extent that <i>SYSC TP 7</i> applies to such <i>firms</i>).		
Note (2): Column (3) (Others) applies to a <i>core SMCR firm</i> , an <i>enhanced scope SMCR firm</i> and a <i>limited scope core SMCR firm</i> .		

Part 3: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* This Part takes into account changes proposed in Parts 1 and 2 of this Annex, as well as assuming the changes proposed in CP17/25 and 17/26 have been made.]

1 Application and purpose**1.1A Application**

...

- 1.1A.1 G The application of this sourcebook is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Insurer</i>	Chapters 2, 3, 12 to 18, 21, 22, 23, 24, 25, 26, 27
<i>Managing agent</i>	Chapters 2, 3, 11, 12, 18, 21, 22, 23, 24, 25, 26, 27
<i>Society</i>	Chapters 2, 3, 12, 18, 21, 22, 23, 24, 25, 26, 27
<i>Any other SMCR firm</i>	Chapters 4 to 12, 18, 19D, 21, 22, 23, 24, 25, 26, 27
Every other firm	Chapters 4 to 12, 18, 19D, 21, 22, 23, 24, 25, 26, 27

...

- 1.1A.1A G The application of this sourcebook to *firms* that are not *PRA-authorised persons* is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Full-scope UK AIFM</i>	Chapters 4 to 10, 12, 18, 19B, 21, 22, 23, 24, 25, 26, 27
<i>BIPRU firm</i>	Chapters 4 to 10, 12, 18, 19C, 20, 21, 22, 23, 24, 25, 26, 27

(including a <i>third-country BIPRU firm</i>)	
<i>IFPRU investment firm</i> (including an <i>overseas firm</i> that would have been an <i>IFPRU investment firm</i> if it had been a <i>UK domestic firm</i>)	Chapters 4 to 10, 12, 18, 19A, 20, 21, 22, <u>23, 24, 25, 26, 27</u>

6 Compliance, internal audit and financial crime

...

6.2 Internal audit

...

6.2.2 G ...

- (2) ~~For a *firm* that is not an *SMCR firm*, the internal audit function is not a *controlled function* itself, but is part of the *systems and controls function* (CF28).~~
- (3) For an *SMCR firm* that is a *PRA-authorised person*, the internal audit function is a *PRA controlled function* (SMF5). For an *enhanced scope SMCR firm* it is an *FCA controlled function* (SMF5).

...

7 Risk control

7.1 Risk control

...

7.1.8 G ...

- (3) ~~For a *firm* that is not an *SMCR firm*, the risk management function is not a *controlled function* itself, but is part of the *systems and controls function* (CF28).~~
- (4) For an *SMCR firm* that is a *PRA authorised person*, the risk

management function is a *PRA controlled function* (SMF4). For an enhanced scope SMCR firm it is an FCA controlled function.

...

21 Risk control: additional guidance

21.1 Risk control: guidance on governance arrangements

...

Chief Risk Officer

21.1.2 G ...

- (2) *Firms will need to seek the ~~appropriate regulator's~~ FCA's or PRA's (as appropriate) approval for a Chief Risk Officer to perform:*
 - (a) *(for an SMCR firm that is a PRA-authorised person) the PRA's Chief Risk Function controlled function; or*
 - (b) *(for ~~any other firm~~ an enhanced scope SMCR firm) the ~~systems and controls function~~ (see SUP 10A (FCA approved persons)) chief risk officer function.*

...

22 Regulatory references

...

22.5 Giving references: additional rules and guidance for all firms

...

Breach of APER

- #### 22.5.12 G
- (1) ~~An example of information that may be relevant under SYSC 22.2.2R(1) to (3) is the fact that the employee has breached a requirement in APER.~~
 - (2) ~~This means that any firm (not just one that is an SMCR firm) should consider whether it needs to disclose a breach of APER when giving a reference under this chapter. [deleted]~~

...

Criminal record checks

- #### 22.5.19 G
- A *firm* giving a reference need not include information from a criminal records check it has carried out under Part V of the Police Act 1997 (Certificates of Criminal records, etc). The recruiting *firm* should carry out a criminal records check itself if necessary. SUP 10C.10.16R requires an

SMCR firm to carry out such a check when appointing an *SMF manager* or *SYSC 23.4 (Criminal record checks for certain directors)* also requires certain *SMCR firms* to carry out a criminal records check when appointing a board director who is not an *approved person*.

...

22.8 Additional rules and guidance for all firms

...

22.8.4 R When an *SMCR firm* is permitting or appointing someone to perform a *controlled function* whose approval is given under ~~*SUP 10A.1.15R* or *SUP 10A.1.16R* (appointed representatives of *SMCR firms*)~~ *SUP 10A* (FCA Approved Persons in Appointed Representatives), the requirements of this chapter for *firms* that are not *SMCR firms* apply in place of the requirements that only apply to *SMCR firms*.

22.8.5 G A *firm* should ensure its *appointed representative* complies with the requirements of this chapter when the *appointed representative* appoints an *approved person* under ~~*SUP 10A.1.15R* to *SUP 10A.1.16R* (appointed representatives)~~ *SUP 10A*.

...

22 Annex 2 Factors to take into account when asking for and giving regulatory references

Matters to take into account	Comments
...	
(C) Section 5 of the relevant Form A in <i>SUP 10A Annex 4 (Application to perform controlled functions under approved persons regime)</i> or <i>SUP 10C Annex 3 (Application to perform senior management functions)</i>	
...	

23 Senior managers and certification regime: Introduction and classification

...

23.3 Overview of the senior managers and certification regime

...

- 23.3.2 G The table in SYSC 23.3.3G gives more details about each of those three elements. The first two columns of the table ~~applies~~ apply to all *firms*. The third column only covers *firms* that are not regulated by the *PRA*.

...

Annex D

Amendments to the Code of Conduct sourcebook (COCON)

In this Annex, underlining indicates new text and striking through indicates deleted text.

[*Editor's note:* Text takes into account the amendments proposed in the instrument in CP17/25 and 17/26 as if it was made.]

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

1 Application and purpose

1.1 Application

...

1.1.8 G ...

1.1.8A R (1) This rule applies to a person (P):

(a) who is an *approved person* approved to perform a *controlled function* under SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives) in relation to an *SMCR firm* (F); and

(b) to whom COCON also applies in P's capacity as:

(i) an *SMF manager* of F; or

(ii) another *person* of the type listed in column one of the table in COCON 1.1.2R (Table: To whom does COCON apply?) where F is the *SMCR firm* referred to in that column.

(2) COCON does not apply to conduct of P to the extent that:

(a) that conduct relates to the performance by P of functions:

(i) in (1)(a); or

(ii) in relation to the carrying on of a *regulated activity* by the *appointed representative* who is P's *APER employer*; and

(b) APER applies to that conduct.

...

1 Annex Guidance on the role and responsibilities of non-executive directors of SMCR

1G firms subject to COCON

...

4 General approach to the role of a NED

...

- 4.3 Although NEDs who are subject to the senior management regime for *SMF managers* ~~or the approved persons regime for insurers~~ have individual duties under that regime, the *FCA* views the regime and its application as consistent with the principle of collective decision-making.

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* Text in this Part takes into account the changes proposed in Part 1 of this Annex.]

1 Application and purpose**1.1 Application**

...

- 1.1.8A R (1) This *rule* applies to a *person* (P):

- (a) who is an *approved person* approved to perform a *controlled function* under ~~*SUP 10A.1.15R* to *SUP 10A.1.16BR*~~
~~(appointed representatives)~~ *SUP 10A (FCA Approved Persons in Appointed Representatives)* in relation to an *SMCR firm* (F); and

...

...

...

Part 3: Comes into force [] 2020 [one year after main commencement date for solo-regulated firms]

[*Editor's note:* The material we are proposing to include in this Part of the annex is the material that is shown in the draft Restatement Instrument included in this CP (which shows

how the text proposed in the instrument included in CP17/25 and 17/26 will be commenced)
as coming into force on this date.]

Annex E

Amendments to the Threshold Conditions (COND)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

2 The threshold conditions

...

2.5 Suitability

...

- 2.5.3 G (1) The emphasis of the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 of the *Act* is on the suitability of the *firm* itself. The suitability of each *person* who performs a *controlled function* will be assessed by the *FCA* and/or the *PRA*, as appropriate, under the *approved persons* regime (in relation to an *FCA-approved person*, see SUP 10A (FCA Approved Persons), SUP 10C (~~FCA senior management regime for approved persons in relevant authorised persons~~) (FCA senior managers regime for approved persons in SMCR firms) and *FIT*). In certain circumstances, however, the *FCA* may consider that the *firm* is not suitable because of doubts over the individual or collective suitability of *persons* connected with the *firm*.

...

...

- 2.5.6 G Examples of the kind of particular considerations to which the *FCA* may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, the *threshold condition* include, but are not limited to, whether:

...

- (7) the *firm* has put in place procedures which are reasonably designed to:

...

- (b) ensure that its *approved persons* and, in the case of ~~relevant authorised persons~~ SMCR firms, the rest of its *conduct rules staff* are aware of those requirements and standards under the *regulatory system* applicable to them, whether or not they are employed by the *firm*;

...

- (d) determine that its *approved persons* and, in the case of ~~*relevant authorised persons*~~ *SMCR firms*, the rest of its *conduct rules staff*, are adhering to those requirements and standards;

...

- (12) those *persons* who perform *controlled functions* under certain *arrangements* entered into by the *firm* or its contractors (including *appointed representatives* or, where applicable, *tied agents*) act with due skill, care and diligence in carrying out their *controlled function* (see *APER* 4.2 (Statement of Principle 2) or *COCON* 2.1.2R or managing the business for which they are responsible (see *APER* 4.7 (Statement of Principle 7) or *COCON* 2.2.2R, as applicable);

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

2 The threshold conditions

...

2.5 Suitability

...

- 2.5.3 G (1) The emphasis of the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 of the *Act* is on the suitability of the *firm* itself. The suitability of each *person* who performs a *controlled function* will be assessed by the *FCA* and/or the *PRA*, as appropriate, under the *approved persons* regime (in relation to an *FCA-approved person*, see *SUP* 10A (FCA Approved Persons in Appointed Representatives), *SUP* 10C (FCA senior managers regime for approved persons in SMCR firms) and *FIT*). In certain circumstances, however, the *FCA* may consider that the *firm* is not suitable because of doubts over the individual or collective suitability of *persons* connected with the *firm*.

...

...

Annex F

Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

1.1A Application

Who?

1.1A.1 R *APER applies to FCA-approved persons and ~~PRA-approved persons~~ who ~~fall under (1) or (2)~~ are either:*

- (1) *approved persons of firms that are not: SMCR firms; or*
 - (a) *~~relevant authorised persons~~; or*
 - (b) *~~Solvency II firms or small non-directive insurers~~; or*
- (2) *approved persons approved to perform a controlled function in SUP 10A.1.15R to SUP 10A.1.16BR (~~appointed representatives~~ appointed representatives).*

1.1A.1A G (1) *APER does not apply to FCA-approved persons ~~or PRA-approved persons~~ of ~~relevant authorised persons, Solvency II firms or small non-directive insurers~~ SMCR firms. COCON applies instead. For the purposes of APER (and SYSC, SUP 10A, COCON and DEPP) a ~~large non-directive insurer~~ is treated as and included in the Glossary definition of a Solvency II firm.*

- (2) *However, APER applies to approved persons approved to perform a controlled function under SUP 10A.1.15R to SUP 10A.1.16BR (~~appointed representatives~~ appointed representatives) even if the appointed representative's principal is ~~a relevant authorised person or Solvency II firm~~ an SMCR firm.*

What?

1.1A.2 R (1) *APER applies to the performance by an approved person of:*

- (a) *FCA controlled functions in SUP 10A (FCA Approved Persons) (whether or not approval has been sought and granted); and*
- (b) *~~PRA controlled functions (whether or not approval has been sought and granted);~~*

~~in relation to the authorised persons in relation to which that person is an approved person.~~

- (2) *APER* also applies to the performance by an *approved person* of any other functions in relation to the carrying on of a *regulated activity* by ~~the authorised persons referred to in (1)~~ their approved person employer.
- (3) Subject to (4), *APER* does not apply to conduct to which *COCON* applies.
- (4) *APER* applies to conduct to which *COCON* does not apply under *COCON* 1.1.8AR (To what conduct does it apply?).

...

Coverage of *APER*

- 1.1A.6 G *APER* 1.1A.7G gives examples of the effect of *APER* 1.1A.1R and *APER* 1.1A.2R. The first column says whether the example involves an *FCA-approved person* in relation to one or two *firms* ~~and the second column says whether the example involves a *PRA-approved person*. So for example if there is a “Yes” in both columns that means that the example concerns a *person* who has been approved both by the *FCA* and by the *PRA*. The third second column explains what functions *APER* covers in the scenario set out in the first two columns column. The table is divided between cases in which the *person* performs the *controlled function* for an *FCA-authorised person* and ones where the *person* does so for a *PRA-authorised person*.~~

- 1.1A.7 Table: Examples of what activities *APER* *APER* covers

FCA approved	PRA approved	Coverage of <i>APER</i> <u><i>APER</i></u>
FCA-authorised person		
(1) Yes, in relation to <i>firm A</i>	Not applicable	Applies to the <i>FCA controlled function</i> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(2) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	Not applicable	In relation to <i>firm A</i> , the answer is the same as for scenario (1). However, <i>APER</i> does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that he performs <u>they perform</u> in relation to <i>firm B</i> is a <i>controlled</i>

		<i>function the approved person and firm B may be subject to legal sanctions (see SUP 10A.13.1G to SUP 10A.13.2G).</i>
PRA authorised person that is not a relevant authorised person, or a Solvency II firm or a small non-directive insurer.		
(3) Yes, in relation to <i>firm A</i>	No	The answer is the same as for scenario (1).
(4) No	Yes, in relation to <i>firm A</i>	Applies to PRA controlled function . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(5) Yes, in relation to <i>firm A</i>	Yes, in relation to <i>firm A</i>	Applies to FCA controlled function and PRA controlled function . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(6) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ;	Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ;	In relation to <i>firm A</i> , the answer is the same as for scenario (5). However, APER does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that he performs in relation to <i>firm B</i> is a <i>controlled function</i> the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see SUP 10A.13.1G to SUP 10A.13.21G).
PRA authorised person that is a relevant authorised person, a Solvency II firm or a small non-directive insurer.		
(7) Yes, in relation to <i>firm A</i>	No	No. APER does not apply to <i>approved persons</i> of <i>relevant authorised persons</i> , <i>Solvency II firms</i> or <i>small non-directive insurers</i> . <i>COCON</i> applies instead.
(8) No	Yes, in relation to <i>firm A</i>	The answer is the same as for scenario (7).
(9) Yes, in relation to <i>firm A</i>	Yes, in relation to <i>firm A</i>	The answer is the same as for scenario (7).

- 1.1A.8 G (1) *A person may be an approved person in relation to more than one firm. When that is the case, APER applies in relation to all those firms.*
- (2) *APER does not apply if the firm is ~~a relevant authorised person or a Solvency II firm~~ an SMCR firm, except for approved persons of an appointed representative of ~~a relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm.*
- (3) *If a person is an approved person of a firm (A) that is not ~~a relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm and also of another firm (B) that is ~~either a relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm, the result is:*
- (a) *APER applies to the approved person in relation to firm A; and*
- (b) *COCON applies to the approved person in relation to firm B.*
- 1.1A.9 G (1) *APER 1.1A refers to ~~the authorised person in relation to which a person is~~ an approved person's approved person employer. It also refers to an approved person of a firm.*

...

3 Code of Practice for Approved Persons: general

3.1 Introduction

...

- 3.1.7A G *Statements of Principle 1 to 4 apply to all approved persons. A person performing an accountable higher management function is also subject to the additional requirements set out in Statements of Principle 5 to 7 in performing that accountable function. Those responsible under ~~SYSC 2.1.3R~~ or SYSC 4.4.5R (Apportionment of responsibilities) for the firm's apportionment obligation will be specifically subject to Statement of Principle 5 (and see, in particular, APER 4.5.6G). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see, in particular, APER 4.7.3G).*

...

4 Code of Practice for Approved Persons: specific

...

4.5 Statement of Principle 5

...

- 4.5.6 G In the case of an *approved person* who is responsible under ~~SYSC 2.1.3R (1)~~ ~~or SYSC 4.4.5R(1)~~ for dealing with the appointment of responsibilities under ~~SYSC 2.1.1R~~ ~~or SYSC 4.4.3R~~, failing to take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among the *firm's directors* and senior managers falls within *APER 4.5.2G*.

...

4.7 Statement of Principle 7

...

- 4.7.3 G Failing to take reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* in respect of the regulated activities of the *firm* in question (as referred to in *Statement of Principle 7*) falls within *APER 4.7.2G*. In the case of an *approved person* who is responsible, under ~~SYSC 2.1.3R(2)~~ ~~or SYSC 4.4.5R(2)~~, with overseeing the *firm's* obligation under ~~SYSC 3.1.1R~~ ~~or SYSC 4.1.1R~~, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within *APER 4.7.2G*.

...

- 4.7.9 G In the case of the *money laundering reporting officer*, failing to discharge the responsibilities imposed on them by the *firm* in accordance with ~~SYSC 3.2.6R~~ ~~or SYSC 6.3.9R~~ falls within *APER 4.7.2G*.
- 4.7.10 G In the case of an *approved person* performing an *accountable higher management function* responsible for compliance in respect of the following provisions, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within *APER 4.7.2G*:

(1) ~~SYSC 3.2.8R~~; ~~or~~ [deleted]

...

...

Review and improvement of systems and procedures

- 4.7.14 G Where independent reviews of systems and procedures have been undertaken and result in recommendations for improvement, the *approved person* performing an *accountable higher management function* should ensure that, unless there are good reasons not to, any reasonable recommendations are implemented in a timely manner (~~*APER 4.7.10G*~~ *4.7.8G*). What is reasonable will depend on the nature of the inadequacy and the cost of the improvement. It will be reasonable for the *approved person*

performing an *accountable higher management function* to carry out a cost benefit analysis when assessing whether the recommendations are reasonable.

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* Text in this Part takes into account the changes proposed in Part 1 of this Annex.]

1A Application

Who?

- 1.1A.1 R *APER* applies to *FCA-approved persons* who are ~~either:~~
- (1) ~~approved persons of firms that are not SMCR firms; or~~
 - (2) ~~approved persons~~ approved to perform a controlled function in *SUP* 10A.1.15R to *SUP* 10A.1.16BR (~~appointed representatives~~) *SUP* 10A (FCA Approved Persons in Appointed Representatives).
- 1.1A.1A G (1) ~~*APER* does not apply to *FCA-approved persons* of *SMCR firms*. *COCON* applies instead.~~
- (2) ~~However, *APER* applies to *approved persons* approved to perform a controlled function under *SUP* 10A.1.15R to *SUP* 10A.1.16BR (*appointed representatives*) even if the *appointed representative's principal* is an *SMCR firm*. [deleted]~~

What?

- 1.1A.2 R (1) *APER* applies to the performance by an *approved person* of *FCA controlled functions* in *SUP* 10A (FCA Approved Persons in Appointed Representatives) (whether or not approval has been sought and granted) .
- ...
- (5) *APER* does not apply to conduct unless it is within the scope of section 64A(5) of the Act (Rules of conduct).

...

Coverage of *APER*

- 1.1A.6 G ~~*APER* 1.1A.7G gives examples of the effect of *APER* 1.1A.1R and *APER* 1.1A.2R. The first column says whether the example involves an *FCA-approved person* in relation to one or two *firms*. The second column~~

~~explains what functions *APER* covers in the scenario set out in the first column. [deleted]~~

Table: Examples of what activities *APER* covers

FCA approved	Coverage of <i>APER</i>
(1) Yes, in relation to <i>firm A</i>	Applies to the <i>FCA controlled function</i>. Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i>.
(2) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	In relation to <i>firm A</i>, the answer is the same as for scenario (1). However, <i>APER</i> does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i>. However, if the function that they perform in relation to <i>firm B</i> is a <i>controlled function</i> the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see <i>SUP 10A.13.1G</i> to <i>SUP 10A.13.2G</i>).

- 1.1A.8 G (1) ~~A person may be an *approved person* in relation to more than one *firm*. When that is the case, *APER* applies in relation to all those *firms*.~~
- (2) ~~*APER* does not apply if the *firm* is an *SMCR firm*, except for *approved persons* of an *appointed representative* of an *SMCR firm*.~~
- (3) ~~If a person is an *approved person* of a *firm (A)* that is not an *SMCR firm* and also of another *firm (B)* that is an *SMCR firm*, the result is:~~
- (a) ~~*APER* applies to the *approved person* in relation to *firm A*; and~~
- (b) ~~*COCON* applies to the *approved person* in relation to *firm B*.
[deleted]~~
- 1.1A.9 G (1) ~~*APER 1.1A* refers to an *approved person's approved person employer*. It also refers to an *approved person* of a *firm*.~~
- (2) ~~Under section 59 of the *Act* (Approval for particular arrangements) there are two kinds of *approved person*.~~
- (3) ~~Section 59(1) of the *Act* describes the first. It covers a *person* who performs a *controlled function* under an arrangement entered into by an *authorised person* (“A”). In this case, *APER 1.1A* refers to A.~~
- (4) ~~Section 59(2) of the *Act* describes the second. It covers a *person* who~~

~~performs a *controlled function* under an arrangement entered into by a contractor ("B") of an *authorised person* ("A"). In this case, *APER* 4.1A refers to A (and not B). [deleted]~~

...

Replace the defined term "firm" wherever it appears in *APER* 2, *APER* 3 and *APER* 4 with the defined term "APER employer". This change is not made in those provisions of *APER* amended in the following portion of this Part.

3.1 Introduction

...

3.1.7A G ~~*Statements of Principle 1 to 4 apply to all approved persons. A person performing an accountable higher management function is also subject to the additional requirements set out in Statements of Principle 5 to 7 in performing that accountable function. Those responsible under SYSC 4.4.5R (Apportionment of responsibilities) for the firm's apportionment obligation will be specifically subject to Statement of Principle 5 (and see, in particular, APER 4.5.6G). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see, in particular, APER 4.7.3G).*~~

3.1.7B G (1) *Statements of Principle 1 to 4 apply to an approved person's conduct in relation to:*

(a) *the appointed representative for which they work; and*

(b) *things directly done for their approved person employer.*

(2) *Statements of Principle 5 to 7 only apply to an approved person's management functions in relation to the appointed representative for which they work.*

...

3.1.9 G (1) *This paragraph deals with an approved person whose accountable functions form part of:*

(a) *activities of their APER employer; or*

(b) *circumstances relating to their APER employer;*

that are subject to the code and guidance in (2).

(2) ~~*UK domestic firms*~~ *A business that has its registered office (or, if it has no registered office, its head office) in the United Kingdom with a premium listing of equity shares* ~~*are*~~ *is* *subject to the UK Corporate*

Governance Code, whose *internal control* provisions are amplified in the publication entitled ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014)’ issued by the Financial Reporting Council. ~~Firms regulated by the FCA in this category will be subject to that code as well as to the requirements and standards of the regulatory system.~~

- (3) ~~In~~ Where (1) applies, in forming an opinion whether *approved persons* have complied with ~~its~~ the requirements of the regulatory system, the *FCA* will give due credit for their following corresponding provisions in the *UK Corporate Governance Code* and related *guidance*.

...

4.5 Statement of Principle 5

...

- 4.5.2 G In the opinion of the *FCA*, conduct of the type described in *APER* 4.5.3G, *APER* 4.5.4G, ~~*APER* 4.5.6G~~ or *APER* 4.5.8G does not comply with *Statement of Principle 5*.

...

- 4.5.6 G ~~In the case of an *approved person* who is responsible under SYSC 4.4.5R(1) for dealing with the appointment of responsibilities under SYSC 4.4.3R, failing to take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among the *firm's* directors and senior managers falls within *APER* 4.5.2G. [deleted]~~

- 4.5.7 G Behaviour of the type referred to in *APER* 4.5.6G includes, but is not limited to:

- (1) ~~failing to review regularly the significant responsibilities which the *firm* is required to apportion;~~
- (2) ~~failing to act where that review shows that those significant responsibilities have not been clearly apportioned. [deleted]~~

...

4.7 Statement of Principle 7

...

- 4.7.3 G Failing to take reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* in respect of the regulated activities of the ~~*firm*~~ *APER employer* in question (as referred to in *Statement of Principle 7*) falls within *APER* 4.7.2G. ~~In the case of an *approved person* who is responsible,~~

~~under SYSC 4.4.5R(2), with overseeing the firm's obligation under SYSC 4.1.1R, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within APER 4.7.2G.~~

...

4.7.9 G ~~In the case of the *money laundering reporting officer*, failing to discharge the responsibilities imposed on them by the *firm* in accordance with SYSC 6.3.9R falls within APER 4.7.2G. [deleted]~~

4.7.10 G ~~In the case of an *approved person* performing an *accountable higher management function* responsible for compliance in respect of the following provisions, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within APER 4.7.2G: [deleted]~~

~~(1) [deleted]~~

~~(2) SYSC 6.1.4R; or~~

~~(3) article 22(3) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2 AR, SYSC 1 Annex 1 3.2 BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); or~~

~~(4) SYSC 6.1.4AR.~~

...

4.7.11A G ~~Where the *approved person* is a *proprietary trader* under SUP 10A.9.10R, failing to maintain and comply with appropriate systems and controls in relation to that activity falls within APER 4.7.2G. [deleted]~~

...

Annex G

Amendments to the Fit and Proper test for Employees and Senior Personnel sourcebook (FIT)

[Editor's note: We are not consulting on any changes to FIT except for those in the draft Restatement Instrument included with this CP (which deals with how the changes in the CP17/25 and 17/26 instrument will be commenced).]

Annex H

Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

2 Competence

2.1 Assessing and maintaining competence

...

Notification requirements

- 2.1.31 R A *firm* must notify the *FCA* as soon as reasonably practicable after it becomes aware, or has information which reasonably suggests, that any of the following events has occurred or may have occurred in relation to any of its *retail investment advisers*, and the event is significant:

...

- (3) a *retail investment adviser* has failed to comply with a ~~*Statement of Principle-APER or COCON*~~ (as applicable) in carrying out their *controlled function* ~~or has failed to comply with *COCON* (as applicable)~~; and

...

...

App 6 Accredited bodies

App 6.1 Accredited bodies

6.1.1 G ...

...	
Carrying out effective verification services	
...	...
12.	The <i>FCA</i> will expect an <i>accredited body</i> to have in place effective procedures for carrying out its verification activities. These should include:

	(1)	verifying that each <i>retail investment adviser</i> who is a member of or subscriber to the <i>accredited body's</i> verification service has made an annual declaration in writing that the <i>retail investment adviser</i> has, in the preceding 12 months, complied with <i>APER</i> or, for a relevant authorised person, <u>complied with COCON (as applicable)</u> and completed the continuing professional development required under <i>TC 2.1.15R</i> ;
	...	
...		
14.	...	(b) a false declaration in relation to a <i>retail investment adviser's</i> compliance with <i>APER</i> or <u>COCON (as applicable)</u> . or (c) for a relevant authorised person, compliance with COCON.
	...	
Having appropriate systems and controls in place and providing evidence to the FCA of continuing effectiveness		
...		
17.		The <i>FCA</i> will expect an <i>accredited body</i> to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with <i>APER</i> or <u>COCON (as applicable)</u> .
...		

...

Sch 2 Notification requirements

Sch 2.1 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
... (3) a <i>retail investment adviser</i> has failed to comply with a <i>Statement of</i>	...

			<p><i>Principle</i> <u>APER</u> in carrying out his <u>their</u> <i>controlled</i> <i>function</i> or, in the case of a relevant authorised person <u>an</u> <u>SMCR firm</u>, has failed to comply with COCON; and</p> <p>...</p>	
--	--	--	---	--

Annex I

Amendments to the General Provisions (GEN)

In this Annex, striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

Sch 4 Powers exercised

...

Sch 4.2 G Powers to make rules

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the rules in <i>GEN</i> :	
	...
	Section 60A (Vetting of candidates by relevant authorised persons)
	...

...

Sch 4.7 G Powers to direct, require or specify

The following powers and related provisions in the <i>Act</i> have been exercised by the <i>FCA</i> in <i>GEN</i> to direct, require or specify:	
	...
	Section 63ZA (Variation of senior manager's approval at request of relevant authorised person)
	...
	Section 63E (Certification of employees by relevant authorised persons)
	Section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action)

	...
--	-----

...

Annex J

Amendments to the Prudential sourcebook for Investment Firms (IFPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

2 Supervisory processes and governance

...

2.4 Reporting of breaches

...

- 2.4.2 G SYSC 18 (Whistleblowing) contains requirements on *UK ~~relevant authorised persons~~ SMCR dual regulated banking sector firms* and certain *insurers* (see SYSC 18.1.1AR) in relation to the adoption and communication of appropriate internal procedures for handling *reportable concerns* as part of an effective risk management system. SYSC 18.1.1CG provides that *firms* not otherwise subject to SYSC 18 may nonetheless wish to adopt the provisions in that chapter as best practice.

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

4 Credit risk

...

4.3 Guidance on internal ratings based approach: high level material

...

Corporate governance

- 4.3.8 G ...

- (2) The *FCA* expects an appropriate individual in a *significant influence function* ~~function~~ *designated senior management function* role to provide to the *FCA* on an annual basis written attestation that the rating system permissions required by the *EU CRR* have been carried out

appropriately.

[**Note:** see articles 189 and 20(6) of the *EU CRR* and article 3(1)(7) of *CRD*]

...

Annex K

Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

2 Insurance and MCD mediation activity: responsibility, knowledge, ability and good repute

...

2.2 Allocation of the responsibility for insurance mediation activity or MCD credit intermediation activity

...

2.2.2 R ~~The firm may allocate the responsibility for its insurance mediation activity or MCD credit intermediation activity to an approved person (or persons) who is:~~

(1) ~~(if the firm is not a relevant authorised person):~~

(a) ~~performing:~~

(i) ~~an FCA governing function; or~~

(ii) ~~a PRA governing function;~~

~~(other than a person who is a non-executive director of the firm); or~~

(b) ~~performing the apportionment and oversight function; or~~

(c) ~~performing the significant management function in so far as it relates to dealing in investments as principal, disregarding article 15 of the Regulated Activities Order (Absence of holding out etc) (or agreeing to do so) or an activity which is not designated investment business;~~

(2) ~~(if a firm is a relevant authorised person) a director of the firm who:~~

(a) ~~is not a non-executive director; and~~

(b) ~~is an approved person of that firm. [deleted]~~

2.2.3 G (1) ~~Typically a firm will appoint a director who is an approved person~~

~~of that firm to direct its insurance mediation activity or MCD credit intermediation activity. A firm that is not a relevant authorised person may also appoint a person performing another FCA governing function or PRA governing function.~~

- ~~(1A) A firm should not appoint someone performing one of the FCA's or PRA's non-executive director controlled functions or any other non-executive director.~~
- ~~(1B) Where responsibility for a firm's insurance mediation activity or MCD credit intermediation activity is allocated to a person performing a controlled function that is not in paragraph (1), the firm must ensure that the firm's insurance mediation activity or MCD credit intermediation activity is appropriately allocated. If the apportionment and oversight function applies to the firm, the person performing the apportionment and oversight function with responsibility for the apportionment of responsibilities should carry out the allocation.~~
- ~~(2) The descriptions of significant influence functions, other than the required functions, do not extend to activities carried on by an insurance intermediary with permission only to carry on insurance mediation activity and whose principal purpose is to carry on activities other than regulated activities (see SUP 10A.1.18 R). In this case, the firm may allocate the responsibility for the firm's insurance mediation activity to one or more of the persons performing the apportionment and oversight function who will be required to be an approved person.~~
- ~~(2A) Paragraph (2) does not apply to a relevant authorised person.~~
- ~~(3) In the case of a sole trader, the sole trader will be responsible for the firm's insurance mediation activity or MCD credit intermediation activity, as applicable. [deleted]~~

...

Annex L

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

19 Pensions supplementary provisions

...

19.5 Independent governance committees (IGCs)

...

19.5.8 G (1) A *firm* should consider allocating responsibility for the management of the relationship between the *firm* and its *IGC* to a person at the *firm* holding an *FCA significant-influence function* or designated senior management function.

...

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

19 Pensions supplementary provisions

...

19.5 Independent governance committees (IGCs)

...

19.5.8 G (1) A *firm* should consider allocating responsibility for the management of the relationship between the *firm* and its *IGC* to a person at the *firm* holding an ~~*FCA significant-influence function*~~ or a designated senior management function.

...

...

Annex M

Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

1A CASS firm classification and operational oversight

...

1A.3 Responsibility for CASS operational oversight

1A.3.1 R ...

- (2) A CASS *small firm* that is not a ~~relevant authorised person~~ an SMCR firm must make the allocation in (1) to a *director* or *senior manager* who is approved to perform a *significant influence function* for that *firm*.

1A.3.1-A G The material in CASS 1A.3.1BG about how CASS 1A.3 fits into the *FCA approved persons* senior managers and certification regime for ~~relevant authorised persons~~ SMCR firms also applies to a CASS *small firm* and the function in CASS 1A.3.1R. However:

- (1) the function in CASS 1A.3.1R is not an *FCA specified significant-harm function*; and
- (2) the *person* performing that function will not necessarily be subject to the employee certification regime described in SYSC 27 ~~(Certification Regime)~~ (Senior managers and certification regime: Certification regime).

...

1A.3.1B G (1) (a) CASS 1A.3.1AR describes the *FCA controlled function* known as the *CASS operational oversight function* (CF10a). The table of *FCA controlled functions* in SUP 10A.4.4R together with SUP 10A.7.9R specify the *CASS operational oversight function* as an *FCA required function* for a *firm* to which CASS 1A.3.1AR applies.

(b) The *CASS operational oversight function* does not apply to a ~~relevant authorised person~~ an SMCR firm. For an SMCR firm, the function in CASS 1A.3.1AR is not a separate controlled function and performing that function does not require approval as an approved person. Paragraphs (1A) to

(4) describe how CASS 1A.3.1AR applies to *SMCR firms*.

- (c) However, nothing in paragraphs (1A) to (4) affects the requirement for that function to be allocated to a single *director* or *senior manager* of sufficient skill and authority in accordance with CASS 1A.3.1AR and CASS 1A.3.2AR.

(1A) There are three elements of the regime for *SMCR firms* that are particularly relevant to CASS 1A, although they do not all apply to all *SMCR firms*:

- (a) a *firm*'s obligation to allocate certain responsibilities to its *SMF managers* (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));
- (b) a *firm*'s obligation to ensure that one or more of its *SMF managers* have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and
- (c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).

(2) (a) For a *firm* that is a *UK relevant authorised person*, the function in CASS 1A.3.1AR is not a separate *controlled function* and performing that function does not require approval as an *approved person*. This paragraph (2) explains how CASS 1A.3.1AR applies to an *SMCR firm* to which SYSC 24 and SYSC 26 both apply.

- (b) ~~A *UK relevant authorised person*~~ The *firm* must allocate overall responsibility for the *firm*'s compliance with CASS to one of its *SMF managers* (see ~~SYSC 4.7.5R~~ SYSC 24.2.1R). That responsibility is an “*FCA-prescribed senior management responsibility*”. The full list of *FCA-prescribed senior management responsibilities* is in the table in SYSC 24.2.6R.

- (c) ~~A *UK relevant authorised person*~~ The *firm* may allocate the function in CASS 1A.3.1AR to the *SMF manager* in (b).

- (d) ~~A *UK relevant authorised person*~~ The *firm* may allocate the CASS *FCA-prescribed senior management responsibility* described in (b) to an *SMF manager* who does not perform any other function coming within the *FCA approved persons* regime for ~~relevant authorised persons~~ *SMF managers in SMCR firms*. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details. Where this is

the case, the manager will be performing the *other overall responsibility function* or the *other local responsibility function*.

- (e) ~~A UK relevant authorised person~~ The firm may choose to allocate the function in CASS 1A.3.1AR to someone who is not an *approved person* and *SMF manager*. If so:
 - (i) that *person* will be subject to the employee certification regime described in SYSC 27 (Senior managers and certification regime: Certification regime);
 - (ii) that *person* will be subject to supervision by the *SMF manager* in (b); and
 - (iii) the function in CASS 1A.3.1AR will be the CASS oversight *FCA specified significant-harm function* in SYSC 27.7.1R.
- (3) ~~Broadly speaking, paragraph (2) applies to a *third country relevant authorised person*, with certain differences~~ In relation to an SMCR firm to which SYSC 24 applies but SYSC 26 does not apply, the guidance in sub-paragraphs (2)(b), (2)(c), and 2(e) applies, but the guidance in sub-paragraph (2)(d) does not apply.
 - (a) ~~SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;~~
 - (b) ~~SUP 10C.8 applies instead of SUP 10C.7;~~
 - (e) ~~the *other local responsibility function* (SMF22) applies in place of the *other overall responsibility function* (SMF18).~~
- (4)
 - (a) The position of an ~~*incoming EEA firm that has a top up permission*~~ SMCR firm to which neither SYSC 24 nor SYSC 26 apply is slightly different.
 - (b) The firm may choose to allocate the function in CASS 1A.3.1AR to an *SMF manager*.
 - (c) The firm may instead choose to allocate the function in CASS 1A.3.1AR to someone who is not an *SMF manager*.
 - (d) Where (c) applies, the *person* performing the function in CASS 1A.3.1AR will fall into the certification regime.
 - (e) ~~FCA prescribed senior management responsibilities do not apply to an *incoming EEA firm that has a top up permission*. There is no requirement in SYSC 4.7 or SYSC 4.8 that an *SMF manager* in an *incoming EEA firm* should have overall~~

responsibility for CASS.

- (f) ~~Having responsibility for CASS may fall within the scope of the EEA branch senior manager function (SMF21).~~
- (g) ~~However, having responsibility for CASS may not fall into any controlled function.~~

1A.3.1C R If, at the time a *firm* that is not a ~~relevant authorised person~~ an SMCR firm becomes a CASS medium firm or a CASS large firm in accordance with CASS 1A.2.12 R(1) or CASS 1A.2.12 R(2), the *firm* is not able to comply with CASS 1A.3.1AR because it has no *director* or *senior manager* who is an *approved person* in respect of the CASS operational oversight function, the *firm* must:

...

- 1A.3.1D G
- (1) CASS 1A.3.1CR provides a grace period for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.
 - (2) There is no equivalent to CASS 1A.3.1CR for a ~~relevant authorised person~~ an SMCR firm, because a *person* does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.
 - (3) As explained in CASS 1A.3.1BG(2), the function in CASS 1A.3.1AR is not, by itself, a *controlled function*.
 - (4) Therefore, if an *approved person* is to perform the function for a ~~relevant authorised person~~ an SMCR firm, it can be allocated to any *director* or *senior manager* who is already an *approved person* who is suitable to carry it out.
 - (5) If the function is to be carried out by a *certification employee*:

...

- (b) the *firm* should:
 - (i) either issue them with a certificate under SYSC 27 (Senior managers and certification regime: Certification regime) before the *firm* becomes a CASS medium firm or a CASS large firm; or

...

...

11 Debt management client money chapter

...

11.3 Responsibility for CASS operational oversight

CASS small debt management firm other than a not-for-profit debt advice body

11.3.1 R ...

- (2) A *firm* that is not a ~~relevant authorised person~~ an SMCR firm must make the allocation in (1) to a *director* or *senior manager* approved to perform a ~~significant influence~~ senior management function in relation to that *firm*.

...

CASS large debt management firm: the CASS operational oversight function (CF10a)

11.3.3 G ...

- (3) In the case of a *firm* that is not a ~~relevant authorised person~~ an SMCR firm, the *director* or *senior manager* in (2) should be an *approved person* under the ~~approved persons~~ senior managers regime provided for in *SUP*.
- (4) However, the *CASS operational oversight function* does not apply to a ~~relevant authorised person~~ an SMCR firm.
- (4A) For an SMCR firm, the function in CASS 11.3.4R is not a separate controlled function and performing that function does not require approval as an approved person. Paragraphs (5) to (11) describe how CASS 11.3.4R applies to such firms.
- (4B) There are three elements of the regime for SMCR firms that are particularly relevant to CASS 11.3, although they do not all apply to all SMCR firms:
- (a) a firm's obligation to allocate certain responsibilities to its SMF managers (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));
 - (b) a firm's obligation to ensure that one or more of its SMF managers have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and
 - (c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).
- (5) ~~For a firm that is a relevant authorised person, the function in CASS 11.3.4R is not a separate controlled function and performing that~~

~~function does not require approval as an approved person.~~
Paragraphs (6) to (9) explain how CASS 11.3.4R applies to an SMCR firm to which SYSC 24 and SYSC 26 apply.

- (6) ~~A relevant authorised person~~ The SMCR firm must allocate ~~overall~~ responsibility for the firm's compliance with CASS to one of its SMF managers (see ~~SYSC 4.7.5R~~ SYSC 24.2.1R). That responsibility is an "FCA-prescribed senior management responsibility". The full list of FCA-prescribed senior management responsibilities is in the table in SYSC 24.2.6R.
- (7) ~~A relevant authorised person~~ The SMCR firm may allocate the function in CASS 11.3.4R to the SMF manager in (6).
- (8) ~~A relevant authorised person~~ The SMCR firm may allocate the CASS FCA-prescribed senior management responsibility described in (6) to an SMF manager who does not perform any other function coming within the FCA ~~approved persons~~ senior managers and certification regime for ~~relevant authorised persons~~ SMCR firms. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details.
- (9) ~~A relevant authorised person~~ The SMCR firm may choose to allocate the function in CASS 11.3.4R to someone who is not an *approved person* and SMF manager. If so:
 - (a) that *person* will be subject to the employee certification regime described in SYSC 27 (~~Certification Regime Senior managers and certification regime: Certification regime~~);
 - (b) that *person* will be subject to supervision by the SMF manager in (6); and
 - (c) the function in CASS 11.3.4R will be the CASS oversight FCA specified significant-harm function in SYSC 27.7.1R.
- (10) ~~Broadly speaking, paragraphs (1) to (9) apply to a third-country relevant authorised person, with certain differences: In relation to an SMCR firm to which SYSC 24 applies but SYSC 26 does not apply the guidance in paragraphs (6), (7) and (9) applies, but the guidance in paragraph (8) does not apply.~~
 - (a) ~~SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;~~
 - (b) ~~SUP 10C.8 applies instead of SUP 10C.7;~~
 - (c) ~~the other local responsibility function (SMF22) applies in place of the other overall responsibility function (SMF18).~~

- (11) (a) The position of an ~~incoming EEA firm that has a top-up permission~~ SMCR firm to which neither SYSC 24 nor SYSC 26 apply is slightly different.
- (b) The *firm* may choose to allocate the function in CASS 11.3.4R to an *SMF manager*.
- (c) The *firm* may instead choose to allocate the CASS function to someone who is not an *SMF manager*.
- (d) Where (c) applies, the *person* performing the function in CASS 11.3.4R will fall into the certification regime.
- (e) ~~FCA prescribed senior management responsibilities do not apply to an incoming EEA firm that has a top-up permission. There is no requirement in SYSC 4.7 or SYSC 4.8 that an SMF manager in an incoming EEA firm should have overall responsibility for CASS.~~
- (f) ~~Having responsibility for CASS may fall within the scope of the EEA branch senior manager function (SMF21).~~
- (g) ~~However, having responsibility for CASS may not fall into any controlled function.~~

...

- 11.3.5 R If, at the time a *CASS debt management firm* that is not a ~~relevant authorised person~~ an SMCR firm becomes a *CASS large debt management firm* in accordance with CASS 11.2.8R, the *firm* is not able to comply with CASS 11.3.4R because it has no *director* or *senior manager* who is an *approved person* in respect of the *CASS operational oversight function*, the *firm* must:

...

- 11.3.5A G (1) CASS 11.3.5R provides a grace period for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm to apply for someone to be approved to perform the *CASS operational oversight function*.
- (2) There is no equivalent to CASS 11.3.5R for a ~~relevant authorised person~~ an SMCR firm, because a *person* does not need specific *FCA* approval before carrying out the function. This is explained in (3) to (5), below.
- (3) As explained in CASS 11.3.3G, the function in CASS 11.3.5R is not, by itself, a *controlled function*.
- (4) Therefore, if an *approved person* is to perform the function for a ~~relevant authorised person~~ an SMCR firm, it can be allocated to any *director* or *senior manager* who is already an *approved person* who

is suitable to carry it out.

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

1A CASS firm classification and operational oversight

1A.3 Responsibility for CASS operational oversight

1A.3.1 R ...

- (2) ~~A CASS small firm that is not an SMCR firm must make the allocation in (1) to a director or senior manager who is approved to perform a significant influence function for that firm. [deleted]~~

1A.3.1-A G The material in CASS 1A.3.1BG about how CASS 1A.3 fits into the FCA senior managers and certification regime for SMCR firms also applies to a CASS small firm and the function in CASS 1A.3.1R. ~~However:~~

- (1) ~~the function in CASS 1A.3.1R is not an FCA specified significant-harm function; and~~
- (2) ~~the person performing that function will not necessarily be subject to the employee certification regime described in SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities).~~

...

The ~~approved persons~~ senior managers regime and the certification regime

- 1A.3.1B G (1) (a) ~~CASS 1A.3.1AR describes the FCA controlled function known as the CASS operational oversight function (CF10a). The table of FCA controlled functions in SUP 10A.4.4R together with SUP 10A.7.9R specify the CASS operational oversight function as an FCA required function for a firm to which CASS 1A.3.1AR applies. This paragraph CASS 1A.3.1BG describes how CASS 1A.3.1AR applies to SMCR firms.~~
- (b) ~~The CASS operational oversight function does not apply to an SMCR firm. For an SMCR firm, the The function in CASS 1A.3.1AR is not a separate controlled function and performing that function does not require approval as an approved person. Paragraphs (1A) to (4) describe how CASS 1A.3.1AR applies to SMCR firms.~~

- (c) ~~However, nothing in paragraphs (1A) to (4) affects the requirement for that function to be allocated to a single director or senior manager of sufficient skill and authority in accordance with CASS 1A.3.1AR and CASS 1A.3.2AR. [deleted]~~

...

1A.3.1C R ~~If, at the time a firm that is not an SMCR firm becomes a CASS medium firm or a CASS large firm in accordance with CASS 1A.2.12R(1) or CASS 1A.2.12 R(2), the firm is not able to comply with CASS 1A.3.1AR because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:~~

- (1) ~~take the necessary steps to ensure that it complies with CASS 1A.3.1AR as soon as practicable, which must at least include submitting an application for a candidate in respect of the CASS operational oversight function within 30 business days of the firm becoming a CASS medium firm or a CASS large firm; and~~
- (2) ~~until such time as it is able to comply with CASS 1A.3.1AR, allocate to a director or senior manager performing a senior management function responsibility for:~~
 - (a) ~~oversight of the firm's operational compliance with CASS;~~
 - (b) ~~reporting to the firm's governing body in respect of that oversight; and~~
 - (c) ~~completing and submitting the CMAR to the FCA in accordance with SUP 16.14. [deleted]~~

1A.3.1D G (1) ~~CASS 1A.3.1CR provides a grace period for a firm that is not an SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.~~

(2) ~~There is no equivalent to CASS 1A.3.1CR for an SMCR firm, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.~~

(3) ~~As explained in CASS 1A.3.1BG(2), the function in CASS 1A.3.1AR is not, by itself, a controlled function.~~

(4) ~~Therefore, if an approved person is to perform the function for a an SMCR firm, it can be allocated to any director or senior manager who is already an approved person who is suitable to carry it out.~~

(5) ~~If the function is to be carried out by a certification employee:~~

- (a) ~~FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA~~

approval;

(b) ~~the firm should:~~

- (i) ~~either issue them with a certificate under SYSC 27 (Senior managers and certification regime: Certification regime) before the firm becomes a CASS medium firm or a CASS large firm; or~~
- (ii) ~~give the function to a suitable approved person pending issue of the certificate. [deleted]~~

...

1A.3.3 R (1) Subject to (2), a *firm* must make and retain an appropriate record of the *person* to whom responsibility is allocated in accordance with CASS 1A.3.1R; or CASS 1A.3.1AR ~~or CASS 1A.3.1CR(2).~~

...

...

11 Debt management client money chapter

...

11.3 Responsibility for CASS operational oversight

CASS small debt management firm other than a not-for-profit debt advice body

11.3.1 R ...

- (2) ~~A firm that is not an SMCR firm must make the allocation in (1) to a director or senior manager approved to perform a significant influence function in relation to that firm. [deleted]~~

...

CASS large debt management firms ~~firm: the CASS operational oversight function (CF10a)~~

11.3.3 G (1) ~~CASS 11.3.4R describes the FCA controlled function known as the CASS operational and oversight function (CF10a) in relation to CASS large debt management firms, including not for profit debt advice bodies. [deleted]~~

- (2) As a consequence of CASS 11.3.4R ~~(in conjunction with SUP 10A.4.1R and SUP 10A.7.10R)~~, in a CASS large debt management firm (including a not-for-profit debt advice body fitting into that category) the function described in CASS 11.3.4R is required to be discharged by a *director* or *senior manager*.

...

- (4) ~~However, the CASS operational oversight function does not apply to an SMCR firm. [deleted]~~

...

11.3.5 R ~~If, at the time a CASS debt management firm that is not an SMCR firm becomes a CASS large debt management firm in accordance with CASS 11.2.8R, the firm is not able to comply with CASS 11.3.4R because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:~~

- (1) ~~take the necessary steps to ensure that it complies with CASS 11.3.4R as soon as practicable, which must at least include submitting an application for a candidate in respect of the CASS operational oversight function within 30 business days of the firm becoming a CASS large debt management firm; and~~
- (2) ~~until such time as it is able to comply with CASS 11.3.4R, allocate to a director or senior manager performing a significant influence function responsibility for:~~
 - (a) ~~oversight of the firm's operational compliance with CASS;~~
 - (b) ~~reporting to the firm's governing body in respect of that oversight; and~~
 - (c) ~~completing and submitting the CMAR to the FCA in accordance with SUP 16.14. [deleted]~~

- 11.3.5A G
- (1) ~~CASS 11.3.5R provides a grace period for a firm that is not an SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.~~
 - (2) ~~There is no equivalent to CASS 11.3.5R for an SMCR firm, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.~~
 - (3) ~~As explained in CASS 11.3.3G, the function in CASS 11.3.5R is not, by itself, a controlled function.~~
 - (4) ~~Therefore, if an approved person is to perform the function for an SMCR firm, it can be allocated to any director or senior manager who is already an approved person who is suitable to carry it out.~~
 - (5) ~~If the function is to be carried out by a certification employee:~~
 - (a) ~~FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA approval;~~

- (b) the *firm* should:
- (i) ~~either issue them with a certificate under SYSC 27 (Senior managers and certification regime: Certification regime) before the *firm* becomes a CASS *medium firm* or a CASS *large firm*; or~~
 - (ii) ~~give the function to a suitable *approved person* pending issue of the certificate. [deleted]~~

...

Annex N

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

[*Editor's note:* The text of SUP 10C and SUP 15.11 takes into account the amendments proposed in the CP17/25 and 17/26 instrument as if it was made.]

Part 1: Comes into force [] 2018 [shortly after instrument is made]

[*Editor's note:* The material we are proposing to include in this Part is the amendments to SUP 10C.13 (Variation of conditional and time-limited approvals) that are shown in the draft Restatement Instrument included in this CP (which shows how the text proposed in the instrument included in CP17/25 and 17/26 will be commenced) as coming into force on this date.]

Part2: Comes into force [] 2018 [about six months before main commencement date for insurance firms]

After SUP 9 (Transitional Provisions in relation to the MiFID Regulation) insert a new SUP TP 10. The text is not underlined.

TP 10 Bank of England and Financial Services Act 2016: Approved persons

10.1 Application and purpose

- 10.1.1 R (1) *SUP* TP 10 applies to **SMCR firms**.
- (2) Subject to (3), *SUP* TP 10 does not apply to an **SMCR dual regulated banking sector firm**.
- (3) *SUP* TP 10.15 applies to every *firm*.
- 10.1.2 G *SUP* TP 10 has:
- (1) procedures for converting existing approvals for the performance of *controlled functions* into approvals for the corresponding *designated senior management functions*; and
- (2) transitional provisions relating to the changes to the *approved persons* regime made by Part 2 of the Bank of England and Financial Services Act 2016 and the Individual Accountability (No 2) Instrument 2018.
- 10.1.3 G (1) The main time period for which *SUP* TP 10 operates is 2018 to 2019.

- (2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.

10.1.4 G Most of *SUP* TP 10 relates *SUP* 10C.

10.1.5 G *SUP* TP 10.22 has a glossary of terms used in *SUP* TP 10 which have meanings that only apply in *SUP* TP 10. These terms appear in bold type in *SUP* TP 10.

10.2 Conversion of existing approvals

10.2.1 R If the conditions set out in *SUP* TP 10.2.2R are met, a **pre-implementation approval** in relation to a particular *approved person* (AP) and a particular **SMCR firm** (F) has effect on and after the **commencement date** as if it had been given in relation to the *FCA-designated senior management function* or *FCA-designated senior management functions* specified in *SUP* TP 10.2.2R(2) and (3).

10.2.2 R Those conditions are:

- (1) the **pre-implementation approval** is in effect in relation to F:
 - (a) (where *SUP* TP 10.2.10R applies this condition) at the **firm specific date**; and
 - (b) immediately before the **commencement date**;
- (2) AP is performing an *FCA-designated senior management function* in relation to F on the **commencement date**;
- (3) the **pre-implementation approval** in (1) is **potentially convertible** into approval for the *FCA-designated senior management function* in (2); and
- (4) (where *SUP* TP 10.2.10R applies this condition) F has notified the *FCA*:
 - (a) between the **first notification date** and the **commencement date**;
 - (b) that it considers that the **pre-implementation approval** will be converted into approval for the *FCA-designated senior management function* in (2) under *SUP* TP 10.2.

10.2.3 R (1) A **pre-implementation approval** is **potentially convertible** into approval for an *FCA-designated senior management function* if a single row within the applicable part of the mapping table in *SUP* TP 10.2.5R contains both:

- (a) the **pre-implementation controlled function** for which that **pre-implementation approval** was given; and
- (b) that *FCA-designated senior management function*.
- (2) An approval for a **pre-implementation controlled function** excluded from *SUP* TP 10 by *SUP* TP 10.4.2R is not **potentially convertible** into approval for any *FCA-designated senior management function*.
- 10.2.4 R (1) Part One of the table in *SUP* TP 10.2.5R applies to a *firm* in the **insurance sector**.
- (2) Part Two of the table in *SUP* TP 10.2.5R applies to a **non-notifying firm** (other than one in (1)).
- (3) Part Three of the table in *SUP* TP 10.2.5R applies to a **notifying firm** (other than one in (1)).
- 10.2.5 R Mapping table: Potential conversion of approval for existing controlled functions into approval for designated senior management functions

Part One (insurance firms)	
(1) Pre-Implementation Controlled Function	(2) New FCA-designated senior management function
Executive functions	
Director function	(1) Executive director function (2) Partner function (3) Conduct risk oversight (Lloyd's) function
Chief executive function	Chief executive function
Director of unincorporated association function	Executive director function
Small friendly society function	Executive director function
Oversight functions	
Chair of the nomination committee function	Chair of the nomination committee function
Chair of the with-profits committee function	Chair of the with-profits committee function

Systems and controls	
Systems and controls function	Other local responsibility function
Required functions	
Compliance oversight function	Compliance oversight function
Money laundering reporting function	Money laundering reporting function
CASS operational oversight function	(1) Other overall responsibility function (2) Other local responsibility function
Significant management function	
Significant management function	(1) Other overall responsibility function (2) Other local responsibility function (3) EEA branch senior manager function

Part Two (non-notifying solo-regulated firms)		
(1) Pre-Implementation Controlled Function	(2) New FCA-designated senior management function	(3) Is notification required?
Executive functions		
Director function	Executive director function	No
Chief executive function	(1) Chief executive function (2) Head of third country branch function	No
Partner function	(1) Partner function (2) Executive director function	No
Director of unincorporated association function	Executive director function	No
Small friendly society function	Executive director function	No

Oversight functions		
Non-executive director function	Chair of the governing body function	Yes
Required functions		
Apportionment and oversight function	Limited scope function	No
Compliance oversight function	Compliance oversight function	No
Money laundering reporting function	Money laundering reporting function	No
Significant management function		
Significant management function	EEA branch senior manager function	No

Part Three (notifying solo-regulated firms)	
(1) Pre-Implementation Controlled Function	(2) New FCA-designated senior management function
Executive functions	
Director function	(1) Executive director function (2) Chief finance officer function (3) Chief risk officer function (4) Head of internal audit function (5) Group entity senior manager function (6) Chief operations function
Chief executive function	(1) Chief executive function (2) Chief finance officer function (3) Chief risk officer function (4) Head of internal audit function
Partner function	(1) Partner function (2) Chief finance officer function (3) Chief risk officer function

	(4) Head of internal audit function
Director of unincorporated association function	(1) Executive director function (2) Chief finance officer function (3) Chief risk officer function (4) Head of internal audit function (5) Group entity senior manager function
Small friendly society function	(1) Executive director function (2) Chief finance officer function (3) Chief risk officer function (4) Head of internal audit function (5) Group entity senior manager function
Oversight functions	
Non-executive director function	(1) Chair of the governing body function (2) Chair of the risk committee function (3) Chair of the audit committee function (4) Chair of the remuneration committee function (5) Chair of the nomination committee function (6) Senior independent director function (7) Group entity senior manager function
Systems and controls	
Systems and controls function	(1) Chief finance officer function (2) Chief risk officer function (3) Head of internal audit function
Required functions	
Compliance oversight function	Compliance oversight function
Money laundering reporting function	Money laundering reporting function
CASS operational oversight function	Other overall responsibility function

Significant management function	
Significant management function	(1) Other overall responsibility function (2) Chief operations function

Note for Parts One to Three of this table	
All references to a new FCA-designated senior management function are to <i>FCA-designated senior management functions</i> brought into force for the <i>firm</i> concerned by the Individual Accountability (No 2) Instrument 2018.	

- 10.2.6 G If a **pre-implementation controlled function** does not apply to a *firm* immediately before the **commencement date**, the applicable row of the table in *SUP* TP 10.2.5R does not apply to it either.
- 10.2.7 G (1) The general principle is that a **pre-implementation approval** cannot be converted to approval for an *FCA-designated senior management function* if that *FCA-designated senior management function* will not apply to the *firm* or to the particular *approved person* on the **commencement date**.
- (2) For example:
- (a) If none of the *FCA-designated senior management functions* in a row of the table in *SUP* TP 10.2.5R apply to a *firm* on the **commencement date**, that row does not apply to the *firm*.
- (b) An example of (a) is that the row applying to the limited scope *FCA-designated senior management function* only applies to **limited scope core SMCR firms**.
- (c) The convertibility of the director function to the partner function for *firms* in the **insurance sector** only applies to a **UK SMCR firm** that is a partnership.
- (d) The convertibility of the partner function to the director function for *FCA-authorised persons* in Part Two of the table only applies to a **non-UK SMCR firm** that is a partnership.
- 10.2.8 G Another example of the principle in *SUP* TP 10.2.7G is that if:
- (1) the result of *SUP* TP 10.2 would be that an *approved person* is deemed to be approved to perform the *other overall responsibility function* or the *other local responsibility function*; and
- (2) either that *approved person*:
- (a) is deemed by *SUP* TP 10.2 to be approved to perform any other *FCA-designated senior management function* for the

same *firm*; or

- (b) has approval to perform a *PRA controlled function* for the same *firm*;

then, for that *approved person* and that *firm*, the *other overall responsibility function* or the *other local responsibility function* (whichever is applicable) does not apply.

- 10.2.9 R (1) A notification to the *FCA* is not to be taken into account for the purposes of *SUP* TP 10.2.1R(4) so far as it concerns a particular *approved person* if the *firm* does not include a **statement of responsibilities** about that *approved person* with the notification when required to do so by *SUP* TP 10.11.
- (2) A notification to the *FCA* is not to be taken into account for the purposes of *SUP* TP 10.2.1R(4) if the *firm* does not include a **management responsibilities map** with the notification when required to do so by *SUP* TP 10.12.
- 10.2.10 R *SUP* TP 10.2.2R(1)(a) and *SUP* TP 10.2.4R:
- (1) apply to a **notifying firm**; and
- (2) do not apply to a **non-notifying firm** except in relation to a **pre-implementation approval** for which there is a notification obligation under *SUP* TP 10.5 or *SUP* TP 10.6.
- 10.2.11 G *SUP* TP 10.2.2R(4)(a) means that:
- (1) a failure to submit a Form K before the **final notification date** is a breach of the requirements of *SUP* TP 10; but
- (2) despite that breach, the **pre-implementation approval** can still be converted into an approval for the applicable *FCA-designated senior management function* as long as it is received between the **first notification date** and the **commencement date**.
- 10.2.12 R (1) This *rule* applies to a *firm* that is a *PRA-authorised person* (referred to as ‘B’ in this *rule*) in relation to an *approved person* (referred to as ‘A’ in this *rule*) if:
- (a) immediately before the **commencement date**, A is treated under *SUP* 10A.11.12R (The main rule) as not performing an *FCA governing function* for B;
- (b) approval for that *FCA governing function* is **potentially convertible** into approval for an *FCA-designated senior management function*;
- (c) that *FCA-designated senior management function* is an *FCA*

governing function;

- (d) B is of a type of *SMCR firm* to which that *FCA-designated senior management function* applies on the **commencement date**; and
 - (e) A would be performing that *FCA-designated senior management function* in relation to B on the **commencement date** but for this *rule*.
- (2) *SUP 10C.9.8R* (The main rule) applies in relation to A, B and the *FCA-designated senior management function* in (1) from the **commencement date** so that:
- (a) that *FCA-designated senior management function* is treated as a ‘particular’ *FCA governing function* in *SUP 10C.9.8R*; and
 - (b) A is treated as not performing that *FCA-designated senior management function* in relation to B as long as the conditions in *SUP 10C.9.8R* continue to be met.

10.3 Effect of conversion

- 10.3.1 R (1) Where, immediately before the **commencement date**, a **pre-implementation approval** is subject to a suspension, condition or limitation imposed under section 66(3) of the *Act* (Disciplinary powers), that suspension, condition or limitation is to be treated as if it were imposed in respect of the **converted approval** from the beginning of the **commencement date**.
- (2) This *rule* applies whether or not the *FCA* or the *PRA* has given a *warning notice* or a *decision notice* under:
- (a) section 63 of the *Act* (Withdrawal of approval); or
 - (b) section 63B of the *Act* (Procedure and right to refer to tribunal); or
 - (c) section 67 of the *Act* (Disciplinary measures: procedure and right to refer to Tribunal).
- 10.3.2 R Anything done under section 63 of the *Act* (Withdrawal of approval) in respect of a **pre-implementation approval** before the **commencement date** continues to have effect on and after that day in respect of the **converted approval**.

10.4 Lapse of existing approvals and special provisions about appointed

representatives

- 10.4.1 R Subject to *SUP* TP 10.4.2R, any **pre-implementation approval** that is in effect immediately before the **commencement date** that is not converted under *SUP* TP 10.2 ceases to have effect as from the beginning of the **commencement date** in relation to the *controlled function* concerned.
- 10.4.2 R (1) *SUP* TP 10 does not apply to a **pre-implementation approval** that has effect under *SUP* 10A.1.15R to *SUP* 10A.1.16AR (appointed representatives).
- (2) However *SUP* TP 10 does apply to a **pre-implementation approval** in (1) for a *firm* that will fall under *SUP* 10C Annex 1 7.1R(4) (an *appointed representative* that has a *limited permission*) when it comes into force on the **commencement date**.
- 10.4.3 G An approval excluded from *SUP* TP 10 by *SUP* TP 10.4.2R continues in force and is not affected by *SUP* TP 10.
- 10.4.4 G (1) A *firm* does not have to submit a Form C for an *approved person* who had a **pre-implementation approval** to perform the *customer function* but ceases to perform that function because the *customer function* is (except in relation to *appointed representatives*) abolished after the **commencement date**.
- (2) A *firm* should however notify the *FCA* by Form C that a **pre-implementation approval** has not been converted into approval for an *FCA-designated senior management function* under *SUP* TP 10.2 because the *approved person* resigned or otherwise stopped performing the *FCA controlled function* before the **commencement date**.

10.5 Notification to the FCA: Initial notification

- 10.5.1 R (1) A *firm* must notify the *FCA* of:
- (a) each **pre-implementation approval** that it considers will be converted into approval for an *FCA-designated senior management function* under *SUP* TP 10.2;
- (b) the *approved person* in respect of whom that **pre-implementation approval** was given; and
- (c) the *FCA-designated senior management function* referred to in (a).
- (2) A *firm* must make the notification in (1) between the **first notification date** and the **final notification date**.

- (3) This *rule* applies to:
 - (a) a **notifying firm**; and
 - (b) a **non-notifying firm** in relation to a **pre-implementation approval** to which column (3) of Part Two of the table in *SUP* TP 10.2.5R applies the notification requirement in this *rule*.
- 10.5.2 G *SUP* TP 10.10 explains how the *firm* should make the notification.
- 10.5.3 G
 - (1) This paragraph (*SUP* TP 10.5.3G) gives examples of things that a *firm* should not include in a notification.
 - (2) A *firm* should not include a **pre-implementation approval** for the *customer function*. This is because there is no need to notify a **pre-implementation approval** if it is not **potentially convertible** into any *FCA-designated senior management function*.
 - (3) A *firm* should not include a **pre-implementation approval** if:
 - (a) it is **potentially convertible** into an *FCA-designated senior management function*; but
 - (b) the *firm* considers that the *approved person* will not be performing that *FCA-designated senior management function* on the **commencement date**.
 - (4) A *firm* should not include an *approved person* who plans to resign before the **commencement date**.
 - (5) A *firm* should not include a **pre-implementation approval** if *SUP* TP 10.4.2R says that *SUP* TP 10 does not apply to it.
- 10.5.4 G If the *firm* considers that some of an *approved person*'s **pre-implementation approvals** will be converted and some will not be, the *firm*'s notification should:
 - (1) include the *approved person*; but
 - (2) exclude the approvals that will not be converted.

10.6 Notification to the FCA: Revision of initial notice

- 10.6.1 R
 - (1) This *rule* applies if, before the **commencement date**:
 - (a) there is a change relating to information given in or accompanying a notification that the *firm* has previously made under *SUP* TP 10.5 (or a notification given under *SUP*

TP 10.6); or

(b) the *firm* giving the notice discovers that any part of that information is inaccurate.

- (2) Where circumstances described in (1) occur before the **final notification date**, the *firm* must submit a revision of the notice referred to in (1) to the *FCA* before the **final notification date**.
- (3) Where circumstances described in (1) occur between the **final notification date** and the **commencement date**, the *firm* must submit a revision of the notice referred to in (1) to the *FCA* before the **commencement date**.

10.6.2 G *SUP* TP 10.10 explains how the *firm* should make the revised notification.

- 10.6.3 G
- (1) This paragraph *SUP* TP 10.6.3G gives examples of when a *firm* should revise its *SUP* TP 10.5 notice under *SUP* TP 10.6.
 - (2) A *firm* need not include in a notification under *SUP* TP 10.5 an *approved person* who plans to resign before the **commencement date**. However that plan may change and as a result the *firm* may later conclude that the *approved person* will carry on with their job after the **commencement date**. If so, the *firm* should revise the notice.
 - (3) If, after the notice to the *FCA*, the *FCA* grants an approval under section 59 of the *Act* (Approval for particular arrangements) to someone who did not have any such approval for the *firm* at the time of the notice, the *firm* should revise its notice by including that new *approved person* and that new **pre-implementation approval**.
 - (4) If, after a *firm* has given the notice to the *FCA*, the *FCA* grants a new approval under section 59 of the *Act* to someone who already was an *approved person* for the *firm* when the *firm* gave the notice to the *FCA*, the *firm* should revise its notice by including that new **pre-implementation approval**.
 - (5) If a *firm* includes an *approved person* in a notification under *SUP* TP 10.5 and the *firm* later concludes that that *person's pre-implementation approval* will no longer qualify for conversion because that *person* will not be performing the relevant *FCA-designated senior management function* for the *firm* on the **commencement date**, the *firm* should revise its notice. Possible reasons for this include:
 - (a) the *approved person* resigns;
 - (b) the *approved person* tells the *firm* they are going to resign before the **commencement date**; or

(c) the *approved person's* job changes so that it will no longer involve performing an *FCA-designated senior management function* on the **commencement date**.

(6) There is no need to include information about the matters set out in SUP TP 10.5.3G.

10.6.4 G If a *firm* gives a notification to the *FCA* under SUP TP 10.5 about an *approved person* and that *approved person* leaves the *firm* or gives up performing some of their **pre-implementation controlled functions** before the **commencement date**, the *firm* should notify the *FCA* using Form C or Form E under SUP 10A as well as a Form K under SUP TP 10.10.

10.7 In-flight applications: Conversion

10.7.1 R A **pre-implementation application** by a *firm* that has not been determined or withdrawn by the **commencement date** is to be treated, on and after the **commencement date**, as if it had been made for:

- (1) (in the case of a **pre-implementation application** that a *firm* is required to notify to the *FCA* under SUP TP 10.8R) any **corresponding FCA-designated senior management function** that the *firm* has included in the notification under SUP TP 10.8.2R for that **pre-implementation application**; or
- (2) (in any other case) the **corresponding FCA-designated senior management function** or *FCA-designated senior management functions* (if there are any).

10.7.2 R An *FCA-designated senior management function* “**corresponds**” to a **pre-implementation controlled function** if approval for the latter is **potentially convertible** into approval for the former and “**corresponding**” must be interpreted accordingly.

10.7.3 R SUP TP 10.7.1R is subject to any amendment the *firm* may make to the application after the **first notification date** and before the **commencement date** to specify that on the **commencement date**:

- (1) the **pre-implementation application** is to lapse; or
- (2) the **pre-implementation application** is to be treated as being for a narrower range of *FCA-designated senior management functions*.

10.7.4 G SUP TP 10.8.3G explains what *FCA-designated senior management functions* are covered by SUP TP 10.7.1R(1).

10.7.5 G (1) SUP TP 10.7.3R is not the only way a *firm* may change the effect of SUP TP 10.7.

- (2) After the **commencement date** a *firm* is free to amend its application in accordance with the *Act* and the *FCA Handbook*.
- (3) Before the **commencement date**, a *firm* is free to amend its application in accordance with the *Act* and the *FCA Handbook* by changing the **pre-implementation controlled function** for which it is applying. That will affect the **corresponding FCA-designated senior management function**. If the *firm* amends its application in this way it should also notify the *FCA* under *SUP* TP 10.8.

10.7.6 R Subject to *SUP* TP 10.7.7R, a **pre-implementation application** lapses on the **commencement date** unless it is continued in force by *SUP* TP 10.7.

10.7.7 R *SUP* TP 10 does not apply to a **pre-implementation application** if the **pre-implementation approval** that would result if it was granted would be excluded from *SUP* TP 10 by *SUP* TP 10.4.2R.

10.8 In-flight applications: notification requirements

10.8.1 R A *firm* must, between the **first notification date** and the **final notification date**, notify the *FCA* of every **pre-implementation application** if:

- (1) it has not been determined or withdrawn at the time of the notification;
- (2) it is not excluded under *SUP* TP 10.7.7R; and
- (3) the *firm* would be required to notify the *FCA* under *SUP* TP 10.5 if that application had been granted and the approval was in effect immediately before the date of the notification in *SUP* TP 10.8.1R.

10.8.2 R The information about a **pre-implementation application** that the notification must contain is the information that the *firm* would be required to give the *FCA* in a notification under *SUP* TP 10.5 if:

- (1) that **pre-implementation application** had been granted; and
- (2) the resulting approval was in effect immediately before the date of the notification in *SUP* TP 10.8.1R.

10.8.3 G *SUP* TP 10.8.1R and *SUP* TP 10.8.2R mean:

- (1) In general only a **notifying firm** needs to make the notification.
- (2) A **non-notifying firm** should not make a notification except in relation to an application to perform the non-executive director **pre-implementation controlled function**.
- (3) The information to be notified to the *FCA* in respect of a particular **pre-implementation application** includes each *FCA-designated*

senior management function that meets the following conditions:

- (a) approval for the **pre-implementation controlled function** for which the **pre-implementation application** is being made is **potentially convertible** into approval for that *FCA-designated senior management function*; and
 - (b) the *firm* considers that the *approved person* concerned will be performing that *FCA-designated senior management function* on the **commencement date** if the **pre-implementation application** is approved before then.
- (4) A *firm* should not notify the *FCA* about a particular **pre-implementation application** if the *firm* considers that, if the application were approved before the **commencement date**, the *approved person* will not be performing on the **commencement date** any of the *FCA-designated senior management functions* into which the applicable **pre-implementation approval** would be **potentially convertible**. This might be because the *firm* intends that the *candidate* will only be in post for a short time.

- 10.8.4 R (1) This *rule* applies if, before the **commencement date**:
- (a) a *firm* makes a **pre-implementation application** after the initial notice under *SUP* TP 10.8.1R; and
 - (b) the *firm* would be required to notify the *FCA* under *SUP* TP 10.6 if that application had been granted and the approval was in effect immediately before the date of the notification under *SUP* TP 10.8.4R.
- (2) This *rule* also applies if, before the **commencement date**:
- (a) there is any other change relating to information given in or accompanying the initial notice under *SUP* TP 10.8.1R (or a notification given under *SUP* TP 10.8.4R), or
 - (b) the *firm* discovers that any part of that information is inaccurate.
- (3) Where circumstances described in (1) or (2) occur before the **final notification date**, the *firm* must submit a revision of the notice referred to in (1) or (2) to the *FCA* before the **final notification date**.
- (4) Where circumstances described in (1) or (2) occur between the **final notification date** and the **commencement date**, the *firm* must submit a revision of the notice referred to in (1) or (2) to the *FCA* before the **commencement date**.

- 10.8.5 G *SUP* TP 10.10 explains how the *firm* should make the notification.

- 10.8.6 G If a *firm* notifies the *FCA* under *SUP* TP 10.8 of a **pre-implementation application** and that application is refused before the **commencement date**, the *firm* should revise its notification under *SUP* TP 10.8.4R.

10.9 In-flight applications: Supplemental material

- 10.9.1 R (1) This *rule* applies if, in relation to a **pre-implementation application** continued in effect after the **commencement date** under *SUP* TP 10.7, the *FCA* has before the **commencement date**:
- (a) imposed a requirement under section 60 of the *Act* (Application for approval);
 - (b) given a *warning notice* under section 62(2) of the *Act* (Applications for approval: procedure and right to refer to tribunal) or a *decision notice* under section 62(3) of the *Act* to the interested parties referred to in section 62(5); or
 - (c) taken any step in connection with giving a *warning notice* or *decision notice* under section 62.
- (2) The requirement, notice or step in (1) is to be treated, on and after the **commencement date**, as having been imposed, given or taken in relation to the application as affected by *SUP* TP 10.7.

10.10 Procedure for notification

- 10.10.1 R A *firm* must only make a single notification under *SUP* TP 10.5 and *SUP* TP 10.8.1R and must do so on the same notification form.
- 10.10.2 R A *firm* must make a notification under *SUP* TP 10.5, *SUP* TP 10.6 or *SUP* TP 10.8 by completing Form K (*SUP* TP 10.23.1R).
- 10.10.3 R A *firm* must make a notification or submit a *document* to the *FCA* under *SUP* TP 10 in accordance with *SUP* 10C.15.11R(1) and (3) (Method of submission: electronic submission).
- 10.10.4 R (1) A *firm* making a notification under *SUP* TP 10.10.3R in accordance with *SUP* 10C.15.11R(1) must use the version of Form K made available on the electronic system referred to in *SUP* 10C.15.11R, which is based on the version in *SUP* TP 10.23.1R.
- (2) A *firm* making a notification under *SUP* TP 10.10.3R in accordance with *SUP* 10C.15.11R(3) and *SUP* 10C.15.14R must use the version of Form K in *SUP* TP 10.23.1R.
- 10.10.5 G If a *firm* discovers after the **commencement date** that any information it has given under *SUP* TP 10 is inaccurate it should notify the *FCA* as described

in *SUP* 15.6 (Inaccurate, false or misleading information). If *SUP* TP 10.17.2R applies, the *firm* should notify the *FCA* under that *rule* instead.

10.11 Statements of responsibilities

- 10.11.1 R A *firm* must, in relation to each **transitioned SMF manager**, prepare a statement setting out the aspects of the affairs of the *firm* which it is intended that they will be responsible for managing in performing their **converted designated senior management function**.
- 10.11.2 R A *firm* must have prepared the statement in *SUP* TP 10.11.1R by the **commencement date** (unless it must prepare it earlier under *SUP* TP 10.11.4R).
- 10.11.3 G A *firm* should not send that statement to the *FCA* unless it is required to do so by *SUP* TP 10.11.4R.
- 10.11.4 R A notification to the *FCA* under *SUP* TP 10.5, *SUP* TP 10.6 or *SUP* TP 10.8 about an *approved person* or *candidate* must be accompanied by a **statement of responsibilities** about that *person*.
- 10.11.5 G A **statement of responsibilities** should comply with all the *rules* and *directions* in the *FCA Handbook* that will apply to *statements of responsibilities* prepared by the *firm* (see *SUP* TP 10.16).
- 10.11.6 G If a **non-notifying firm** has to notify the *FCA* under *SUP* TP 10 about an *approved person*, their **statement of responsibilities** should cover all their expected **converted designated senior management functions** and not just the one about which the *firm* is notifying the *FCA*.

10.12 Management responsibilities maps

- 10.12.1 R *SUP* TP 10.12 applies to a *firm* that will be required under SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) to have a *management responsibilities map* when that chapter comes into force on the **commencement date**.
- 10.12.2 R A notification to the *FCA* under *SUP* TP 10.10.1R by a **notifying firm** must be accompanied by a *document* that complies with SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) as set out in the Individual Accountability (No 2) Instrument 2018.
- 10.12.3 G A **management responsibilities map** should comply with all the *rules* and *directions* in the *FCA Handbook* that will apply to *management responsibilities map* prepared by the *firm* (see *SUP* TP 10.16).

10.13 Supplemental material about statements of responsibilities and management responsibilities maps

- 10.13.1 R A **statement of responsibilities** and a **management responsibilities map** must be prepared as of the **commencement date**.
- 10.13.2 G (1) If there has been a change relating to a **statement of responsibilities** or a **management responsibilities map** submitted to the *FCA* under *SUP* TP 10, the *firm* should submit a revised version.
- (2) This is the effect of *SUP* TP 10.6 and *SUP* TP 10.8.4R.
- 10.13.3 G A *firm* should not assume that the *FCA* has reviewed a **statement of responsibilities** or a **management responsibilities map** submitted to it for completeness, quality or accuracy. It is the *firm*'s responsibility to ensure that they have been prepared in accordance with the *FCA*'s *rules* and the *Act*.

10.14 Criminal record checks and employment references

- 10.14.1 R *SUP* 10C.10.16R (Criminal record checks) does not apply to any **pre-implementation application** continued in effect by *SUP* TP 10.7.1R after the **commencement date**.
- 10.14.2 G *SUP* 10C.10.16R (Criminal record checks) applies to any application for approval made under *SUP* TP 10.15.
- 10.14.3 G *SUP* 10C.10.16R (Criminal record checks) does not apply to a **transitioned SMF manager** just because *SUP* TP 10 treats them as having a **converted approval**.
- 10.14.4 G *SYSC* TP 7.4.2R (Transitional provisions about regulatory references) has transitional provisions about regulatory references in relation to a **pre-implementation application** continued in effect by *SUP* TP 10.7.1R and applications for approval made under *SUP* TP 10.15.

10.15 Applications of approved persons to take effect from the commencement date

- 10.15.1 D (1) A *firm* may, before the **commencement date**, apply under section 60 of the *Act* (Applications for approval) for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* which comes into effect (as respects the *firm*) on the **commencement date**.

- (2) Any application may only be made after the **new applications start date**.
 - (3) Any such application is made on the basis that it is treated as being made on the **commencement date**.
 - (4) The application must be made using the version of Form A or Form E applicable from the **commencement date** and in accordance with the other requirements to be in effect on that date.
- 10.15.2 G The rest of *SUP* TP 10 will not apply to an application under *SUP* TP 10.15. In particular, it is not a **pre-implementation application** and the application should not be included in the *firm's* Form K.
- 10.15.3 G Any such application should be accompanied by a *statement of responsibilities* and, if SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) will apply, a *management responsibilities map*.
- 10.15.4 G A *firm* does not have to make an application under *SUP* TP 10.15. It can make an application before the **commencement date** under the *rules* and *directions* in force at the time of the application. *SUP* TP 10 will apply to such applications.
- 10.16 Application of ongoing requirements to documents submitted as part of conversion**
- 10.16.1 R (1) The *rules* of the *FCA Handbook* apply to a **converted approval**, as they do to approvals granted after the **commencement date**.
- (2) The *rules* of the *FCA Handbook* apply to a **pre-implementation application** that is continued in force under *SUP* TP 10 after the **commencement date** as they do to applications made after the **commencement date**.
- (3) This paragraph is subject to the other provisions of *SUP* TP 10.
- 10.16.2 R (1) The *rules* of the *Handbook* apply to a **statement of responsibilities** (including one revised under (*SUP* TP 10.16.4R)) as they do to a *statement of responsibilities*.
- (2) (2) applies even if the *firm* is not required to submit the **statement of responsibilities** to the *FCA* under *SUP* TP 10.12.
- 10.16.3 R A **management responsibilities map** submitted to the *FCA* under *SUP* TP 10.12 must comply with all the *rules* and *directions* in the *FCA Handbook* that will apply to the *firm's management responsibilities map* as from the **commencement date**.

- 10.16.4 R (1) If, since the **commencement date**, there has been any significant change in the aspects of a *firm's* affairs which a **transitioned SMF manager** is responsible for managing in performing their **converted designated senior management function**, the *firm* must provide the *FCA* with a revised **statement of responsibilities**.
- (2) For the purposes of the *FCA Handbook* a *firm* must treat an obligation under (1) in the same way as an obligation under section 62A of the *Act* (Changes in responsibilities of senior managers).
- 10.16.5 D *SUP* TP 10.16.1R to *SUP* TP 10.16.4R apply to directions in *SUP* 10C in the same way as they do to *rules*.
- 10.16.6 G The table in *SUP* TP 10.16.7G gives examples of how *SUP* 10C and other parts of the *FCA Handbook* apply to **converted approvals**.
- 10.16.7 G Table: Examples of how ongoing requirements apply to converted approvals

Requirement in Handbook	Summary of the requirement in column (1)	How SUP 10C applies
Revised statements of responsibilities		
<i>SUP</i> 10C.11.7D	Submission of revised <i>statement of responsibilities</i>	<p><i>SUP</i> TP 10.16.4R(1) mirrors 62A of the <i>Act</i> (Changes in responsibilities of senior managers). This means that if after the commencement date there has been a significant change in a transitioned SMF manager's responsibilities in relation to their converted designated senior management functions, the <i>firm</i> should submit a revised statement of responsibilities. It should also submit a Form J unless <i>SUP</i> 10C.11 says that it is not required.</p> <p>The question of whether there has been a significant change should be decided in the same way as under section 62A of the <i>Act</i>.</p>
Varying an approval		
<i>SUP</i> 10C.11.10D	<i>Statements of responsibilities</i>	The powers and requirements in the <i>Act</i> and in <i>SUP</i> 10C about variation of approvals at the request of a <i>firm</i> and at the initiative of the <i>FCA</i> apply to
<i>SUP</i> 10C.11.12R	Ceasing to carry on some functions	

SUP 10C.13	Other material about variations	<p>converted approvals.</p> <p>If a transitioned SMF manager ceases to perform a <i>designated senior management function</i> but continues to perform a converted designated senior management function, the <i>firm</i> should submit a revised statement of responsibilities <i>document</i> under SUP 10C.11.12R.</p>
Single statement of responsibilities document		
SUP 10C.11.13D	One <i>statement of responsibilities</i> for each <i>SMF manager</i> for each <i>firm</i>	<p>Applies to statements of responsibilities in the same way as it applies to <i>statements of responsibilities</i>. For example:</p> <p>(1) If on the commencement date a transitioned SMF manager of a <i>PRA-authorized person</i> is already approved by the <i>PRA</i> to perform a <i>PRA-designated senior management function</i> for that <i>firm</i>, the statement of responsibilities should be combined with the <i>statement of responsibilities</i> prepared for the <i>PRA-designated senior management function</i> into a single <i>document</i>.</p> <p>(2) If after the commencement date a <i>firm</i> applies for the <i>FCA</i>'s approval for a transitioned SMF manager to perform another <i>FCA-designated senior management function</i>, the <i>statement of responsibilities</i> prepared for that application should be combined with the statement of responsibilities required by SUP TP 10 into a single <i>document</i>.</p> <p>(3) If:</p> <p>(a) after the commencement date a transitioned SMF manager is approved by the <i>FCA</i> to perform another <i>FCA-designated senior management function</i>; and</p> <p>(b) later there is a significant change in the transitioned SMF manager's</p>

		responsibilities; the <i>firm</i> should notify the <i>FCA</i> and submit a single revised statement of responsibilities <i>document</i> , whether the change relates to the converted designated senior management function or to the additional <i>FCA-designated senior management function</i> .
Complete set of statements of responsibilities		
<i>SUP</i> 10C.11.20R	Complete set of current <i>statements of responsibilities</i>	Applies to statements of responsibilities in the same way as it does to <i>statements of responsibilities</i> .
Ceasing to carry on functions		
<i>SUP</i> 10C.11.12R	<i>Statements of responsibilities</i> to be included in notification	Applies to ceasing to carry on a converted designated senior management function after the commencement date .
<i>SUP</i> 10C.14.5R	Notification of ceasing to perform the function	
<i>SUP</i> 10C.14.7R	Qualified Form C	
Form D		
<i>SUP</i> 10C.14.13R	Changes to details	Applies to notification relating to fitness of a transitioned SMF manager . <i>SUP</i> 10C.14.15R says that a <i>firm</i> should not submit a Form D to the <i>FCA</i> if the <i>firm</i> is required to notify the <i>FCA</i> under section 62A of the <i>Act</i> (Changes in responsibilities of senior managers) or <i>SUP</i> 10C.11 (Statements of responsibilities). This also applies if the <i>firm</i> is required to notify changes under <i>SUP</i> TP 10.16.4R. The Form D requirements also apply to a <i>candidate</i> whose application is continued in force by <i>SUP</i> TP 10. Before the commencement date , the
<i>SUP</i> 10C.14.15R	Changes to arrangements	
<i>SUP</i> 10C.14.18R	Fitness	

		existing requirements of <i>SUP</i> 10A apply to changes in a <i>candidate's</i> fitness.
Notifications under the Act		
<i>SUP</i> 10C.14.22R	Notifications under the <i>Act</i>	Applies to notification about a transitioned SMF manager .
General		
Requirements referring to a <i>current approved person approval</i>		Applies to a converted approval .
Requirements referring to a <i>current approved person approval</i> held within the last six <i>months</i>		<p>This applies to an approval for a <i>controlled function</i> abolished after the commencement date and to an approval that ceased to have effect under <i>SUP</i> TP 10 for some other reason.</p> <p>This also applies to an approval given up within the last six <i>months</i> before the commencement date even though the <i>controlled function</i> ceases to exist after the commencement date.</p>
<i>FCA-prescribed senior management responsibility</i> (a)	Responsibility for a <i>firm's</i> performance of its obligations under the senior managers regime	Includes compliance with the requirements about statements of responsibilities
<i>SYSC</i> 25	Preparation of <i>management responsibilities maps</i>	A <i>management responsibilities map</i> should include a transitioned SMF manager and their converted designated senior management functions

10.17 Checking conversion

- 10.17.1 R A *firm* must, in the *month* beginning five *business days* after the **commencement date**, check whether the *Financial Services Register* correctly records:

- (1) all the *firm's SMF managers*; and
 - (2) each *FCA-designated senior management function* for the performance of which by the *SMF manager* the *firm* has approval.
- 10.17.2 R The *firm* must (by the end of the one *month* period in *SUP* TP 10.17.1R) notify the *FCA* of any error using the applicable form in *SUP* 10C.
- 10.17.3 G The applicable form in *SUP* 10C will be Form D unless one of the other forms in *SUP* 10C applies.
- 10.17.4 G The requirement to check the *Financial Services Register* is particularly important in a case where the *firm* is not under a notification obligation in *SUP* TP 10.5 and *SUP* TP 10.6 because:
 - (1) the *FCA* will update the *Financial Services Register* based on the information it has; but
 - (2) the *FCA* may not have sufficient information to tell whether all the conversion conditions in *SUP* TP 10.2.2R have been met.
- 10.18 The 12-week rule**
- 10.18.1 G
 - (1) *SUP* 10C.3.13R (The 12-week rule) allows a *firm* to appoint someone (P) to perform a function which would normally be an *FCA-designated senior management function* without needing to apply for the *FCA's* approval under section 59 of the *Act* (Approval for particular arrangements) for P to perform that function. There is a maximum period for which the appointment can last.
 - (2) When calculating the maximum time period in (1), the *firm* need not take into account any time spent by P before the **commencement date** performing what will become the *FCA-designated senior management function* in (1).
- 10.18.2 G
 - (1) *SUP* 10C.3.13R only applies where P (as referred to in *SUP* TP 10.18.1G) is providing cover for an *SMF manager* whose absence is reasonably unforeseen.
 - (2) *SUP* 10C.3.13R may still apply if the absence referred to in (1) began before the **commencement date**.
- 10.18.3 G *SUP* TP 10.18.1G and *SUP* TP 10.18.2G may apply even if:
 - (1) before the **commencement date** P was taking advantage of *SUP* 10A.5.6R (the equivalent of *SUP* 10C.3.13R under *SUP* 10A); and
 - (2) approval for the *controlled function* disapplied by *SUP* 10A.5.6R is **potentially convertible** into approval for the *FCA-designated senior*

management function in SUP TP 10.18.1G and SUP TP 10.18.2G.

10.19 Application for permission

- 10.19.1 D (1) This direction applies to a **pre-implementation application** that is made by an **authorisation applicant**:
- (a) between the **first notification date** and the **commencement date**; or
 - (b) before the **first notification date** if it is still outstanding on the **first notification date**.
- (2) A **pre-implementation application** in (1)(a) must comply with the requirements (if any) of SUP TP 10 that apply to a **pre-implementation application** by a *firm*:
- (a) of the type that the **authorisation applicant** will be if the **authorisation application** is granted or otherwise succeeds; and
 - (b) for an approval from the *FCA* for the performance of the same **pre-implementation controlled function**.
- (3) An **authorisation applicant** must, between the **first notification date** and **final notification date**, revise any of its **pre-implementation applications** covered by (1)(b) to the extent necessary to meet the requirements in (2).
- 10.19.2 R SUP TP 10.7 and SUP TP 10.9 apply to a **pre-implementation application** in SUP TP 10.19.1D.
- 10.19.3 D SUP TP 10.15 applies to an **authorisation applicant**.

10.20 Prohibition orders

- 10.20.1 R The changes to the *FCA Handbook* made by the Individual Accountability (No 2) Instrument 2018 do not affect:
- (1) a *warning notice* or a *decision notice* under section 57 of the *Act* (Prohibition orders: procedure and right to refer to tribunal); or
 - (2) a *prohibition order*;
- which is given or made before the **commencement date**.

10.21 Reporting under SUP 15.11

10.21.1 R The first notification period under *SUP* 15.11.13R (Timing and form of notifications: conduct rules staff other than SMF managers):

- (1) starts on the **commencement date**; and
- (2) ends on the last day of the following August.

10.22 Terms used in SUP TP 10

10.22.1 R The terms in the first column of the table in *SUP* TP 10.22.2R, where they appear in bold in *SUP* TP 10, have the meaning in the same row of column 2 for the purposes of *SUP* TP 10.

10.22.2 R Table: glossary of bespoke terms used in SUP TP 10

Part One: General		
Defined term	Meaning	
authorisation applicant	an applicant for <i>Part 4A permission</i> , or another <i>person</i> seeking to carry on <i>regulated activities</i> as an <i>authorised person</i> .	
authorisation application	the application or other process referred to in the definition of authorisation applicant .	
converted approval	(in relation to a pre-implementation approval) the approval for an <i>FCA-designated senior management function</i> which that pre-implementation approval becomes under <i>SUP</i> TP 10.2.1R.	
converted designated senior management function	(in relation to a transitioned SMF manager) the <i>FCA-designated senior management function</i> for which they are treated as having approval under <i>SUP</i> TP 10.2.1R	
corresponding	(in relation to an <i>FCA-designated senior management function</i> and a pre-implementation controlled function) has the meaning in <i>SUP</i> TP 10.7.2R.	
firm specific date	the later of the following:	
	(1)	the date (if any) on which a <i>firm</i> makes the notification in <i>SUP</i> TP 10.10.1R; or
	(2)	(if the <i>firm</i> has updated a notification in (1) under

		<i>SUP</i> TP 10.6 or <i>SUP</i> TP 10.8.4R) the date that the most recent such updated notification was made to the <i>FCA</i> .
insurance sector	a <i>firm</i> is in the insurance sector if it is in the insurance sector as defined by Part Three of <i>SYSC</i> 23 Annex 1 (Definition of Insurance Sector) as set out in the Individual Accountability (No 2) Instrument 2018.	
management responsibilities map	the <i>document</i> required to be produced under <i>SUP</i> TP 10.12.	
non-notifying firm	each of the following:	
	(1)	a <i>small non-directive insurer</i> ;
	(2)	a <i>firm</i> in <i>SYSC</i> 23 Annex 1 3.2R (firms in run-off) as set out in the Individual Accountability (No 2) Instrument 2018;
	(3)	an <i>insurance special purpose vehicle</i> ;
	(4)	a core SMCR firm ; and
	(5)	a limited scope core SMCR firm ;
	(taking account of amendments to be made to the <i>Glossary</i> by the Individual Accountability (No 2) Instrument 2018).	
notifying firm	each of the following:	
	(1)	a <i>firm</i> in the insurance sector that is not a non-notifying firm ; and
	(2)	an enhanced scope SMCR firm .
potentially convertible	has the meaning in <i>SUP</i> TP 10.2.3R.	
pre-implementation application	an application made under section 60 of the <i>Act</i> (Applications for approval) if the application is:	
	(1)	for approval for the performance of a pre-implementation controlled function ; and
	(2)	received by the <i>FCA</i> before the commencement date .
pre-implementation	a <i>current FCA approved person approval</i> that is given by the <i>FCA</i> before the commencement date in relation to a	

approval	pre-implementation controlled function. If a <i>person</i> is approved to perform more than one pre-implementation controlled function for a <i>firm</i> , there is a separate pre-implementation approval in relation to each.
pre-implementation controlled function	(in relation to a <i>firm</i>) an <i>FCA controlled function</i> that, before the commencement date : (a) the <i>FCA</i> has specified for the purposes of section 59 of the <i>Act</i> (approval for particular arrangements); and (b) applies to the <i>firm</i> (even if the <i>firm</i> has no one approved to perform that function for the time being).
statement of responsibilities	the <i>document</i> required to be produced under <i>SUP</i> TP 10.11, including under <i>SUP</i> TP 10.11 as applied by <i>SUP</i> TP 10.19.
transitioned SMF manager	AP as defined in <i>SUP</i> TP 10.2.1R
core SMCR firm, enhanced scope SMCR firm, limited scope core SMCR firm, non-UK SMCR firm, SMCR dual regulated banking sector firm, SMCR firm, UK SMCR firm	have the meaning set out in the amendments to the <i>Glossary</i> to be made by the Individual Accountability (No 2) Instrument 2018). This is subject to <i>SUP</i> TP 10.22.3R.

Part Two: Fixed dates		
Defined term	Meaning: Insurers	Meaning: Others
first notification date	[] 2018 [about six months before main commencement date for insurance firms]	[] 2019 [about six months before main commencement date for solo-regulated firms]
final notification date	[] 2018 [one week before main commencement date for insurance firms]	[] 2019 [one week before main commencement date for solo-regulated firms]
commencement date	[] 2018 [main commencement date for insurance firms]	[] 2019 [main commencement date for solo-regulated firms]
new applications	[] 2018 [about four months before main commencement date for insurance firms]	[] 2019 [about four months before main commencement date for solo-regulated firms]

start date	date for insurance firms]	date for solo-regulated firms]
Note (1): (Column (2) (Insurers) applies to a <i>firm</i> that will be in the insurance sector .		
Note (2): (Column (3) (Others) applies to a <i>firm</i> that will be a core SMCR firm , an enhanced scope SMCR firm or a limited scope core SMCR firm .		
Note (3): If a <i>firm</i> becomes an SMCR firm between the final notification date and the commencement date or changes category within that period, the final notification date for it is the date it becomes an SMCR firm or changes category.		
Note (4): The dates for an authorisation applicant are the ones for the type of SMCR firm it will be if its authorisation application is granted or otherwise succeeds.		

- 10.22.3 R (1) Between the **first notification date** and the **commencement date**, the question of:
- (a) whether a *firm* is an **SMCR firm** for the purposes of *SUP* TP 10; and
 - (b) (if it is) into which category it falls;
- is determined in accordance with *SYSC* 23 (as set out in the Individual Accountability (No 2) Instrument 2018) even though that chapter is not in force for other purposes.
- (2) However Part Nine of *SYSC* 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) is adjusted so that a *firm* ceases to be an **enhanced scope SMCR firm** on the data item submission date or the date on which the relevant status ceases to apply (each as referred to in Part 9), not one year after that date.
- 10.22.4 G (1) If a *firm* in the **insurance sector** changes its *permission* between the **commencement date** that applies to *firms* in the **insurance sector** and the **commencement date** for other **SMCR firms** in a way that would make it fall into a different category of **SMCR firm**, the conversion arrangements in *SUP* TP 10 will not apply to it.
- (2) This is because *SUP* TP 10.22.3R only applies up to the **commencement date**.
- (3) *SUP* 10.15 will however apply and the *firm* can use this to apply for the approvals it needs because of its change of category.
- 10.22.5 G (1) If an **SMCR dual regulated banking sector firm** changes its *permission* in a way that would make it fall into a different category of **SMCR firm**, the conversion arrangements in *SUP* TP 10 will not

apply to it.

- (2) This is because generally *SUP* TP 10 does not apply to an **SMCR dual regulated banking sector firm**.
- (3) *SUP* 10.15 will however apply and the *firm* can use this to apply for the approvals it needs because of its change of category.

- 10.22.6 G If a *firm* becomes a **non-notifying firm** after it has sent the *FCA* its Form K, it should notify the *FCA* as described in *SUP* 15.6 (Inaccurate, false or misleading information).

10.23 Forms

- 10.23.1 R Conversion Notification Form (Form K)

[Insert here the form titled “Conversion Notification Form (Form K) Solvency II and large non-directive firms”. The text of this form is contained in Part One of Annex W of this instrument]

Part 3: Comes into force [] 2018 [main commencement date for insurance firms]

6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements

...

6.3 Applications for variation of permission and/or imposition, variation or cancellation of requirements

...

How a variation of permission may affect the firm’s approved persons

- 6.3.8 G (1) Where a *firm* is submitting an application for variation of *Part 4A permission* which would lead to a change in the *controlled functions* of its *approved persons*, it should, at the same time and as appropriate:
- (a) make an application for an internal transfer of an *approved person*, Form E (Internal transfer of a person performing a controlled function), or make an application for an individual to perform additional *controlled functions*, the relevant Form A (Application to perform controlled functions); see:
 - (i) *SUP* 10A.13.3D to *SUP* 10A.13.5G (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);

- (ii) *SUP 10C.10* (for ~~a relevant authorised person~~ an SMCR firm); or
 - (iii) the corresponding *PRA* requirements;
- (b) notify the ~~appropriate regulator~~ *FCA* or *PRA* of any *approved person* who has ceased to perform a *controlled function* specified by that regulator, Form C (~~Ceasing Notice of ceasing~~ to perform controlled functions (including senior management functions)); see:
 - (i) *SUP 10A.14* (for a *firm* that is not ~~a relevant authorised person~~ an SMCR firm);
 - (ii) *SUP 10C.14* (for ~~a relevant authorised person~~ an SMCR firm); or
 - (iii) the corresponding *PRA* requirements; ÷
- (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply for approval of the individuals as *approved persons* as soon as possible using Form A (Application to perform controlled functions); see:
 - (a) *SUP 10A.13* (for a *firm* that is not ~~a relevant authorised person~~ an SMCR firm);
 - (b) *SUP 10C.10* (for ~~a relevant authorised person~~ an SMCR firm); or
 - (c) the corresponding *PRA* requirements.

~~Relevant authorised person~~ SMCR firm status

- 6.3.9 G A variation of a *firm's Part 4A permission* may mean that it becomes a ~~relevant authorised person~~ an SMCR firm or it changes from one type of SMCR firm to another. This would have a number of significant consequences, which include:
- (1) the application of the special powers in relation to misconduct by *approved persons* (see *DEPP 6.2.9-AG*);
 - (2) the *approved persons* regime switches from *SUP 10A* to *SUP 10C*;
 - (3) *COCON* applies in place of *APER*;
 - (4) the certification regime described in *SYSC 27* applies;
 - (5) the criminal offence in section 36 of the Financial Services (Banking Reform) Act 2013 (Offence relating to a decision causing a financial institution to fail) potentially applies, although that offence does not

apply to every ~~relevant authorised person~~ SMCR firm; and

- (6) ~~SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities and SYSC 4.9 (Handover procedures and material))~~ apply the following chapters in SYSC apply:
- (i) SYSC 23 (Senior managers and certification regime: Introduction and classification);
 - (ii) SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities);
 - (iii) SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material); and
 - (iv) SYSC 26 (Senior managers and certification regime: Overall and local responsibility).

...

6.3.25 G Information which may be required. See *SUP* 6.3.24G

Type of business	Information which may be required
All	...
	3. Organisation charts and details of individuals transferring or being recruited to perform new <i>controlled functions</i> (see <i>SUP</i> 10A and <i>SUP</i> 10C, and the corresponding <i>PRA</i> requirements for details of the application or transfer procedures under the <i>approved persons</i> or <u>senior managers</u> regime).
...	...

...

6.4 Applications for cancellation of permission

...

Approved persons

6.4.18 G (1) A *firm* which is applying for cancellation of *Part 4A permission* and which is not otherwise *authorised* by, or under, the *Act* should, at the

same time:

- (a) comply with:
 - (i) *SUP 10A.14.8R* (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);
 - (ii) *SUP 10C.14.5R* (for a ~~relevant authorised person~~ an SMCR firm); or
 - (iii) the corresponding *PRA* requirements; and
- (b) notify the ~~appropriate regulator~~ the FCA or PRA of persons ceasing to perform *controlled functions* specified by that regulator.

...

10A FCA Approved Persons

10A.1 Application

General

- 10A.1.1 R This chapter applies to every:
- (1) *firm* that is not a ~~relevant authorised person~~ an SMCR firm; and
 - (2) ~~relevant authorised person~~ SMCR firm, but only to the extent required by *SUP 10A.1.16BR* (Appointed representatives).
- 10A.1.1A G *SUP 10C* deals with the *approved persons* regime for ~~relevant authorised persons~~ SMCR firms themselves.
- 10A.1.2 G This chapter is also relevant to every *FCA-approved person*:
- (1) of a *firm* that is not a ~~relevant authorised person~~ an SMCR firm; and
 - (2) of any *appointed representative*, including of an *appointed representative* of a ~~relevant authorised person~~ an SMCR firm.
- ...
- 10A.1.8 G (4) ...
- (2) ~~For example, persons in Solvency II firms which are incoming EEA firms are not expected to be carrying out FCA functions to the extent that the person will be regarded as effectively running the firm or responsible for a Solvency II Directive 'key function'. [deleted]~~
- 10A.1.9 G Notwithstanding *SUP 10A.1.8G*, an *incoming EEA firm* (~~other than an EEA pure reinsurer~~) or *incoming Treaty firm* will have had to consider the impact of the *Host State* rules with which it is required to comply when carrying on

a *passported activity* or *Treaty activity* through a *branch* in the *United Kingdom*. An incoming EEA firm (~~other than an EEA pure reinsurer~~) will have been notified of those provisions under Part II of Schedule 3 to the *Act* in the course of satisfying the conditions for *authorisation* in the *United Kingdom*.

...

- 10A.1.12 R If an ~~incoming EEA firm~~ is an ~~EEA pure reinsurer~~, then ~~SUP 10A.1.11R~~ does not apply. Instead, none of the ~~FCA controlled functions~~ apply with respect to its ~~passported activities~~ carried on from a *branch* in the *United Kingdom*. [deleted]

...

- 10A.1.16B R SUP 10A.1.15R and SUP 10A.1.16R apply to the *appointed representative* of a ~~relevant authorised person~~ an SMCR firm.

- 10A.1.16C G (1) References in this chapter to a *firm* include a ~~relevant authorised person~~ an SMCR firm, but only to the extent required by SUP 10A.1.16BR.
- (2) References in SUP 10A.1.15R and SUP 10A.1.16R to *FCA governing functions* and other *controlled functions* are to *controlled functions* in this chapter, not in SUP 10C (FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms).

- 10A.1.16D G (1) Under section 59(6A) of the *Act*, if the *FCA* is satisfied that, in relation to the carrying on of a *regulated activity* by a ~~relevant authorised person~~ an SMCR firm, a *controlled function* is a *senior management function*, the *FCA* must designate the function in its *rules* as a *senior management function*.

...

- (4) SUP 10C.1.8G (~~Approved persons in relation to appointed representatives of relevant authorised persons~~ Appointed representatives) explains that it is unlikely that SUP 10C (FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms) will apply to *approved persons* working in *appointed representatives* of ~~relevant authorised persons~~ an SMCR firm in addition to this chapter.

...

Bidders in emissions auctions

- 10A.1.21 G ...

This is because the *FCA-approved person* regime specifies a number of functions by incorporation of requirements in SYSC; however, a *firm*

carrying on *auction regulation bidding* is only subject to SYSC to a limited extent in relation to that activity. This means that the *FCA required functions* do not apply to *auction regulation bidding*, except for the *money laundering reporting function*. Similarly, the *significant management function* does not apply in relation to *auction regulation bidding* because, in carrying on that activity, a *firm* is not subject to ~~SYSC 2.1.1R or SYSC 4.1.1R~~ and is not undertaking *proprietary trading*.

...

Swiss general insurers

- 10A.1.26 R For ~~Swiss general insurers~~, references in this chapter to parts of the *PRA Rulebook* for ‘*Solvency II firms*’ are to be read as references to the corresponding parts of the *PRA Rulebook* applying to *non-directive insurers*. [deleted]
- 10A.1.27 G ~~Swiss general insurers are in the large non-directive insurers sector of the PRA Rulebook and the PRA applies to them, in relation to their controlled functions, provisions equivalent to those applying to third country branches in the Solvency II firms sector of the PRA Rulebook. The FCA includes them as third country undertakings of Solvency II firms and so they must follow the requirements for Solvency II firms set out in SUP 10A.~~ [deleted]

10A.2 Purpose

...

- 10A.2.2 G ~~SUP 10A does not deal with the PRA’s approved persons regime.~~ [deleted]
- 10A.2.3 G ~~The FCA has certain powers in relation to PRA-approved persons, such as the requirement to give its consent in certain cases to the PRA granting approval for the performance of a PRA controlled function. SUP 10A does not deal with these.~~ [deleted]

...

10A.4 Specification of functions

...

- 10A.4.2 R ~~Part 1 of the table of~~ The table of FCA controlled functions applies in relation to an *FCA-authorised person*. It also applies in relation to an *appointed representative* for the purposes of SUP 10A.1.15R to SUP 10A.1.16BR (*Appointed representatives*) whether its *principal* is an *FCA-authorised person* or a *PRA-authorised person*. ~~Part 2 applies in relation to a PRA-authorised person, except in relation to CBTL business.~~
- 10A.4.2A G ~~For the purposes of SUP 10A (and SYSC, APER, COCON and DEPP) a large non-directive insurer is treated as and included in the Glossary~~

definition of a *Solvency II firm*. For *large non-directive insurers*, references to parts of the *PRA Rulebook* applicable to *Solvency II Firms* are to be read as references to the corresponding parts of the *PRA Rulebook* applying to *large non-directive insurers*. [deleted]

...

10A.4.4 R FCA controlled functions

Part 1 (FCA controlled functions for FCA-authorised persons and appointed representatives)		
Type	CF	Description of FCA controlled function
...		

Part 2 (FCA controlled functions for PRA-authorised persons) (See Note 1)		
Type	CF	Description of FCA controlled function
<i>FCA governing functions*</i>	1	<i>Director function</i> (see Note 2)
	2a	<i>Chair of the nomination committee function</i> (See Note 2 3)
	2b	<i>Chair of the with-profits committee function</i> (See Note 2 3)
	3	<i>Chief executive function</i> (see Note 3A)
	5	<i>Director of an unincorporated association function</i> (See Note 2 3B)
	6	<i>Small friendly society function</i> (see Note 3C)
	10	<i>Compliance oversight function</i>
	10A	<i>CASS operational oversight function</i>
	11	<i>Money laundering reporting function</i>
	40	<i>Benchmark submission function</i>
	50	<i>Benchmark administration function</i>
	51	<i>Actuarial conduct function (third country)</i> (see Note 4)

Systems and controls function*	28	Systems and control function (see Note 5)
Significant management function*	29	Significant management function
Customer-dealing function	30	Customer function
*FCA significant-influence functions		
Note 1: Part 2 of this table does not apply to appointed representatives of PRA-<i>authorised persons</i>, Part 1 applies instead. (See SUP 10A.4.2R.)		
Note 2: Solvency II firms (including large non-directive insurers) and small non-directive insurers.		
Note 3: Solvency II firms (including large non-directive insurers) only.		
Note 3A: small non-directive insurers only.		
Note 3B: Solvency II firms (including large non-directive insurers) and small non-directive insurers.		
Note 3C: small non-directive insurers and large non-directive insurers only.		
Note 4: Third country insurance or reinsurance undertakings which are Solvency II firms only.		
Note 5: Only Solvency II firms that are: (a) third country insurance or reinsurance undertakings; or (b) ISPVs.		

...

10A.6 FCA governing functions

Introduction

- 10A.6.1 G (1) Every firm will have one or more persons responsible for directing its affairs. These persons will be performing the FCA governing functions and will be required to be FCA-approved persons unless the application provisions in SUP 10A.1, or the particular description of an FCA controlled function, provide otherwise. For example, each director of a company incorporated under the Companies Acts will perform an FCA governing function. However, if the firm is a PRA-*authorised person*, the governing functions apply in the manner set out in (2) and (3). Note that for the purposes of SUP 10A (and SYSC,

~~APER, COCON and DEPP) a large non-directive insurer is treated as and included in the definition of a Solvency II firm.~~

- (2) For a *Solvency II firm*, the *FCA governing functions* CF1, CF2a, CF2b, CF5 and (for *large non-directive insurers* only) CF6 may apply and for a *small non-directive insurer*, the *FCA governing functions* CF1, CF3, CF5 or CF6 may apply. These functions will apply if the *person* carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in SUP 10A.11.12R (minimising overlap with the PRA approved persons regime) are not satisfied. [deleted]
- (3) For a *Solvency II firm* and a *small non-directive insurer*, if the *person* is approved to carry out a *PRA controlled function* and the conditions in SUP 10A.11.12R are satisfied, the relevant *FCA function* is instead absorbed into the *PRA controlled function* that the *person* is approved for (by virtue of its inclusion in *PRA Rulebook: Solvency II firms: Insurance—Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms—Senior Insurance Management Functions, 2.6 and Non-Solvency II firms: Large Non-Solvency II firms—Senior Insurance Management Functions, 2.5*). [deleted]

...

- 10A.6.2A G
- (1) As explained in more detail in the rest of this section, a number of *FCA governing functions* do not apply to a *PRA authorised person*.
 - (2) However, (1) does not apply to an *FCA governing function* under SUP 10A.1.15R to SUP 10A.1.16BR (Appointed representatives). The *FCA governing functions* continue to apply for *appointed representatives* of a *PRA authorised person*.
 - (3) For example, the *chief executive function* does not apply to a *PRA authorised person*. A *PRA controlled function* applies instead.
 - (4) However, the *chief executive function* may apply to someone who is the *chief executive* of an *appointed representative* of a *PRA authorised person*.
 - (5) See SUP 10A.1.15R to SUP 10A.1.16BR and SUP 10A.4.2R for the main *rules* that deal with what *controlled functions* apply to *appointed representatives*. [deleted]

What the FCA governing functions include

- 10A.6.3 R Each of the *FCA governing functions* includes:
- (1) (where apportioned under ~~SYSC 2.1.1R~~ or SYSC 4.3.1R and SYSC 4.4.3R (or, for a *full-scope UK AIFM* apportioned under article 60(1) of the *AIFMD level 2 regulation*))

...

...

...

- 10A.6.11 G (1) ~~The *director function* applies in relation to a *PRA authorised person*, as set out below.~~
- (2) ~~For a *Solvency II firm* or a *small non-directive insurer*, the *FCA director function* may apply if the person carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in *SUP 10A.11.12R* (minimising overlap with the *PRA approved persons regime*) are not satisfied. [deleted]~~

- 10A.6.11A R ~~For the purposes of *SUP 10A.6.7R* and *SUP 10A.6.8R* (the *director function*), ‘*director*’ includes an executive member of a committee to which the Council of the *Society* directly delegates authority to carry out the *Society’s* regulatory functions. [deleted]~~

...

- 10A.6.15 G ~~The *non-executive director function* does not apply in relation to a *PRA authorised person*. *PRA* approval is required instead. [deleted]~~

Chair of the nomination committee (CF2a) and chair of the with-profits committee functions (CF2b) (*Solvency II* firms only)

- 10A.6.15A R (1) ~~For a *Solvency II firm* only, if the *firm* has a nomination committee, the *chair of the nomination committee function* is the function of acting in the capacity of a non-executive chairman of that committee.~~
- (2) ~~The *chair of the nomination committee function* does not apply to a *Solvency II firm* that is a third-country insurance or reinsurance undertaking. [deleted]~~
- 10A.6.15B R (1) ~~For a *Solvency II firm* only, if the *firm* has a *with profits committee*, the *chair of the with profits committee function* is the function of acting in the capacity of a non-executive chairman of the committee.~~
- (2) ~~The *chair of the with profits committee function* does not apply to a *Solvency II firm* that is a third-country insurance or reinsurance undertaking. [deleted]~~
- 10A.6.15C G (1) ~~For a *Solvency II firm*, the *chair of the nomination committee function* and the *chair of the with profits committee function* may not apply if the person carrying out the function is approved to carry out a *PRA controlled function* and the conditions in *SUP 10A.11.12R* (minimising overlap with the *PRA approved persons regime*) are satisfied.~~

- (2) ~~In that case, the relevant *FCA* function is instead absorbed into the *PRA controlled function* that the person is approved for (by virtue of its inclusion in *PRA Rulebook: Solvency II firms: Senior Insurance Managers Regime, 2.5*).~~ [deleted]

...

- 10A.6.21 G Note that a *body corporate* may be a *chief executive*. If so, it will need to be approved ~~(if the firm in question is an *FCA authorised person*)~~ to perform the *chief executive function*.

- 10A.6.22 G ~~The *chief executive function* does not apply in relation to a *PRA authorised person*. *PRA* approval is required instead.~~ [deleted]

...

- 10A.6.24 G Any apportionment referred to in *SUP* 10A.6.23R(3)(b) will have taken place under ~~*SYSC* 2.1.1R or *SYSC* 4.3.1R and *SYSC* 4.4.3R~~. The *FCA* may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this ~~(see *SYSC* 2.2)~~.

...

- 10A.6.28 G ~~The *partner function* does not apply in relation to a *PRA authorised person*. *PRA* approval is required instead.~~ [deleted]

Director of unincorporated association function (CF5)

- 10A.6.29 R If a *firm* is an unincorporated association, the *director of unincorporated association function* is the function of acting in the capacity of a *director* of the unincorporated association. ~~In a *Solvency II firm* and a *small non-directive insurer* the function does not include acting in the capacity of a non-executive director.~~

- 10A.6.30 G ~~The *director of unincorporated association function* applies in relation to a *PRA authorised person* as set out in *SUP* 10A.6.1G above.~~ [deleted]

Small friendly society function (CF6)

- 10A.6.31 R (1) If a *firm* is a *non-directive friendly society*, the *small friendly society function* is the function of directing its affairs, either alone or jointly with others. ~~In a *large non-directive insurer* and a *small non-directive insurer* the function does not include acting in the capacity of a non-executive director.~~

...

...

- 10A.6.34 G In practice, the *FCA* expects that most *non-directive friendly societies* will be *PRA-authorised persons*. Where that is the case, this chapter does not apply and so the *small friendly society function* will not apply as set out in

~~SUP 10A.6.1G~~ above.

10A.7 FCA required functions

Apportionment and oversight function (CF8)

10A.7.1 R (1) The *apportionment and oversight function* is the function of acting in the capacity of a *director* or *senior manager* responsible for the apportionment function and/or the oversight function set out in ~~SYSC 2.1.3R~~ or SYSC 4.4.5R.

(2) ~~The *apportionment and oversight function* does not apply in relation to a *Solvency II firm* or a *small non-directive insurer*. [deleted]~~

10A.7.2 G In requiring someone to apportion responsibility, ~~neither a *common platform firm* nor a *Solvency II firm* or *small non-directive insurer*~~ should not apply for that *person* or *persons* to be FCA-approved to perform the *apportionment and oversight function* (see SUP 10A.7.1R, ~~SYSC 2.1.3R~~ and SYSC 1 Annex 1).

...

10A.7.4 G Generally, in relation to a UK establishment of an *overseas firm* or a *firm* which is part of an overseas *group*, where an overseas manager's responsibilities in relation to the *United Kingdom* are strategic only, ~~he~~ they will not need to be an FCA-approved *person*. However, where, in accordance with ~~SYSC 3~~ or SYSC 4 to SYSC 10, ~~he is~~ they are responsible for implementing that strategy in the *United Kingdom*, and ~~has~~ have not delegated that responsibility to a *senior manager* in the *United Kingdom*, ~~he is~~ they are likely to be performing an FCA controlled function for example, the *chief executive function* ~~or a PRA-controlled function~~.

...

10A.7.7 G ~~As explained in SUP 10A.11 (Minimising overlap with the PRA-approved persons regime), the application of the *apportionment and oversight function* is sometimes disapplied for a *PRA-authorised person*. [deleted]~~

Compliance oversight function (CF10)

10A.7.8 R The *compliance oversight function* is the function of acting in the capacity of:

(1) a *director* or *senior manager* who is allocated the function set out in:

(a) ~~SYSC 3.2.8R~~; [deleted]

...

...

...

- 10A.7.11 G A *firm's* obligations in respect of its *money laundering reporting officer* are set out elsewhere in the *FCA Handbook* (see ~~SYSC 3.2.61R~~ and SYSC 6.3.9R and for their scope, see the application provisions in SYSC 1 Annex 1).

...

~~Actuarial conduct function in Solvency II third country insurance or reinsurance undertakings~~

- 10A.7.14 R ~~The *actuarial conduct function (third country)* is that part of the function of acting in the capacity of an actuary appointed (by a *Solvency II firm* which is a third country insurance or reinsurance undertaking) under rule 7.1(2) of the *PRA Rulebook: Solvency II Firms: Third Country Branches* that relates to compliance with *FCA* requirements and standards under the *regulatory system*. [deleted]~~

10A.8 Systems and controls functions

Systems and controls function (CF28)

- 10A.8.1 R The *systems and controls function* is the function of acting in the capacity of an *employee* of the *firm* with responsibility for reporting to the *governing body* of a *firm*, or the audit committee (or its equivalent) in relation to:

...

- (2) setting and controlling its risk exposure (see ~~SYSC 3.2.10G~~, SYSC 7.1.6R, article 23(2) of the *MiFID Org Regulation* and article 23(2) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R)); and
- (3) adherence to internal systems and controls, procedures and policies (see ~~SYSC 3.2.16G~~, SYSC 6.2, article 24 of the *MiFID Org Regulation* and article 24 of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R)).

- 10A.8.1A R ~~For a *Solvency II firm* which is an *insurance special purpose vehicle* or a third country insurance or reinsurance undertaking, the *systems and controls function* is modified as follows:~~

- (1) ~~it does not include any of the activities described in any *PRA controlled function* if that *controlled function* applies to the *firm*;~~

- (2) ~~it does not include activities allocated to and carried on by another person who is a PRA approved person; and~~
- (3) ~~it only includes that part of the function that relates to compliance with FCA requirements and standards under the regulatory system.~~
~~[deleted]~~

...

- 10A.8.3 G
- (1) ~~The systems and controls function does not apply in relation to a PRA authorised person. PRA approval is required instead.~~
 - (2) ~~The exception is a Solvency II firm which is an insurance special purpose vehicle or a third country insurance or reinsurance undertaking. For such firms, FCA approval may be required but only to the extent that the activities are not already covered by a PRA controlled function that applies to the firm or are not activities allocated to and carried on by another person who is a PRA approved person.~~
 - (3) ~~Also, for firms in (2), the function is expressly limited to that part of the function that relates to compliance with FCA requirements and standards under the regulatory system.~~
 - (4) ~~For firms in (2), references in SUP 10A.8.1R to SYSC should also be read as including references to comparable provisions in the PRA Rulebook: Solvency II Firms: Third Country Branches and Solvency II Regulations, as appropriate. [deleted]~~

...

10A.9 Significant management functions

Application

- 10A.9.1 R SUP 10A.9 applies only to a firm which:
- (1) ~~under SYSC 2.1.1R, chapters 2, 3 and 5 of the Allocation of Responsibilities parts of the PRA Rulebook applicable to Solvency II Firms and Non-Solvency II firms or SYSC 4.1.1R, apportions a significant responsibility, within the description of the significant management function, to a senior manager of a significant business unit; or~~
 - (2) undertakes proprietary trading.
- 10A.9.2 G The FCA anticipates that there will be only a few firms needing to seek approval for an individual to perform the significant management function set out in SUP 10A.9.1R(1). In most firms, those approved for the FCA governing functions, FCA required functions and, where appropriate, the systems and controls function ~~or the equivalent PRA controlled functions,~~

are likely to exercise all the significant influence at senior management level.

...

10A.9.4 G The scale, nature and complexity of the *firm's* business may be such that a *firm* apportions, under SUP 10A.9.1R(1), a significant responsibility to an individual who is not approved to perform the *FCA governing functions*, *FCA required functions* or, where appropriate, the *systems and controls function* ~~or the equivalent PRA-controlled functions~~. If so, the *firm* should consider whether the functions of that individual fall within the *significant management function*. For the purposes of the description of the *significant management functions*, the following additional factors about the *firm* should be considered:

- (1) the size and significance of the *firm's* business in the *United Kingdom*; for example, a *firm* carrying on *designated investment business* may have a large number of *approved persons* (for example, in excess of 100 individuals); ~~or a *firm* carrying on general insurance business may have gross written premiums in excess of £100m;~~

...

...

Significant management function (CF29)

10A.9.9 R The *significant management function* is the function of acting as a *senior manager* with significant responsibility for a significant business unit that:

...

- (2) ~~*effects contracts of insurance (other than contractually based investments);*~~ [deleted]

...

...

10A.9.11 R The *significant management function* does not include any of the activities described in any other *FCA controlled function* ~~or PRA-controlled function~~ if that other *controlled function* applies to the *firm*.

...

10A.10 Customer-dealing functions

...

10A.10.5 R ...

10A.10.5A R In SUP 10A.10.5R, customer, in relation to a *firm*, means a *person* who is using, or who is or may be contemplating using, any of the services provided by the *firm*.

10A.10.6 G The *FCA* interprets the phrase “dealing with” as including having contact with ~~*customers*~~ *customers* and extending beyond “dealing” as used in the phrase “dealing in investments”. “Dealing in” is used in Schedule 2 to the *Act* to describe in general terms the *regulated activities* which are specified in Part II of the *Regulated Activities Order*.

...

10A.11 Minimising overlap with the PRA approved persons regime [deleted]

Introduction

~~10A.11.1 G SUP 10A.11 deals with how the *FCA*’s approved persons regime applies to *PRA* authorised persons. SUP 10A.11 therefore only applies if the *firm* in question is a *PRA* authorised person.~~

~~10A.11.2 G Both the *FCA* and the *PRA* may specify a function as a *controlled function* in relation to a *PRA* authorised person. However, only the *FCA* has power to specify a *customer-dealing function* as a *controlled function*.~~

~~10A.11.3 G Therefore, if a *person*’s job for a *firm* involves:~~

- ~~(1) an *FCA* controlled function, the *firm* should apply to the *FCA* for approval;~~
- ~~(2) a *PRA* controlled function, the *firm* should apply to the *PRA* for approval;~~
- ~~(3) both an *FCA* controlled function and a *PRA* controlled function, the *firm* should apply to both the *FCA* and the *PRA* for approval (the purpose of SUP 10A.11 is to cut down the need for this sort of dual approval).~~

~~10A.11.4 G The *PRA* cannot give its approval for the performance of a *PRA* controlled function without the consent of the *FCA*. The *firm* does not need to apply to the *FCA* for that consent. The *PRA* must as soon as practicable notify the *FCA* of the receipt or withdrawal of an application to the *PRA*.~~

~~10A.11.5 G Under section 59B of the *Act* (Role of *FCA* in relation to *PRA* decisions) the *FCA* may arrange with the *PRA* that in agreed cases the *PRA* may give approval without obtaining the consent of the *FCA*. No such arrangements are currently in force.~~

~~10A.11.6 G The *FCA* and *PRA* have coordinated their approved persons regime to reduce the amount of overlap. These arrangements do not relate to the *customer-dealing functions*.~~

Guidance on how SUP 10A.11 works

- 10A.11.8 G (2) For a *Solvency II firm* and a *small non-directive insurer* only, SUP 10A.11.12R disapplies the *FCA governing functions* for a person who is approved to perform a *PRA controlled function*, subject to the conditions in SUP 10A.11.12R.
- (3) The *FCA functions* disapplied in accordance with the *FCA governing functions overlap rule* for *Solvency II firms* and *small non-directive insurers* (SUP 10A.11.12R) are absorbed into the relevant *PRA controlled function* by virtue of their inclusion in *PRA Rulebook*: Insurance—*Solvency II firms*: Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms—Senior Insurance Management Functions, 2.6, and Non-Solvency II firms: Large Non-Solvency II firms—Senior Insurance Management Functions, 2.5).

The main rule

- 10A.11.12 R A person (referred to as “A” in this rule) is not performing an *FCA governing function* (referred to as the ‘particular’ *FCA governing function* in this rule) in relation to a *Solvency II firm* or a *small non-directive insurer* (referred to as “B” in this rule), at a particular time, if:
- (1) A has been approved by the *PRA* to perform any *PRA controlled function* in relation to B;
 - (2) throughout the whole of the period between the time of the *PRA* approval in (1) and the time in question, A has been the subject of a *current PRA approved person approval* to perform a *PRA controlled function* in relation to B;
 - (3) at the time of the *PRA* approval in (1), A was not subject to a *current FCA approved person approval* to perform the particular *FCA controlled function* in relation to B;
 - (4) as part of the application for the *PRA* approval in (1), B notified the *PRA* that A would start to perform what would otherwise have been the particular *FCA governing function* (referred to as the “potential” *FCA governing function* in this rule) at or around the time of the *PRA* approval in (1); and
 - (5) A started to perform the potential *FCA governing function* at or around the time of the *PRA* approval in (1) and has continued to perform it up to the time in question.

10A.12 Procedures relating to FCA-approved persons

...

10A.12.2 G Table: FCA-approved persons forms

Form		Purpose	Handbook requirement
...			
Form B	SUP 10A Annex 5R <u>SUP 10C Annex 4R</u>	Notice to withdraw an application to perform controlled functions under the approved persons regime	<i>SUP</i> 10A.13.19R
Form C	SUP 10A Annex 6R <u>SUP 10C Annex 5R</u>	Notice of ceasing to perform controlled functions	<i>SUP</i> 10A.14.8R
Form D	SUP 10A Annex 7R <u>SUP 10C Annex 6R</u>	Notification of changes in personal information or application details	<i>SUP</i> 10A.14.15R
...			
<p>Note (1) : The form in the <i>SUP</i> annex shown is to be used by credit unions <u>a firm whose Part 4A permission covers only credit-related regulated activities</u>, and by other <i>firms</i> only in the event of a failure of the information technology systems used by the <i>FCA</i>. See the relevant “Handbook requirement”.</p>			
<p>Note (2): Where <i>SUP</i> 10A.1.16BR (appointed representative of an SMCR firm) applies, the version of the form to be used is the one required by <i>SUP</i> 10C (FCA senior managers regime for approved persons in SMCR firms).</p>			

...

10A.12.6 G Copies of Forms A, B, C, D and E may be obtained from the *FCA* website. ~~Credit unions can obtain copies from the FCA’s Contact Centre.~~ To contact the *FCA*’s Contact Centre for *approved persons* enquiries:

...

10A.13 Application for approval and withdrawing an application for approval

...

How to apply for approval

10A.13.3 D ...

10A.13.3A D If a *firm* must make an application using Form A, it must use Form A (shortened form) if:

(1) the *candidate*:

(a) has *current approved person approval* to perform:

(i) an *FCA controlled function* that is a *significant influence function*; or

(ii) an *FCA-designated senior management function*; or

(iii) a *PRA controlled function*; or

(b) has had *current approved person approval* of the type described in (a) within the previous six *months*; and

(2) there have been no matters arising in relation to the fitness and propriety of the *person* to whom the application relates which mean that the information provided to the *FCA* or the *PRA* regarding fitness and propriety in connection with the *current approved person approval* in (1)(a) or (b) may have changed since the application for that *current approved person approval* was made.

...

Who should make the application?

10A.13.5 G ...

(2) Usually this will be the *firm* that is employing the *FCA candidate* to perform the *FCA controlled function*. Where a *firm* has outsourced the performance of an *FCA controlled function*, the details of the outsourcing determine where responsibility lies and whom the *FCA* anticipates will submit *FCA-approved persons* application forms. *SUP* 10A.13.6G describes some common situations. The *firm* which is outsourcing is referred to as “A” and the *person* to whom the performance of the *FCA controlled function* has been outsourced, or which makes the arrangement for the *FCA controlled function* to be performed, is referred to as “B”. In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the *Act*, no *person* performs an *FCA controlled function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *FCA*. See

also ~~SYSC 3.2.4G~~ and SYSC 8.1.1R, and ~~SYSC 13.9~~ for *insurers*.

10A.13.6 G Outsourcing arrangements

Outsourcing arrangements		Submitting form
...		
<p>(i) A to B, where B is a non-authorised person not part of the same group as A</p> <p>(ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i>, and B is an overseas undertaking of the same <i>group</i></p> <p>(iii) A to B, where A is a UK authorised subsidiary of an overseas <i>firm</i> and B is an overseas undertaking of the same group</p>	<p>Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See SYSC 3.2.4G and SYSC 8</p>	<p>A ensures that an individual approved by the <i>FCA</i> or the PRA under a controlled function that is a <i>significant-influence function</i> has responsibility for the outsourced arrangement and A submits a form in relation to that individual</p>

...

Withdrawing an application for approval

- 10A.13.19 R A *firm* notifying the *FCA* of its withdrawal of an application for approval must notify the *FCA*, using Form B, ~~in the form set out in SUP 10A Annex 5R~~ (SUP 10C Annex 4R).

...

10A.14 Changes to an FCA-approved person's details

Moving within a firm

- 10A.14.1 G An *FCA-approved person's* job may change from time to time as a result, for instance, of a change in personal job responsibilities or a *firm's regulated activities*. Where the changes will involve the *person* performing one or more *FCA controlled functions* different from those for which approval has already been granted, then an application must be made to the *FCA* for approval for the *person* to perform those *FCA controlled functions*. The *firm*

must take reasonable care to ensure that an individual does not begin performing an *FCA controlled function* until the *FCA* has granted *FCA-approved person* status to that individual in respect of that *FCA controlled function*. ~~Similarly, a firm must get the FCA's approval if a person is to start performing an FCA controlled function in relation to that firm when he already has the PRA's approval to perform a PRA controlled function in relation to that firm.~~

- 10A.14.2 G If an *FCA-approved person* or a *PRA-approved person* is ceasing to perform *FCA controlled functions* or a *PRA controlled function*, as well as applying for approval in respect of *FCA controlled functions* within the same firm or group, ~~SUP 10A.14.4D~~ the firm should generally apply use Form E. Further details can be found in ~~SUP 10A Annex 2~~ SUP 10A.14.4D.
- 10A.14.3 G If a *person* is to perform an *FCA controlled function* for a *firm* for which ~~he~~ they already ~~performs~~ perform a *PRA controlled function* or *FCA controlled function* as an *approved person* but ~~he is~~ they are not at the same time ceasing to perform an *FCA controlled function* or *PRA controlled function*, a *firm* should use Form A. ~~It is not mandatory to complete all parts of the form.~~ See ~~the notes relevant to each form~~ SUP 10A.13.3D and SUP 10A.13.3AD for ~~full~~ further details.
- 10A.14.4 D ...
- (2) ...
- (c) any of the following apply (where applicable):
- (i) a notification referred to in SUP 10C.10.9D(4)(b) or (c) (notification obligations under the *Act* applying to ~~relevant authorised persons~~ SMCR firms) has been made or should be made; or
- (ii) ...
- in relation to any:
- (iii) ...
- (iv) ~~any controlled function~~ that they are continuing to perform for that *firm* or a *firm* in the same *group*.
- (3) ...
- (b) SUP 10C.14.18R (the corresponding requirement for ~~relevant authorised persons~~ SMCR firms); or
- ...
- ...
- 10A.14.7 G ~~In certain circumstances, when the FCA already has the information it would~~

~~usually require, a shortened version of the relevant Form A may be completed. See the notes relevant to each form for full details. [deleted]~~

Ceasing to perform an FCA controlled function

- 10A.14.8 R (1) A *firm* must submit to the *FCA* a completed Form C, ~~in the form set out in SUP 10A Annex 6R,~~ (SUP 10C Annex 5R) no later than seven business days after an *FCA-approved person* ceases to perform an *FCA controlled function*.

...

...

Changes to an approved person's personal details

- 10A.14.15 R If an *FCA-approved person's* title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA controlled function* must notify the *FCA* on Form D, ~~in the form set out in SUP 10A Annex 7R,~~ (SUP 10C Annex 6R) of that change within seven *business days* of the *firm* becoming aware of the matter.

...

- 10A.14.21 G (1) If, in relation to a *firm* which has completed the relevant Form A (*SUP 10A Annex 4D*), any of the details relating to arrangements and *FCA controlled functions* are to change, the *firm* must notify the *FCA* on Form D ~~(SUP 10A Annex 7R)~~ (SUP 10C Annex 6R).

...

...

10A.15 References and accurate information

References

- 10A.15.1 G ...
- (2) This applies even if A is a *firm* to which *SUP 10C* (FCA senior management managers regime for approved persons in ~~relevant authorised persons~~ SMCR firms) applies rather than this chapter.
- (3) ~~SYSC 22 also requires certain insurers to get a reference before applying to have someone approved as an approved person. [deleted]~~

...

10A.16 How to apply for approval and give notifications

- 10A.16.1 D ...

- (2) Subject to (2A), an application by a *firm other than a credit union* must be made by submitting the Form online at fca.org.uk using the form specified on the *FCA's and PRA's online notification and application system*.

...

- (3) ~~An application by a credit union must be made using the form in SUP 10A Annex 4D or SUP 10A Annex 8D and must be submitted in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).~~ [deleted]

...

- (5) An application by a firm in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies must be made in accordance with SUP 10C.15 (Forms and other documents and how to submit them to the FCA) and not this section.

10A.16.2 R ...

- (2) A notification must be made in accordance with SUP 10A.16.1D, except that the annexes to SUP 10A in which the forms are to be found are ~~SUP 10A Annex 6R~~ SUP 10C Annex 5R or ~~SUP 10A Annex 7~~ SUP 10C Annex 6R, rather than the Annexes mentioned in SUP 10A.16.1D.
- (3) A notification by a firm in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies must be made in accordance with SUP 10C.15 (Forms and other documents and how to submit them to the FCA) and not this section.

10A.16.2A R SUP 10A.16.2R(3) also applies to Form B in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies.

...

10A Frequently asked questions

Annex 1

	Question	Answer
	Type of firm	
-1	Does this chapter apply to all types of firm? If not, where can	No, SUP 10A does not apply to relevant authorised persons <u>SMCR firms</u> (broadly speaking, <u>banks, credit unions, building societies, insurance firms</u>

	I find the equivalent material?	and investment firms that are <i>PRA-authorised persons</i>). The requirements for these <i>firms</i> can be found in <i>SUP 10C</i> . However, this chapter does cover <i>approved persons</i> in <i>appointed representatives</i> of such <i>firms</i> .
	Requirements of the regime	
...		
7	Do Lloyd's underwriting agents still require registration with Lloyd's? [deleted]	Yes. Approval for a <i>controlled function</i> is not sufficient.
...		

...

Delete the following Annexes. The deleted text is not shown but [deleted] tags are added to the section headings as shown below.

10A **Form B: Notice to withdraw an application to perform controlled functions**
Annex 5 **(including senior management functions)** [deleted]

10A **Form C: Notice of ceasing to perform controlled functions (including senior**
Annex 6 **management functions)** [deleted]

10A **Form D: Notification of changes in personal information or application**
Annex 7 **details and conduct breaches/disciplinary action related to conduct** [deleted]

Delete the following the following forms from the following Annexes. The deleted text is not shown.

Annex where form to be found	Name of form to be deleted
<i>SUP 10A</i> Annex 4 (Form A: Application to perform controlled functions under the approved person regime)	Long Form A – UK and Overseas Firms (not Incoming EEA) (The form to be deleted is the joint <i>PRA</i> and <i>FCA</i> version) Long Form A – Solvency II firms only Short Form A - Solvency II firms only Long Form A – Large non-directive insurers only

	Short Form A – Large non-directive insurers only Long Form A – Small non-directive insurers only Short Form A – Small non-directive insurers only Solvency II Firms: Scope of Responsibilities Large non-directive insurers: Scope of Responsibilities Small non-directive insurers: Scope of Responsibilities Long Form A – UK Firms (Relevant Authorised Persons only)
SUP 10A Annex 8 (Form E: Internal transfer of an approved person)	Form E Internal transfer of an approved person (the version to be deleted is the one for <i>Solvency II firms</i>) Form E Internal transfer of an approved person (small non-directive insurers only) Form E Internal transfer of an approved person (for large non-directive insurers only)

Amend the following as shown.

[*Editor's note:* The text of SUP 10C takes into account the amendments proposed in the instrument included in CP17/25 and 17/26 as if it was made.]

10C FCA senior managers regime for approved persons in SMCR firms

10C.1 Application

...

- 10C.1.8 G (1) SUP 10A.1.15R to SUP 10A.1.16DG (Appointed representatives) deal with the *approved persons* regime for *appointed representatives* of ~~relevant authorised persons~~ SMCR firms.
- (2) In general this chapter does not apply to *appointed representatives* of ~~relevant authorised persons~~ SMCR firms. SUP 10A applies instead.
- (3) In theory, a *person* employed by an *appointed representative* of a ~~relevant authorised person~~ an SMCR firm could come within one of

the *controlled functions* in this chapter. If so, that person will be performing a *senior management function* and this chapter would apply. However, the *FCA* thinks that such a situation should rarely, if ever, arise.

...

...

10C.3 General material about the definition of controlled functions

...

- 10C.3.4 G The *FCA* has (in *SUP* 10A) specified *controlled functions* for ~~relevant authorised persons~~ *SMCR firms* that are not *designated senior management functions*. (See *SUP* 10C.1.7R to *SUP* 10C.1.8G (Appointed representatives)).

...

10C.4 Specification of functions

...

- 10C.4.3 R Table of *FCA*-designated senior management functions *SMCR* firms

Type	SMF	Description of <i>FCA</i> controlled function
<i>FCA governing functions</i>	...	...
<i>FCA required functions</i>	...	...
	SMF 21	EEA branch senior manager function

Systems and controls function	...	...
<u>Other high-level management functions</u>	<u>SMF 21</u>	<u>EEA branch senior manager function</u>

- 10C.4.4 G As described in *SUP* 10C.1.7R to *SUP* 10C.1.8G (Appointed representatives), *SUP* 10A specifies certain other *controlled functions* for ~~relevant authorised persons~~ *SMCR firms*.

...

10C.5 FCA governing functions: Executive

...

10C.5.14 G ...

- (2) If the ~~chairman~~ chair of the *governing body* is also the *chief executive*, they will be discharging this function.

...

...

10C.5A FCA governing functions: Oversight

...

~~Chairman~~ Chair of the nomination committee function (SMF13)

- 10C.5A.2 R If the *firm* has a nomination committee, the ~~chair~~ chairman of the *nomination committee function* is the function of acting in the capacity of the chairman of that committee.

...

- 10C.5A.4 G Please note that the ~~chairman~~ chair of the *nomination committee function* still applies if the *firm* is not a *CRR firm*.

...

~~Chairman~~ Chair of the with-profits committee function (SMF15)

- 10C.5A.12 R If the *firm* has a *with-profits committee*, the ~~chairman~~ chair of the *with-profits committee function* is the function of acting in the capacity of a non-executive ~~chairman~~ chair of the committee.
- 10C.5A.13 R If the *firm* has a *with-profits advisory arrangement*, the ~~chairman~~ chair of the *with-profits committee function* is the function of being whichever of the following applies to the *firm*:

...

...

10C.8 The other local responsibility function (SMF22) and EEA branch senior manager functions (SMF21)

...

EEA branch senior manager function (SMF21)

- 10C.8.4 R (1) ...
- (2) The activities listed in this paragraph are:
- ...
- (b) ...
- (ba) effects contracts of insurance (other than contractually based investments);
- ...

...

10C.9 Minimising overlap with the PRA approved persons regime

...

- 10C.9.9 G Table: Examples of how the need for dual FCA and PRA approval in relation to PRA-authorised persons is reduced

Example	Whether FCA approval required	Whether PRA approval required	Comments
...			
(11) A is appointed to be chairman <u>chair</u> of the <i>governing body</i> and chairman <u>chair</u> of the nomination committee at the same time.	No. A does not need approval to perform the chairman <u>chair</u> of the <i>nomination committee function</i> .	Yes, on first appointment.	Being chairman <u>chair</u> of the <i>governing body</i> is a <i>PRA-designated senior management function</i> . Therefore, the answer for example (1) applies.
...			
...	Note 2: Where one of the examples in this table includes someone being chief risk or finance officer or chairman <u>chair</u> of the <i>governing body</i> , the example assumes that the <i>firm</i> is of a type for which that function is a <i>PRA-designated senior management function</i> .		

...

10C.10 Application for approval and withdrawing an application for approval

...

How to apply for approval

- 10C.10.8 D (1) An application by a *firm* for the *FCA* 's approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* must be made by completing Form A (~~*SUP 10C Annex 2D*~~ *SUP 10C Annex 3D*), except where *SUP 10C.10.9D* requires Form E.

...

...

- 10C.10.9 D (1) A *firm* must use Form E (~~*SUP 10C Annex 3D*~~ *SUP 10C Annex 7D*) where an *approved person*:

...

- (4) A *firm* must not use Form E if:
- (a) a notification has been made or should be made:
 - (i) to the *FCA* under *SUP 10C.14.18R* (Changes in fitness to be notified under Form D); or
 - (ii) ~~(if the *firm* is a *PRA authorised person*)~~ to the *PRA* under any equivalent *PRA* rule; or
 - ...
 - (b) a notification has been made or should be made to the *FCA* or ~~(if the *firm* is a *PRA authorised person*)~~ *PRA* under any of the following:
 - ...
 - (c) ~~(if the *firm* is a *PRA authorised person*)~~ a notification has been made or should be made to the *PRA* under any provision of the *PRA Rulebook* corresponding to the requirements in (b); or

...

...

Withdrawing an application for approval

- 10C.10.36 R A *firm* notifying the *FCA* of its withdrawal of an application for approval must use Form B (~~*SUP 10A Annex 5R*~~ *SUP 10C Annex 4R*).

...

10C.11 Statements of responsibilities

...

Applications for approval

- 10C.11.3 D An application by a *firm* for the *FCA* 's approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA*-designated senior management function must be accompanied by a *statement of responsibilities* (~~*SUP 10C Annex 5D*~~) (*SUP 10C Annex 10D*).

...

Revised statements of responsibilities: Procedure

- 10C.11.7 D (1) A *firm* must provide a revised *statement of responsibilities* under section 62A of the *Act* under cover of Form J (~~*SUP 10C Annex 5D*~~) (*SUP 10C Annex 9D*).

...

...

- 10C.11.17 G The requirement for a single document does not prevent the document having an attachment sheet for additional information where ~~*SUP 10C Annex 5D*~~ (*SUP 10C Annex 10D*) (the *FCA* 's template for *statements of responsibilities*) allows this.

...

Past versions

- 10C.11.22 G ...

- 10C.11.22 A R (1) This rule applies to an *SMCR firm* that is a *Solvency II firm* (including a *large non-directive insurer*).
- (2) A *firm* must retain each version of a *statement of responsibilities* for:
- (a) (in the case of a *large non-directive insurer*) six years; or
- (b) (in any other case) ten years;
- from the date on which it was superseded by a more up-to-date version.
- (3) A *firm* must be in a position to provide each version to the *FCA* on

request for as long as the *firm* is required to retain it.

...

10C.12 Conditional and time-limited approvals

...

10C.12.2 G ...

- (3) The *FCA* has (in *SUP 10A*) specified *controlled functions* for ~~relevant authorised persons~~ *SMCR firms* that are not *designated senior management functions*. See *SUP 10C.1.7R* to *SUP 10C.1.8G* (Appointed representatives) for more about this.

...

...

10C.13 Variation of conditional and time-limited approvals

...

Variation of a conditional approval at the request of the firm: process

- 10C.13.6 D An application by a *firm* to the *FCA* under section 63ZA of the *Act* (Variation of senior manager's approval at request of authorised persons) must be made by using Form I (~~*SUP 10C Annex 4D*~~) (*SUP 10C Annex 8D*).

...

- 10C.13.15 R A *firm* notifying the *FCA* of its withdrawal of an application for variation of an approval must use Form B (~~*SUP 10A Annex 5R*~~) (*SUP 10C Annex 4R*).

...

10C.14 Changes to an FCA-approved person's details

...

Ceasing to perform an FCA-designated senior management function

10C.14.5 R ...

- (2) It must make that notification by submitting to the *FCA* a completed Form C (~~*SUP 10A Annex 6R*~~ *SUP 10C Annex 5R*).

...

...

Changes to an approved person's personal details

- 10C.14.13 R If an *FCA-approved SMF manager's* title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA-designated senior management function* must notify the *FCA* on Form D (~~*SUP 10A Annex 7R*~~ *SUP 10C Annex 6R*), of that change within seven *business days* of the ~~*firm*~~ *firm* becoming aware of the matter.

...

Changes to arrangements

- 10C.14.15 R (1) If any of the details relating to:
- (a) the arrangements in relation to any of a *firm's FCA-approved SMF managers*; or
 - (b) any *FCA-designated senior management functions* of one of its *FCA-approved SMF managers*;
- are to change, the *firm* must notify the *FCA* on Form D (~~*SUP 10A Annex 7R*~~ *SUP 10C Annex 6R*).

...

...

10C.15 Forms and other documents and how to submit them to the FCA

...

- 10C.15.3 G Table: FCA approved persons forms and other documents

Form or other document		Purpose	Handbook requirement
The relevant Form A	<i>SUP 10C Annex 2D</i> <i>SUP 10C Annex 3D</i>	Application to perform <i>designated senior management functions</i>	<i>SUP 10C.10.8D</i>
Form B	<i>SUP 10A Annex 5R</i> <i>SUP 10C Annex 4R</i>	Notice to withdraw an application to perform <i>controlled functions</i> under the <i>approved persons</i> regime	<i>SUP 10C.10.36R</i>
		Notice to withdraw an application to vary	<i>SUP 10C.13.15R</i>

		an approval under the senior managers regime	
Form C	SUP 10A Annex 6R <u>SUP 10C</u> <u>Annex 5R</u>	Notice of ceasing to perform <i>controlled functions</i>	<i>SUP 10C.14.5R</i>
Form D	SUP 10A Annex 7R <u>SUP 10C</u> <u>Annex 6R</u>	Notification of changes in personal information or application details or functions	<i>SUP 10C.14.13R</i>
			<i>SUP 10C.14.15R</i>
		Notification about fitness or of breach of conduct rules	<i>SUP 10C.14.18R</i>
			<i>SUP 10C.14.22R</i>
Form E	SUP 10C Annex 3D <u>SUP 10C</u> <u>Annex 7D</u>	Internal transfer of an <i>approved person</i>	<i>SUP 10C.10.9D</i>
Form I	SUP 10C Annex 4D <u>SUP 10C</u> <u>Annex 8D</u>	Application to vary a conditional approval	<i>SUP 10C.13.6D</i>
Form J	SUP 10C Annex 6D <u>SUP 10C</u> <u>Annex 9D</u>	Notification of significant change to a <i>statement of responsibilities</i>	<i>SUP 10C.11</i>
Relevant <i>statement of responsibilities</i>	SUP 10C Annex 5D <u>SUP 10C</u> <u>Annex 10D</u>		<i>SUP 10C.11</i>
<p>Note: Some of the forms are also used in <i>SUP 10A</i>, which deals with the <i>approved persons</i> regime for firms that are not relevant authorised persons.</p> <p>Therefore:</p> <p>(1) where column three refers to the <i>approved persons</i> regime, that includes the senior management regime for <i>SMF managers</i> in this chapter, as well as the regime in <i>SUP 10A</i> for <i>approved persons</i> in firms that are not relevant</p>			

~~authorised persons;~~

~~(2) where column three refers to approved persons, that includes SMF managers in this chapter as well as other approved persons in SUP 10A~~

...

Method of submission: electronic submission

10C.15.11 R ...

- (2) A *firm* must use the version of the form or document made available on the electronic system referred to in (1), which is based on the version found in the applicable Annex to this chapter ~~or to SUP 10A~~ (which are listed in SUP 10C.15.3G).

...

...

Method of submission: other forms of submission

10C.15.14 R ...

- (2) A *firm* must use the version of the form or document found in the applicable Annex to this chapter ~~or to SUP 10A~~ (which are listed in SUP 10C.15.3G).

...

10C Annex 2G Summary of forms and their use in the senior managers regime

Function	Form	Submission
...		
(17) Significant change to an <i>approved person's</i> responsibilities.	Form J Form J should not be used if the <i>firm</i> is also submitting a Form A, E or I for the same <i>SMF</i>	The revised <i>statement of responsibilities</i> should be included. A <i>statement of responsibilities</i> must be submitted in the format prescribed by the <i>FCA</i> (SUP 10C Annex 5D) <u>(SUP 10C Annex 10D)</u> .

	<i>manager</i>	
--	----------------	--

[*Editor's note:* The tables in SUP 10C Annex 1 (What functions apply to what type of firm) included in the instrument in CP17/25 and CP17/26 are amended by replacing “chairman” with “chair” wherever it appears. These changes are not shown.]

Delete the following annexes to SUP 10C. The deleted text is not shown

SUP 10C Annex 1 Summary of forms and their use in the senior management regime for SMF managers

SUP 10C Annex 2D Form A: Application to perform senior management functions

SUP 10C Annex 3D Form E: Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

SUP 10C Annex 4D Form I: Application for the variation of a conditional approval for performance of a senior management function

SUP 10C Annex 5D Statement of responsibilities

SUP 10C Annex 6D Form J: Notification of significant change to a statement of responsibilities

Insert the following annexes in the appropriate position. The text (which consists of forms) is included in Part 1 of Annex W of this instrument. The text in ordinary type is the title of the form to be included. Underlined text is to be included in the Handbook as a heading.

**10C Annex Form A: Application to perform senior management functions
3D**

Long Form A

Long Form A - Dual regulated firms (including EEA and third country firms)

Long Form A – UK and overseas firms (not incoming EEA) for MiFID authorisation applications

Short Form A

Short Form A - Dual regulated firms (including EEA and third country firms)

**10C Annex Form B: Notice to withdraw an application to perform controlled
4R functions (including senior management functions)**

Form B – Notice to withdraw an application to perform controlled functions (including senior management functions)

**10C Annex Form C: Notice of ceasing to perform controlled functions including
5R senior management functions**

Form C – Notice of ceasing to perform controlled functions including senior management functions

10C Annex 6R Form D: Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

Form D – Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

10C Annex 7D Form E: Internal transfer of a person performing a controlled function

Form E – Internal transfer of a person performing a controlled function for dual regulated firms

10C Annex 8D Form I: Application to add, vary or remove a conditional approval for the performance of a senior management function

Form I – Application to add, vary or remove a conditional approval for the performance of a senior management function

10C Annex 9D Form J: Notification of significant changes in responsibilities of a person performing a senior management function

Form J – Notification of significant changes in responsibilities of a person performing a senior management function

10C Annex 10D Statement of responsibilities

Statement of responsibilities for dual-regulated SMCR firms

...

12 Appointed representatives

...

12.4 What must a firm do when it appoints an appointed representative or an EEA tied agent?

...

- 12.4.4 G In assessing, under *SUP* 12.4.2R(2)(b), whether an *appointed representative* or prospective *appointed representative* is otherwise suitable to act for the *firm* in that capacity, a *firm* should consider:

...

- (2) the fitness and propriety (including good character and competence) and financial standing of the *controllers, directors, partners, proprietors and managers* of the *person; firms* seeking guidance on the information which they should take reasonable steps to obtain and verify should refer to *FIT* and the questions in the relevant Form A (Application to perform controlled functions under the approved person regime) in *SUP* 10A Annex 4 ~~or in the *PRA's* rulebook~~.

...

12.6 Continuing obligations of firms with appointed representatives or EEA tied agents

...

Obligations of firms under the approved persons and senior managers regime

- 12.6.8 G ...

- (4) The *approved persons* regime for ~~relevant authorised persons~~ SMCR firms is in *SUP* 10C (FCA senior ~~management~~ managers regime for approved persons in ~~relevant authorised persons~~ SMCR firms), rather than *SUP* 10A. However, *SUP* 10A still applies to *approved persons* of *appointed representatives* of ~~relevant authorised persons~~ SMCR firms (see *SUP* 10A.1.16BR to *SUP* 10A.1.16DG and *SUP* 10C.1.8G for more about this).

...

The certification regime

- 12.6.16 G *SYSC* 27.4.2G explains the application of the certification regime in *SYSC* 27 to *appointed representatives* of ~~relevant authorised persons~~ SMCR firms. The certification regime does not apply to *firms* that are not ~~relevant authorised persons~~ SMCR firms.

...

13A Qualifying for authorisation under the Act

...

13A.6 Which rules will an incoming EEA firm be subject to?

...

13A.6.3 G ...

- (2) An EEA SMCR firm ~~or Treaty firm which is an EEA relevant authorised person~~ should also refer to SUP 10C (FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms).

...

13A Annex 1G

Application of the Handbook to Incoming EEA Firms

...

(1) Module of Handbook	(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of a firm (or its appointed representative) in the United Kingdom	(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom
...
<i>SYSC</i>	<p>...</p> <p><i>SYSC 19A, 19B, 19C and 19D do not apply.</i></p> <p><u><i>SYSC 23 to 27 apply with the modifications described in those chapters.</i></u></p> <p>...</p>	<p>...</p> <p><u><i>SYSC 23 to 27 do not apply</i></u></p>
<i>COCON</i>	<p><i>COCON applies to employees of firms which are relevant authorised persons <u>SMCR firms</u>.</i></p> <p>See <i>COCON</i> 1.1 for detailed rules on the application of <i>COCON</i>.</p>	Does not apply.
...
<i>APER</i>	<p><i>APER applies to approved persons other than relevant authorised persons <u>of firms other than SMCR firms</u> (APER 1.1A.1G).</i> See below under <i>SUP</i></p>	Not relevant because <i>SUP</i> 10A does not apply.

	10A as to whether <i>controlled functions</i> are performed, and approval therefore required.	
...
<i>SUP</i>	...	...
	<p>SUP 10A (Approved persons)</p> <p>Applies to an <i>EEA firm</i> that is <u>not an <i>SMCR firm</i></u>, but the applicable <i>controlled functions</i> are limited. See <i>SUP 10A.1 (Application)</i> for more detailed guidance. <i>SUP 10A applies in a limited way in relation to an incoming EEA firm that is a Solvency II firm (see SUP 10A.1.8G).</i></p>	<p>SUP 10A (Approved persons)</p> <p>Does not apply (<i>SUP 10A.1.6R</i>).</p>

	<p>SUP 10C (FCA senior management regime for approved persons in relevant authorised persons) (FCA senior managers regime for approved persons in SMCR firms)</p> <p><u>Applies to <i>EEA SMCR firms</i>, but the applicable <i>controlled functions</i> are limited. See <i>SUP 10C Annex 1 (What functions apply to what type of firm)</i> for more details of what functions apply.</u></p>	<p>Applies to <i>EEA incoming firms</i> which are <i>EEA relevant authorised persons</i>, but the applicable <i>controlled functions</i> are limited. See <i>SUP 10C.1 (Application)</i> for more detailed guidance.</p> <p><u>Does not apply</u></p>
...

...

15 Notifications to the FCA

15.1 Application

...

~~Relevant authorised persons~~ SMCR firms

15.1.7 R The following apply only to ~~relevant authorised persons~~ SMCR firms:

...

15.2 Purpose

...

15.2.5 G *SUP* 15.11 (Notification of COCON breaches and disciplinary action) provides *rules* and *guidance* on notifications to the *FCA* by a ~~relevant authorised person~~ an SMCR firm where the ~~relevant authorised person~~ SMCR firm takes disciplinary action in relation to any *conduct rules* staff and the reason for taking that action is a reason specified in *rules* made by the *FCA*. This is a requirement imposed under section 64C of the *Act*.

...

15.3 General notification requirements

...

15.3.14A G ...

(4) *SUP* 10C.14 only applies to ~~relevant authorised persons~~ SMCR firms. *SUP* 10A.14 applies similar, but less extensive, obligations to firms that are not ~~relevant authorised persons~~ SMCR firms. Paragraphs (2) and (3) apply to those notifications as well. Such notifications should however be made under *SUP* 10A.14.

...

15.6 Inaccurate, false or misleading information

...

15.6.6A G *SUP* 15.11.13R(4) adjusts the time when, and how, a ~~relevant authorised person~~ an SMCR firm should make updates under *SUP* 15.6.4R about notifications under section 64C of the *Act* (Notification of disciplinary action against certain employees).

...

15.11 Notification of COCON breaches and disciplinary action

...

15.11.15 R ...

15.11.15A R (1) If a firm to which *SUP* 15.11.14R applies fails to submit a completed notification under *SUP* 15.11.13R by the date on which it is due, in

accordance with SUP 15.11.13R, the *firm* must pay an administrative fee of £250.

- (2) The administrative fee in (1) does not apply if the *firm* is unable to submit a report in electronic format within the time required because of a systems failure of the kind described in SUP 15.11.14(3).

...

15 Annex 7R Form H: Form for the notification of disciplinary action relating to conduct rules staff (other than SMF managers) in ~~relevant authorised persons~~ SMCR firms

Delete the form in SUP 15 Annex 7R and replace it with the new form titled “Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms” as set out in Part One of Annex W of this instrument. The deleted text is not shown.

...

TP 6 Financial Services (Banking Reform) Act 2013: Approved persons

Note to the reader

- 6.1.1-2 G (1) SUP TP 6 has not been amended to reflect changes in the *FCA Handbook* and *Glossary* since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then.
- (2) A small number of provisions may have effect beyond that date. To help the reader, the table in SUP TP 6.1.1-1G explains how superseded *Glossary* terms in SYSC TP 5 should be interpreted.

6.1.1-1 G Table: Meaning of superseded Glossary terms

<u>Term in SYSC TP 5</u>	<u>Term that has replaced it</u>
<u>EEA relevant authorised person</u>	<u><i>EEA SMCR dual regulated banking sector firm</i></u>
<u>non-UK relevant authorised person</u>	<u><i>an EEA SMCR dual regulated banking sector firm or a third-country SMCR dual regulated banking sector firm</i></u>
<u>relevant authorised person</u>	<u><i>SMCR dual regulated banking sector firm</i></u>
<u>third-country relevant authorised</u>	<u><i>third-country SMCR dual regulated</i></u>

<u>person</u>	<u>banking sector firm</u>
<u>UK relevant authorised person</u>	<u>UK SMCR dual regulated banking sector firm</u>

...

Part 4: Comes into force [] 2019 [about six months before main commencement date for solo-regulated firms]

TP 10 Bank of England and Financial Services Act 2016: Approved persons

...

10.23 Forms

10.23.1 R Form K

[Insert here the form titled “Conversion Notification Form – FCA Solo Regulated Firms (Form K)”. The text of this form is contained in Part One of Annex W of this instrument]

Part 5: Comes into force [] 2019 [main commencement date for solo-regulated firms]

6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements

...

6.3 Applications for variation of permission and/or imposition, variation or cancellation of requirements

...

How a variation of permission may affect the firm's approved persons

- 6.3.8 G (1) Where a *firm* is submitting an application for variation of *Part 4A permission* which would lead to a change in the *controlled functions* of its *approved persons*, it should, at the same time and as appropriate:
- (a) make an application for an internal transfer of an *approved person*, Form E (Internal transfer of a person performing a controlled function), or make an application for an individual to perform additional *controlled functions*, the relevant Form A (Application to perform ~~controlled~~ senior management functions); see:
 - (i) ~~SUP 10A.13.3D to SUP 10A.13.5G (for a *firm* that is not an *SMCR firm*);~~ [deleted]
 - (ii) ~~SUP 10C.10 (for an *SMCR firm*);~~ or
 - (iii) the corresponding *PRA* requirements;
 - (b) notify the *FCA* or *PRA* of any *approved person* who has ceased to perform a *controlled function* specified by that regulator, Form C (Notice of ceasing to perform controlled functions (including senior management functions)); see:
 - (i) ~~SUP 10A.14 (for a *firm* that is not an *SMCR firm*);~~ [deleted]
 - (ii) ~~SUP 10C.14 (for an *SMCR firm*);~~ or
 - (iii) the corresponding *PRA* requirements;
 - (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply for approval of the individuals as *approved persons* as soon as possible using Form A (Application to perform ~~controlled~~ senior management functions); see:
 - (a) ~~SUP 10A.13 (for a *firm* that is not an *SMCR firm*);~~ [deleted]
 - (b) ~~SUP 10C.10 (for an *SMCR firm*);~~ or
 - (c) the corresponding *PRA* requirements.

...

6.4 Applications for cancellation of permission

...

Approved persons

- 6.4.18 G (1) A *firm* which is applying for cancellation of *Part 4A permission* and which is not otherwise *authorised* by, or under, the *Act* should, at the same time:
- (a) comply with:
- (i) ~~SUP 10A.14.8R (for a *firm* that is not an *SMCR firm*);~~
[deleted]
- (ii) SUP 10C.14.5R (for an *SMCR firm*); or
- (iii) the corresponding *PRA* requirements; and
- ...
- ...

10A FCA Approved Persons in Appointed Representatives

10A.1 Application

- 10A.1.1 R This chapter applies to every ~~;*firm* that is not an *SMCR firm*~~ that has an appointed representative.
- (1) ~~;~~ and
- (2) ~~*SMCR firm*, but only to the extent required by SUP 10A.1.16BR (Appointed representatives).~~

- 10A.1.2 G This chapter is also relevant to ~~every *FCA approved person*:~~
- (1) ~~of a *firm* that is not an *SMCR firm*~~ *FCA-approved person* of an appointed representative of an *SMCR firm*; and
- (2) ~~of any appointed representative, including of an appointed representative of an *SMCR firm*.~~

Overseas ~~firms~~ appointed representatives: UK services

- 10A.1.5 R (1) This chapter does not apply in relation to an ~~overseas *firm*~~ overseas appointed representative in relation to *regulated activities* which are carried on in the *United Kingdom* other than from an establishment maintained by it ~~or its~~ that appointed representative in the *United Kingdom*.

- (2) An overseas appointed representative means an appointed representative which has its registered office (or, if it has no registered office, its head office) outside the United Kingdom.

Overseas ~~firms~~ appointed representatives: UK establishments

- 10A.1.6 R - (1) ~~Only the following~~ This rule modifies the effect of the FCA controlled functions set out in this rule so far as they apply in relation to an overseas firm overseas appointed representative which maintains an establishment in the United Kingdom from which regulated activities are carried on ÷
- (1) ~~the~~ The director function where only applies to the extent that the person performing that function:
- (a) has responsibility for the *regulated activities* of a ~~the UK branch establishment~~ which are likely to enable him them to exercise significant influence over that branch establishment; or
- (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that ~~branch;~~ establishment.
- (2) ~~the~~ The non-executive director function where only applies to the extent that the person performing one of those functions that function:
- (a) has responsibility for the *regulated activities* of a ~~the UK branch establishment~~ which is likely to enable him them to exercise significant influence over that branch establishment; or
- (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that ~~branch;~~ establishment.
- (3) ~~the chief executive function;~~ [deleted]
- (4) ~~the FCA required functions;~~ [deleted]
- (5) ~~the systems and controls function;~~ [deleted]
- (6) ~~the significant management function in so far as the function relates to:~~
- (a) ~~designated investment business other than dealing in investments as principal, disregarding article 15 of the Regulated Activities Order; or~~
- (b) ~~processing confirmations, payments, settlements, insurance~~

~~claims, client money and similar matters in so far as this relates to designated investment business; and [deleted]~~

(7) ~~the customer function. [deleted]~~

(8) An overseas appointed representative means an appointed representative which has its registered office (or, if it has no registered office, its head office) outside the United Kingdom.

Incoming EEA firms; and incoming Treaty firms ~~and UCITS-qualifiers~~

10A.1.7 R This chapter does not apply in relation to the appointed representative of:

(1) an incoming EEA firm; or

(2) an incoming Treaty firm; ~~or~~

~~(3) a UCITS-qualifier;~~

if and in so far as the question of whether a *person* is fit and proper to perform a particular function in relation to that *firm* is reserved, under any of the *Single Market Directives*, the *Treaty*, ~~the UCITS Directive~~ or the *auction regulation*, to an authority in a country or territory outside the *United Kingdom*.

10A.1.8 G SUP 10A.1.7R reflects the provisions of section 59(8) of the *Act* and, in relation to an incoming *Treaty firm* ~~and a UCITS-qualifier~~, the *Treaty* ~~and the UCITS Directive~~. It preserves the principle of *Home State* prudential regulation. In relation to an incoming EEA firm exercising an EEA right, or an incoming Treaty firm exercising a Treaty right, the effect is to reserve to the *Home State regulator* the assessment of the fitness and propriety of a *person* performing a function in the exercise of that right. ~~A member of the governing body, or the notified UK branch manager, of an incoming EEA firm, acting in that capacity, will not therefore have to be approved by the FCA under the Act.~~

10A.1.9 G Notwithstanding SUP 10A.1.8G, ~~an incoming EEA firm or incoming Treaty firm will have had to consider the impact of the Host State rules with which it is required to comply when carrying on a passported activity or Treaty activity through a branch in the United Kingdom. An incoming EEA firm will have been notified of those provisions under Part II of Schedule 3 to the Act in the course of satisfying the conditions for authorisation in the United Kingdom. [deleted]~~

10A.1.10 G ~~An incoming EEA firm will have to consider, for example, the position of a branch manager based in the United Kingdom who may also be performing a function in relation to the carrying on of a regulated activity not covered by the EEA right of the firm. In so far as the function is within the description of an FCA-controlled function, the firm will need to seek approval for that person to perform that FCA-controlled function. [deleted]~~

Incoming EEA firms: passported activities from a branch

- 10A.1.11 R ~~Only the following FCA controlled functions apply to an incoming EEA firm with respect to its passported activities carried on from a branch in the United Kingdom:~~
- ~~(1) the money laundering reporting function;~~
 - ~~(2) the significant management function, in so far as the function relates to:~~
 - ~~(a) designated investment business other than dealing in investments as principal, disregarding article 15 of the Regulated Activities Order; or~~
 - ~~(b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to designated investment business; and~~
 - ~~(c) [deleted]~~
 - ~~(3) the customer function other than where this relates to the function in SUP 10A.10.7R(4) and (7). [deleted]~~

...

Incoming EEA firms etc with top-up permission activities from a UK branch

- 10A.1.13 R ~~In relation to the activities of a firm for which it has a top-up permission, only the following FCA controlled functions apply:~~
- ~~(1) the FCA required functions, other than the apportionment and oversight function and the compliance oversight function;~~
 - ~~(2) the significant management function, in so far as it relates to:~~
 - ~~(a) designated investment business other than dealing in investments as principal, disregarding article 15 of the Regulated Activities Order; or~~
 - ~~(b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to designated investment business; and~~
 - ~~(c) [deleted]~~
 - ~~(3) the customer function. [deleted]~~
- 10A.1.14 R ~~A person does not perform the significant management function for a firm under SUP 10A.1.11R or SUP 10A.1.13R if that person would not have been treated as performing any FCA controlled function for that firm if that~~

~~firm had been a UK firm.~~ [deleted]

~~Appointed representatives~~ Exclusions and modifications

- 10A.1.15 R ~~The descriptions of the following FCA controlled functions apply to an appointed representative of a firm, except~~ This chapter does not apply in relation to CBTL business or an introducer appointed representative, as they apply to an FCA authorised person:
- (1) ~~the FCA governing functions, subject to SUP 10A.1.16R and except for a tied agent of an EEA MiFID investment firm; and~~
 - (2) ~~the customer function other than in relation to acting in the capacity of an investment manager (see SUP 10A.10.7R(6)).~~
- 10.1.15A R The FCA governing functions do not apply to a tied agent of an EEA MiFID investment firm.
- 10A.1.16 R (1) ~~SUP 10A.1.15R~~ This chapter is modified in relation to an appointed representative meeting the conditions in (2) so that only one of the following FCA governing functions:
- (a) *director function*; or
 - (b) *chief executive function*; or
 - (c) *partner function*; or
 - (d) *director of unincorporated association function*;
- applies, as appropriate, to an individual within that appointed representative who will be required to be an FCA-approved person.
- (2) The conditions are that:
- (a) the scope of appointment of the appointed representative includes *insurance distribution activity* in relation to *non-investment insurance contracts* or *credit-related regulated activity*, but no other regulated activity; and
 - (b) the principal purpose of the appointed representative is to carry on activities other than regulated activities.
- 10A.1.16A R ~~This~~ The customer function is the only controlled function in this chapter that applies to an appointed representative that is an SMCR firm and has a limited permission to carry on a regulated activity prescribed for the purposes of section 39(1E)(a) of the Act as follows:
- (1) ~~FCA controlled functions apply to the appointed representative as set out in SUP 10A.1.15R and SUP 10A.1.16R in relation to the carrying on of the regulated activity, for which it does not have permission, comprised in the business for which its principal has~~

accepted responsibility;

- (2) (a) ~~unless it is a not for profit debt advice body, the apportionment and oversight function applies in relation to the carrying on of the regulated activity for which it has limited permission;~~
- (b) ~~if it is a not for profit debt advice body and a CASS large debt management firm, the CASS operational oversight function applies in relation to the carrying on of debt management activity.~~

10A.1.16B R ~~SUP 10A.1.15R and SUP 10A.1.16R apply to the appointed representative of an SMCR firm. [deleted]~~

- 10A.1.16C G
- (1) ~~References in this chapter to a firm include an SMCR firm, but only to the extent required by SUP 10A.1.16BR. Certain additional controlled functions apply to a firm in SUP 10A.1.16AR under SUP 10C (FCA senior managers regime for approved persons in SMCR firms).~~
 - (2) ~~References in SUP 10A.1.15R and SUP 10A.1.16R to FCA governing functions and other controlled functions are to controlled functions in this chapter, not in SUP 10C (FCA senior management managers regime for approved persons in SMCR firms).~~

Senior management functions

- 10A.1.16D G ...
- (2) Generally, the FCA does not think that a person performing a function in ~~SUP 10A.1.16BR~~ this chapter will have sufficient responsibility for managing the affairs of the *appointed representative's principal* (as opposed to managing the affairs of the *appointed representative* itself) to perform a *senior management function*.
 - (3) Therefore:
 - (a) the FCA has not designated any of the functions in ~~SUP 10A.1.16BR~~ this chapter as a *senior management function*; and
 - (b) none of the functions in ~~SUP 10A.1.16BR~~ this chapter are *designated senior management functions*.
- ...

Members of a profession

- 10A.1.17 R
- (1) ~~This chapter, except in respect of the FCA required functions, does not apply to an authorised professional firm in respect of its non-~~

~~mainstream-regulated activities, subject to (2).~~

- (2) ~~Where the authorised professional firm has appointed FCA-approved persons to perform the FCA governing functions with equivalent responsibilities for the firm's non-mainstream-regulated activities and other regulated activities, for the firm's non-mainstream-regulated activities this chapter applies with respect to the FCA governing functions and the FCA required functions (other than the apportionment and oversight function) only. [deleted]~~

Oil market participants, service companies, energy market participants, subsidiaries of local authorities or registered social landlords and insurance intermediaries

- 10A.1.18 R The descriptions of ~~FCA significant influence functions~~, other than the ~~FCA required functions~~, and, if the firm is a ~~MiFID investment firm~~, the ~~FCA governing functions~~ do not extend to activities carried on by a firm whose principal purpose is to carry on activities other than ~~regulated activities~~ and which is:
- (1) ~~an oil market participant; or~~
 - (2) ~~a service company; or~~
 - (3) ~~an energy market participant; or~~
 - (4) ~~a wholly owned subsidiary of:~~
 - (a) ~~a local authority; or~~
 - (b) ~~a registered social landlord; or~~
 - (5) ~~a firm with permission to carry on insurance distribution activity in relation to non-investment insurance contracts but no other regulated activity (except advising on P2P agreements). [deleted]~~
- 10A.1.19 G It will be a matter of fact in each case whether, having regard to all the circumstances, including in particular where the balance of the business lies, ~~a firm's principal purpose is to carry on activities other than regulated activities. If a firm wishes to rely on SUP 10A.1.18R, it should be in a position to demonstrate that its principal purpose is to carry on activities other than regulated activities. [deleted]~~

...

Bidders in emissions auctions

- 10A.1.21 G For a firm that is exempt from ~~MiFID~~ under article 2(1)(i) and whose only ~~permission is bidding in emissions auctions~~, the only ~~FCA controlled functions~~ that apply to it are:
- (1) ~~the FCA governing functions;~~

- (2) ~~the money laundering reporting function;~~
- (3) ~~the customer function; and~~
- (4) ~~[deleted]~~

This is because the ~~FCA approved person~~ regime specifies a number of functions by incorporation of requirements in SYSC; however, a ~~firm~~ carrying on ~~auction regulation bidding~~ is only subject to SYSC to a limited extent in relation to that activity. This means that the ~~FCA required functions~~ do not apply to ~~auction regulation bidding~~, except for the ~~money laundering reporting function~~. Similarly, the ~~significant management function~~ does not apply in relation to ~~auction regulation bidding~~ because, in carrying on that activity, a ~~firm~~ is not subject to SYSC 4.1.1R and is not undertaking ~~proprietary trading~~. ~~[deleted]~~

Territorial scope of SUP 10A in relation to benchmark submission

- 10A.1.22 R ~~Notwithstanding anything to the contrary in SUP 10A.1.5R, SUP 10A.1.6R and SUP 10A.1.13R the application of SUP 10A to the benchmark submission function is as set out in MAR 8.2.3R. [deleted]~~
- 10A.1.23 G ~~MAR 8.2.3R says that the obligation on a benchmark submitter to appoint a benchmark manager applies if it maintains an establishment in the United Kingdom. Therefore, SUP 10A applies to the benchmark submission function whether or not the activity of providing information in relation to a specified benchmark (or any other regulated activity) or the benchmark submission function are carried on from that establishment. [deleted]~~

Internally managed corporate AIFs

- 10A.1.24 G ~~In accordance with section 59(7C) of the Act this chapter does not apply to an internally managed AIF which is a body corporate and not a collective investment scheme. [deleted]~~

Credit firms with limited permission

- 10A.1.25 R (1) ~~Subject to (2) and (3), this chapter, except in respect of the apportionment and oversight function, does not apply to a firm that has limited permission in relation to the carrying on of the relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) for which it has limited permission.~~
- (2) ~~Subject to (3), this chapter does not apply to a not for profit debt advice body.~~
- (3) ~~This chapter applies to a not for profit debt advice body that is a CASS large debt management firm with respect to the CASS operational oversight function only. [deleted]~~

...

Obligations on firms

- 10A.1.28 G (1) The requirements in this chapter about notifications and applications are addressed to *firms*. This means the *appointed representative's principal*.
- (2) If an *appointed representative* has more than one *principal*, the requirements in (1) are addressed to the *approved person employer of the approved person in question*.

10A.2 Purpose

- 10A.2.1 G The immediate purpose of SUP 10A.3 to SUP 10A.11 is to specify, under section 59 of the *Act*, descriptions of the *FCA controlled function* which are listed in SUP 10A.4.4R. The underlying purpose is to establish, and mark the boundaries of, the “FCA-approved persons regime” for *appointed representatives*.

...

10A.3 Provisions related to the Act

...

- 10A.3.3 G *Arrangement* is defined in section 59(10) of the *Act* as any kind of arrangement for the performance of a function which is entered into by a *firm* or any of its contractors with another *person* and includes the appointment of a *person* to an office, ~~his~~ their becoming a *partner*, or ~~his~~ their employment (whether under a contract of service or otherwise). ~~For the provisions in this chapter relating to outsourcing, see SUP 10A.13.5G and SUP 10A.13.6G.~~

- 10.3.4 G ~~If, however, a *firm* is a member of a group, and the arrangements for the performance of an *FCA controlled function* of the *firm* are made by, for instance, the *holding company*, the *person* performing the function will only require approval if there is an arrangement (under section 59(1)) or a contract (under section 59(2)) between the *firm* and *holding company* permitting this. This need not be a written contract but could arise, for example, by conduct, custom and practice. [deleted]~~

...

10A.4 Specification of functions

...

- 10A.4.2 R ~~The *table of FCA controlled functions* applies in relation to an *FCA-authorised person*. It also applies in relation to an *appointed representative* for the purposes of SUP 10A.1.15R to SUP 10A.1.16BR (Appointed~~

representatives) whether its *principal* is an ~~FCA authorised person~~ or a ~~PRA authorised person~~. [deleted]

...

10A.4.4 R FCA controlled functions

(FCA controlled functions for FCA authorised persons and appointed representatives)		
Type	CF	Description of FCA controlled function
<i>FCA governing functions*</i>	1	<i>Director function</i>
	2	<i>Non-executive director function</i>
	3	<i>Chief executive function</i>
	4	<i>Partner function</i>
	5	<i>Director of unincorporated association function</i>
	6	<i>Small friendly society function</i>
<i>FCA required functions*</i>	8	<i>Apportionment and oversight function</i>
	10	<i>Compliance oversight function</i>
	10A	<i>CASS operational oversight function</i>
	11	<i>Money laundering reporting function</i>
	40	<i>Benchmark submission function</i>
	50	<i>Benchmark administration function</i>
<i>Systems and controls function*</i>	28	<i>Systems and controls function</i>
<i>Significant management function*</i>	29	<i>Significant management function</i>
<i>Customer-dealing function</i>	30	<i>Customer function</i>

**FCA significant-influence functions*

10A.5 Significant-influence functions

What are the FCA significant-influence functions?

- 10A.5.1 G The *FCA significant-influence functions*, which are specified in SUP 10A.4.1R, comprise the *FCA governing functions* (SUP 10A.6), ~~the *FCA required functions* (SUP 10A.7), the *systems and controls function* (SUP 10A.8) and the *significant management function* (SUP 10A.9).~~ SUP 10A.5 applies to each of the *FCA significant-influence functions*.

...

Periods of less than 12 weeks

- 10A.5.6 R If:
- (1) a *firm* or its *appointed representative* appoints an individual to perform a function which, but for this *rule*, would be an *FCA significant-influence function*;
- ...
- 10A.5.7 G SUP 10A.5.6R enables cover to be given for, as an example, holidays and emergencies and avoids the need for the precautionary approval of, for example, a deputy. However, as soon as it becomes apparent that a *person* will be performing an *FCA controlled function* for more than 12 weeks, the ~~*firm*~~ *appointed representative's approved person employer* should apply for approval.

10A.6 FCA governing functions

Introduction

- 10A.6.1 G Every ~~*firm*~~ *appointed representative* will have one or more *persons* responsible for directing its affairs. These *persons* will be performing the *FCA governing functions* and will be required to be *FCA-approved persons* unless the application provisions in SUP 10A.1, or the particular description of an *FCA controlled function*, provide otherwise. For example, each *director* of a *company* incorporated under the Companies Acts will perform an *FCA governing function*.

...

~~What the *FCA governing functions* include~~

- 10A.6.3 R ~~Each of the *FCA governing functions* includes:~~

- (1) ~~(where apportioned under SYSC 4.3.1R and SYSC 4.4.3R (or, for a full-scope UK AIFM apportioned under article 60(1) of the AIFMD level 2 regulation))~~
- (a) ~~the systems and controls function (if it applies to the firm);~~
and
- (b) ~~the significant management function;~~
- (2) ~~(in respect of bidding in emissions auctions) that part of the customer function specified in SUP 10A.10.7R(7) (bidder's representative).~~

~~This does not apply to the non-executive director function or the function described in SUP 10A.6.8R. [deleted]~~

- 10A.6.4 G (1) The effect of SUP 10A.6.3R is that a ~~person~~ who is approved to perform an FCA governing function will not have to be specifically FCA-approved to perform the ~~systems and controls function~~ or the ~~significant management function~~ or the part of the ~~customer function~~ specified in SUP 10A.10.7R(7). However, a ~~person~~ who is approved to perform an FCA governing function will have to be additionally FCA-approved before he can perform any of the FCA required functions or the ~~customer function~~ (except the part specified in SUP 10A.10.7R(7)).
- (2) SUP 10A.6.3R does not apply to the ~~non-executive director function~~. It does not apply to the ~~director function~~ if the only part of that function that the FCA-approved person is performing is the function described in SUP 10A.6.8R. [deleted]

- 10A.6.5 G See MIPRU 2.2 for how the FCA's approved persons regime is adjusted for a ~~firm carrying on insurance distribution activity~~. [deleted]

Director function (CF1)

- 10A.6.7 R If a ~~firm~~ an appointed representative is a *body corporate* (other than a *limited liability partnership*), the *director function* is the function of acting in the capacity of a *director* (other than *non-executive director*) of that ~~firm~~ appointed representative.
- 10A.6.8 R (1) If a ~~firm~~ an appointed representative is a *body corporate* (other than a *limited liability partnership*), the *director function* is also the function of acting in the capacity of a *person*:
- (a) who is a *director*, partner, officer, member (if the *parent undertaking* or *holding company* is a *limited liability partnership*), *senior manager*, or employee of a *parent undertaking* or *holding company* of the ~~firm~~ appointed representative; and
- (b) whose decisions or actions are regularly taken into account

by the governing body of the ~~firm~~ appointed representative.

- (2) (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.
- (3) (1) does not apply to the function falling into SUP 10A.6.13R (*non-executive director* of the *parent undertaking* or *holding company*).

10A.6.9 G Examples of where ~~SUP 10A.6.8R~~ might apply include (but are not limited to):

- (1) ~~a chairman of an audit committee of a parent undertaking or holding company of a UK firm where that audit committee is working for that UK firm (that is, functioning as the audit committee for the group); or~~
- (2) ~~a director (other than a non-executive director) of a parent undertaking or holding company of a UK firm exercising significant influence by way of his involvement in taking decisions for that UK firm; or~~
- (3) ~~an individual (such as a senior manager) of a parent undertaking or holding company of a UK firm who is responsible for and/or has significant influence in setting the objectives for and the remuneration of executive directors of that UK firm; or~~
- (4) ~~an individual who is a director (other than a non-executive director) or a senior manager of a parent undertaking or holding company of a UK firm who is accustomed to influencing the operations of that UK firm, and acts in a manner in which it can reasonably be expected that an executive director or senior manager of that UK firm would act; or~~
- (5) ~~an individual of an overseas firm which maintains an establishment in the United Kingdom from which regulated activities are carried on, where that individual has responsibilities for those regulated activities which are likely to enable him to exercise significant influence over the UK branch. [deleted]~~

...

Non-executive director function (CF2)

10A.6.12 R If a ~~firm~~ an appointed representative is a *body corporate*, the *non-executive director function* is the function of acting in the capacity of a *non-executive director* of that ~~firm~~ appointed representative.

10A.6.13 R (1) If a ~~firm~~ an appointed representative is a *body corporate*, the *non-executive director function* is also the function of acting in the capacity of a *person*:

- (a) who is a *non-executive director* of a *parent undertaking* or *holding company*; and
 - (b) whose decisions or actions are regularly taken into account by the *governing body* of the ~~firm~~ appointed representative.
- (2) However, (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.

10A.6.14 G ~~Examples of where SUP 10A.6.13R might apply include (but are not limited to):~~

- (1) ~~an individual who is a non-executive director of a parent undertaking or holding company who takes an active role in the running of the business of a UK firm, for example, as a member of a board or committee (on audit or remuneration) of that firm; or~~
- (2) ~~an individual who is a non-executive director of a parent undertaking or holding company having significant influence in setting and monitoring the business strategy of the UK firm; or~~
- (3) ~~an individual who is a non-executive director of a parent undertaking or holding company of a UK firm involved in carrying out responsibilities such as scrutinising the approach of executive management, performance, or standards of conduct of the UK firm; or~~
- (4) ~~an individual who is a non-executive director of a parent undertaking or holding company of a UK firm who is accustomed to influence the operations of the UK firm, and acts in a way in which it can reasonably be expected that a non-executive director of the UK firm would act; or~~
- (5) ~~an individual who is a non-executive director of an overseas firm which maintains a branch in the United Kingdom from which regulated activities are carried on where that individual has responsibilities for those regulated activities which are likely to enable him to exercise significant influence over the UK branch.~~
[deleted]

...

Guidance on persons in a parent undertaking or holding company exercising significant influence

10A.6.16 G (1) ~~This paragraph explains~~ The explanation in SUP 10C.5B.2G of the basis on which the group entity senior manager function is included as a controlled function for an SMCR firm is also relevant to the basis on which the director function and the non-executive director function are applied to persons who have a position with the firm's

an appointed representative's parent undertaking or holding company under SUP 10A.6.8R or SUP 10A.6.13R.

- (2) ~~The basic position is set out in SUP 10A.3.4G. As is the case with all controlled functions, The guidance in SUP 10C.5B.3G to SUP 10C.5B.5G about when the group entity senior manager function applies to an SMCR firm is also relevant to when those who have a position with an appointed representative's parent undertaking or holding company may be performing a controlled function under SUP 10A.6.8R and or SUP 10A.6.13R, are subject to the overriding provisions in SUP 10A.3.1R, which sets out the requirements of section 59(1) and (2) of the Act. This means that unless the firm has an arrangement permitting the performance of these roles by the persons concerned, these persons will not be performing these controlled functions. Therefore, the FCA accepts that there will be cases in which a person performing these roles will not require approval. However where there is such an arrangement the function may apply.~~

Chief executive function (CF3)

- 10A.6.17 R The *chief executive function* is the function of acting in the capacity of a *chief executive* of ~~a firm~~ an appointed representative.
- 10A.6.18 G This function is having the responsibility, alone or jointly with one or more others, under the immediate authority of the *governing body*:
- (1) for the conduct of the whole of the business (or relevant activities); or
- (2) in the case of a ~~branch~~ branch in the *United Kingdom* of ~~an overseas firm~~ a non-UK appointed representative, for the conduct of all of the activities subject to the *UK regulatory system*.
- 10A.6.19 G For a ~~branch~~ branch in the *United Kingdom* of ~~an overseas firm~~ a non-UK appointed representative, the FCA would not normally expect the overseas *chief executive* of the ~~firm~~ appointed representative as a whole to be FCA-approved for this function where there is a *senior manager* under ~~him~~ them with specific responsibility for those activities of the ~~branch~~ branch which are subject to the *UK regulatory system*. In some circumstances, the *person* within the ~~firm~~ appointed representative responsible for *UK* operations may, if the function is likely to enable ~~him~~ them to exercise significant influence over the ~~branch~~ branch, also perform the *chief executive function* (see SUP 10A.7.4G).

...

Partner function (CF4)

- 10A.6.23 R (1) If ~~a firm~~ an appointed representative is a *partnership*, the *partner function* is the function of acting in the capacity of a *partner* in that

~~firm~~ appointed representative.

- (2) If the principal purpose of the ~~firm~~ appointed representative is to carry on one or more *regulated activities*, each *partner* performs the *partner function*.
- (3) If the principal purpose of the ~~firm~~ appointed representative is other than to carry on *regulated activities*:
 - (a) a *partner* performs the *partner function* to the extent only that ~~he has~~ they have responsibility for a *regulated activity*; and
 - (b) a *partner* in a ~~firm~~ an appointed representative will be taken to have responsibility for each *regulated activity* except where the *partnership* has apportioned responsibility to another *partner* or group of *partners*.

10A.6.24 G Any apportionment referred to in SUP 10A.6.23R(3)(b) will have taken place under SYSC 4.3.1R and SYSC 4.4.3R. The FCA may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this. [deleted]

10A.6.25 G The effect of SUP 10A.1.17R is that *regulated activity* in SUP 10A.6.23R (and elsewhere) is to be taken as not including an activity that is a *non-mainstream regulated activity*. Therefore, a *partner* whose only *regulated activities* are incidental to his professional services, in a *partnership* whose principal purpose is to carry on other than *regulated activities*, need not be an FCA approved person. What amounts to the principal purpose of the *firm* is a matter of fact in each case having regard to all the circumstances, including the activities of the *firm* as a whole. Any *regulated activities* which such a *partner* carries on are not within the description of the *partner function*. [deleted]

10A.6.26 R If a ~~firm~~ an appointed representative is a *limited liability partnership*, the *partner function* extends to the ~~firm~~ appointed representative as if the ~~firm~~ appointed representative were a *partnership* and a member of the ~~firm~~ appointed representative were a *partner*.

...

Director of unincorporated association function (CF5)

10A.6.29 R If a ~~firm~~ an appointed representative is an unincorporated association, the *director of unincorporated association function* is the function of acting in the capacity of a *director* of the unincorporated association.

...

Small friendly society function (CF6)

10A.6.31 R (1) If a ~~firm~~ is a *non-directive friendly society*, the *small friendly society function* is the function of directing its affairs, either alone or jointly

~~with others.~~

- (2) ~~If the principal purpose of the *firm* is to carry on *regulated activities*, each *person* with responsibility for directing its affairs performs the *FCA controlled function*.~~
- (3) ~~If the principal purpose of the *firm* is other than to carry on *regulated activities*, a *person* performs the *small friendly society function* only to the extent that he has responsibility for a *regulated activity*.
[deleted]~~

- 10A.6.32 R (1) ~~Each *person* on the *non-directive friendly society's governing body* will be taken to have responsibility for its *regulated activities*, unless the *firm* has apportioned this responsibility to one particular individual to whom it is reasonable to give this responsibility.~~
- (2) ~~The individual need not be a member of the *governing body*.
[deleted]~~

- 10A.6.33 G ~~Typically a *non-directive friendly Society* will appoint a “committee of management” to direct its affairs. However, the governing arrangements may be informal and flexible. If this is the case, the *FCA* would expect the society to resolve to give responsibility for the carrying on of *regulated activities* to one individual who is appropriate in all the circumstances. That individual may, for example, have the title of *chief executive* or similar. The individual would have to be an *FCA approved person* under *SUP 10A.6.31R*. [deleted]~~

- 10A.6.34 G ~~In practice, the *FCA* expects that most *non-directive friendly societies* will be *PRA authorised persons*. Where that is the case, this chapter does not apply and so the *small friendly society function* will not apply. [deleted]~~

10A.7 FCA required functions [deleted]

Apportionment and oversight function (CF8)

- 10A.7.1 R (1) ~~The *apportionment and oversight function* is the function of acting in the capacity of a *director* or *senior manager* responsible for the apportionment function and/or the oversight function set out in *SYSC 4.4.5R*.~~
- 10A.7.2 G ~~In requiring someone to apportion responsibility, a *common platform firm* should not apply for that *person* or *persons* to be *FCA approved* to perform the *apportionment and oversight function* (see *SUP 10A.7.1R* and *SYSC 1 Annex 1*).~~
- 10A.7.3 G ~~The fact that there is a *person* performing the *apportionment and oversight function*, and who has responsibility for activities subject to regulation by the *FCA*, may have a bearing on whether a manager who is based overseas will be performing an *FCA controlled function*. It is a factor to take into~~

account when assessing the likely influence of the overseas manager.

- 10A.7.4 G Generally, in relation to a UK establishment of an *overseas firm* or a *firm* which is part of an overseas *group*, where an overseas manager's responsibilities in relation to the *United Kingdom* are strategic only, he will not need to be an *FCA approved person*. However, where, in accordance with SYSC 4 to SYSC 10, he is responsible for implementing that strategy in the *United Kingdom*, and has not delegated that responsibility to a *senior manager* in the *United Kingdom*, he is likely to be performing an *FCA controlled function* for example, the *chief executive function*.
- 10A.7.5 G A *firm* carrying on *insurance distribution activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance distribution activity* (MIPRU 2.2.1R). MIPRU 2.2.2 R(2) provides that the *firm* may allocate this responsibility to the *person* performing the *apportionment and oversight function*.
- 10A.7.6 G Where the *person* performing the *apportionment and oversight function* is also responsible for the *firm's insurance distribution activity*, the words "(insurance distribution)" will be inserted after this *FCA controlled function* (see MIPRU 2.2.5G).

Compliance oversight function (CF10)

- 10A.7.8 R The *compliance oversight function* is the function of acting in the capacity of:
- (1) a *director* or *senior manager* who is allocated the function set out in:
 - (a) [deleted]
 - (b) SYSC 6.1.4R(2); or
 - (c) article 22(3) of the *MiFID Org Regulation*; or
 - (d) article 22(3) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2 AR, SYSC 1 Annex 1 3.2 BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); or
 - (e) SYSC 6.1.4CR; or
 - (2) for a *full scope UK AIFM*, a person allocated the function in article 61(3)(b) of the *AIFMD level 2 regulation*.

CASS operational oversight function (CF10a)

- 10A.7.9 R In relation to a *CASS medium firm* and a *CASS large firm* (other than a *CASS large debt management firm*), the *CASS operational oversight function* is the function of acting in the capacity of a *person* to whom is allocated the function set out in CASS 1A.3.1AR.

- 10A.7.9A R In relation to a *CASS large debt management firm*, the *CASS operational oversight function* is the function of acting in the capacity of a person to whom is allocated the function in *CASS 11.3.4R*.

Money laundering reporting function (CF11)

- 10A.7.10 R The *money laundering reporting function* is the function of acting in the capacity of the *money laundering reporting officer* of a firm.
- 10A.7.11 G A firm's obligations in respect of its *money laundering reporting officer* are set out elsewhere in the *Handbook* (see *SYSC 6.3.9R* and for their scope, see the application provisions in *SYSC 1 Annex 1*).

Benchmark submission function (CF40)

- 10A.7.12 R The *benchmark submission function* is the function of acting in the capacity of a person to whom is allocated the function set out in *MAR 8.2.3R(1)* (Organisational and governance arrangements).

Benchmark administration function (CF50)

- 10A.7.13 R The *benchmark administration function* is the function of acting in the capacity of a person to whom is allocated the function set out in *MAR 8.3.5R(1)* (Requirements for benchmark administrators).

10A.8 Systems and controls functions [deleted]

Systems and controls function (CF28)

- 10A.8.1 R The *systems and controls function* is the function of acting in the capacity of an employee of the firm with responsibility for reporting to the governing body of a firm, or the audit committee (or its equivalent) in relation to:
- (1) its financial affairs;
 - (2) setting and controlling its risk exposure (see *SYSC 7.1.6R*, article 23(2) of the *MiFID Org Regulation* and article 23(2) of the *MiFID Org Regulation* (as applied in accordance with *SYSC 1 Annex 1 2.8AR*, *SYSC 1 Annex 1 3.2 AR*, *SYSC 1 Annex 1 3.2 BR*, *SYSC 1 Annex 1 3.2CR* and *SYSC 1 Annex 1 3.3R*)); and
 - (3) adherence to internal systems and controls, procedures and policies (see *SYSC 6.2*, article 24 of the *MiFID Org Regulation* and article 24 of the *MiFID Org Regulation* (as applied in accordance with *SYSC 1 Annex 1 2.8AR*, *SYSC 1 Annex 1 3.2 AR*, *SYSC 1 Annex 1 3.2 BR*, *SYSC 1 Annex 1 3.2CR* and *SYSC 1 Annex 1 3.3R*)).
- 10A.8.2 R The *systems and controls function* does not apply in relation to *bidding in emissions auctions* carried on by a firm that is exempt from *MiFID* under

article 2(1)(i).

- 10A.8.4 G Where an *employee* performs the *systems and controls function* the *FCA* would expect the *firm* to ensure that the *employee* had sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

Full scope UK AIFM

- 10A.8.5 G For a full scope UK AIFM, the requirement to have an *employee* responsible for reporting to the *governing body* of the *firm* or the audit committee for matters in *SUP* 10A.8.1R(2) and *SUP* 10A.8.1R(3) is derived from the AIFMD level 2 regulation, which imposes obligations on such *firms* to have a permanent risk management function and, where appropriate and proportionate for their business, an internal audit function.

10A.9 Significant management functions [deleted]

Application

- 10A.9.1 R *SUP* 10A.9 applies only to a *firm* which:
- (1) under *SYSC* 4.1.1R, apportions a significant responsibility, within the description of the *significant management function*, to a *senior manager* of a significant business unit; or
 - (2) undertakes *proprietary trading*.
- 10A.9.2 G The *FCA* anticipates that there will be only a few *firms* needing to seek approval for an individual to perform the *significant management function* set out in *SUP* 10A.9.1R(1). In most *firms*, those approved for the *FCA* governing functions, *FCA* required functions and, where appropriate, the *systems and controls function*, are likely to exercise all the significant influence at senior management level.
- 10A.9.3 G A *proprietary trader* undertakes activities with the *firm's* money and has the ability to commit the *firm*. By virtue of this role, all *proprietary traders* have potential to be able to exercise significant influence on the *firm* for the purposes of the definition of *significant influence function*. Therefore, it is the *FCA's* expectation that all *firms* will assess all their *proprietary traders* to ascertain the ones for whom approval is required.
- 10A.9.4 G The scale, nature and complexity of the *firm's* business may be such that a *firm* apportions, under *SUP* 10A.9.1R(1), a significant responsibility to an individual who is not approved to perform the *FCA* governing functions, *FCA* required functions or, where appropriate, the *systems and controls function*. If so, the *firm* should consider whether the functions of that individual fall within the *significant management function*. For the purposes of the description of the *significant management functions*, the following

additional factors about the *firm* should be considered:

- (1) the size and significance of the *firm's* business in the *United Kingdom*; for example, a *firm* carrying on *designated investment business* may have a large number of *approved persons* (for example, in excess of 100 individuals);
- (2) the number of *regulated activities* carried on, or proposed to be carried on, by the *firm* and (if relevant) other members of the *group*;
- (3) its *group* structure (if it is a member of a *group*);
- (4) its management structure (for example, matrix management); and
- (5) the size and significance of its international operations, if any.

10A.9.5 G ~~When considering whether a business unit is significant, the *firm* should take into account all relevant factors in the light of the *firm's* current circumstances and its plans for the future, including:~~

- (1) the risk profile of the unit; or
- (2) its use or commitment of a *firm's* capital; or
- (3) its contribution to the profit and loss account; or
- (4) the number of *employees* or *approved persons* in the unit; or
- (5) the number of *customers* of the unit; or
- (6) any other factor which makes the unit significant to the conduct of the *firm's* affairs so far as relating to the *regulated activity*.

10A.9.6 G ~~The question may arise whether a manager who is based overseas will be performing the *significant management function* under SUP 10A.9.9R and should, therefore, be an *FCA approved person*. This is especially true where the *firm* operates matrix management. The fact there is a *person* performing the *apportionment and oversight function*, and who has responsibility for activities subject to regulation by the *FCA*, may have a bearing on this. It is a factor to take into account when assessing the likely influence of the overseas manager.~~

10A.9.7 G ~~Generally, in relation to a *branch* of a *firm*, or a *firm* which is part of an overseas *group*, where an overseas *manager* is responsible for strategy, he will not need to be approved for the *significant management function*. However, where he is responsible for implementing that strategy in the *United Kingdom*, and has not delegated that responsibility to a *senior manager* in the *United Kingdom*, he is likely to be performing that *FCA controlled function*.~~

10A.9.8 G ~~See also SUP 10A.7.3G to SUP 10A.7.6G in relation to matrix management.~~

Significant management function (CF29)

- 10A.9.9 R The *significant management function* is the function of acting as a *senior manager* with significant responsibility for a significant business unit that:
- (1) ~~carries on designated investment business or other activities not falling within (2) to (4);~~
 - (2) ~~[deleted]~~
 - (2A) ~~carries on credit-related regulated activity;~~
 - (3) ~~makes material decisions on the commitment of a firm's financial resources, its financial commitments, its assets acquisitions, its liability management and its overall cash and capital planning;~~
 - (4) ~~processes confirmations, payments, settlements, insurance claims, client money and similar matters.~~
- 10A.9.10 R The *significant management function* also includes the function of acting as a *proprietary trader*.
- 10A.9.11 R The *significant management function* does not include any of the activities described in any other *FCA controlled function* if that other *controlled function* applies to the *firm*.
- 10A.9.12 G A *senior manager* carrying on the *significant management function* under SUP 10A.9.9R with significant responsibility for a significant business unit that carries on activities other than *designated investment business* for the purposes of SUP 10A.9.9R(1) could, for example, be the head of a unit carrying on the activities of: personal lending, corporate lending, salvage or loan recovery, or *proprietary trading*, or a member of a committee (that is, a *person* who, together with others, has authority to commit the *firm*) making decisions in these functions.
- 10A.9.13 G A *proprietary trader* also undertakes activities which may have a significant influence on the *firm*. Such activities may require approval for CF29 under SUP 10A.9.10R.
- 10A.9.14 G A *firm* carrying on *insurance distribution activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance distribution activity* (MIPRU 2.2.1R). MIPRU 2.2.2R(3) provides that the *firm* may allocate this responsibility to the *person* performing the *significant management function*.
- 10A.9.15 G Where the *person* performing the *significant management function* is also responsible for the *firm's insurance distribution activity*, the words "(insurance distribution)" will be inserted after this *FCA controlled function* (see MIPRU 2.2.5G).

10A.10 Customer-dealing functions

Introduction

- 10A.10.1 R *SUP* 10A.10 applies with respect to activities carried on from an establishment maintained by the ~~firm (or by its appointed representative)~~ in the *United Kingdom*.

...

The basic rule about the customer function

...

- 10A.10.6 G ...

- 10A.10.6A R A function is only part of the *customer function* if it is:

- (1) carried out for an *appointed representative* of an *SMCR firm*; or
- (2) otherwise performed under an *arrangement* under section 59(2) of the *Act* (Approval for particular arrangements) entered into by an *appointed representative* of an *SMCR firm*.

- 10A.10.6B G Section 59(2) of the *Act* covers a *controlled function* performed under an *arrangement* entered into by a contractor of a *firm* in relation to the carrying on by the *firm* of a *regulated activity*. Section 59(2) is reflected in *SUP* 10A.3.1R(2) (Provisions related to the *Act*).

Customer function (CF 30)

- 10A.10.7 R The *customer function* is the function of:

...

- (6) ~~acting in the capacity of an *investment manager* and carrying on functions connected to this; [deleted]~~

...

...

10A.12 Procedures relating to FCA-approved persons

Forms

- 10A.12.1 G The forms listed in *SUP* 10A.12.2G are referred to in *SUP* 10A.12 (Procedures relating to FCA-approved persons) to ~~*SUP* 10A.17 (Further questions)~~ *SUP* 10A.16 (How to apply for approval and give notifications).

- 10A.12.2 G Table: FCA-approved persons forms

Form		Purpose	Handbook requirement
the relevant Form A	The relevant online form on the FCA and PRA's online notification and application system or the form in SUP 10A Annex 4D (See Note) SUP 10C Annex 3D	Application to perform controlled functions under the approved persons regime	SUP 10A.13.3D
...			
Form E	The relevant online form on the FCA and PRA's online notification and application system system or the form in SUP 10A Annex 8D (See Note) SUP 10C Annex 7D	Internal transfer of an approved person	SUP 10A.14.4D
<p>Note (1): The form in the SUP annex shown is to be used by a firm whose <i>Part 4A permission</i> covers only <i>credit related regulated activities</i>, and by other firms only in the event of a failure of the information technology systems used by the FCA. See the relevant "Handbook requirement".</p>			
<p>Note (2): Where SUP 10A.1.16BR (appointed representative of an SMCR firm) applies, the version of the form to be used is the one required by SUP 10C (FCA senior managers regime for approved persons in SMCR firms).</p>			

...

10A.13 Application for approval and withdrawing an application for approval

...

Who should make the application?

- 10A.13.5 G (1) In accordance with section 60 of the *Act* (Applications for approval), applications must be submitted by, or on behalf of, the *firm* itself, not

by:

- (a) the *FCA candidate*; or
- (b) ~~(where the *FCA candidate* works for the *firm's parent undertaking or holding company*) by the *firm's parent undertaking or holding company* the appointed representative.~~

- (2) Usually this will be the *firm* that is employing the *FCA candidate* to perform the *FCA controlled function*. Where a *firm* has outsourced the performance of an *FCA controlled function*, the details of the outsourcing determine where responsibility lies and whom the *FCA* anticipates will submit *FCA approved persons* application forms. *SUP 10A.13.6G* describes some common situations. The *firm* which is outsourcing is referred to as “A” and the *person* to whom the performance of the *FCA controlled function* has been outsourced, or which makes the arrangement for the *FCA controlled function* to be performed, is referred to as “B”. In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the *Act*, no *person* performs an *FCA controlled function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *FCA*. See also *SYSC 8.1.1R*. ~~[deleted]~~

10A.13.6 G Outsourcing arrangements

Outsourcing arrangements		Submitting form
<i>Firm A to firm B</i>	The <i>FCA</i> will consider A to have taken reasonable care if it enters into a contract with B under which B is responsible for ensuring that the relevant <i>FCA controlled functions</i> are performed by <i>FCA approved persons</i> , and that it is reasonable for A to rely on this	<i>Firm B</i> submits <i>FCA approved persons</i> forms on behalf of <i>firm A</i>
Outsourcing by A to B (both being a member of the same <i>United Kingdom</i> group and each having its registered office in the	See <i>SUP 10A.3.4G</i>	See <i>SUP 15.7.8G</i>

<i>United Kingdom</i>)		
<p>(i) A to B, where B is a non-authorised person not part of the same group as A</p> <p>(ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i>, and B is an overseas undertaking of the same group</p> <p>(iii) A to B, where A is a UK authorised subsidiary of an overseas <i>firm</i> and B is an overseas undertaking of the same group</p>	Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See SYSC 8	A ensures that an individual approved by the <i>FCA</i> under a controlled function that is a <i>significant influence function</i> has responsibility for the outsourced arrangement and A submits a form in relation to that individual

...

10A.14 Changes to an FCA-approved person's details

Moving within a firm

...

10A.14.4 D (1) A *firm* must use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *FCA controlled functions* ~~within~~ in relation to the same *firm* or in relation to a *firm* in the same group.

(2) A *firm* must not use Form E if:

...

(c) any of the following apply (where applicable):

...

(ii) ...

in relation to any:

(iii) ...

(iv) *controlled function* that they are continuing to

perform ~~for~~ in relation to that *firm* or a *firm* in the same *group*.

...

...

Moving between firms

- 10A.14.6 G If it is proposed that an *FCA-approved person* will no longer be performing an *FCA controlled function* under an *arrangement* entered into by ~~one firm or one of its contractors~~ the appointed representative of one principal, but will be performing the same or a different *FCA controlled function* under an *arrangement* entered into by ~~a new firm or one of its contractors~~ the appointed representative of a new principal (whether or not the new ~~firm~~ principal is in the same *group* as the old ~~firm~~ principal and whether or not the appointed representative is the same), the new ~~firm~~ principal will be required to make a fresh application for the performance of the *FCA controlled function* by that *person*.

...

Ceasing to perform an FCA controlled function

- 10A.14.8 R ...
- (2) If:
- (a) the *firm* is also making an application for approval for that *approved person* to perform a *controlled function* ~~within~~ in relation to the same firm or a firm in the same group; and

...

...

- 10A.14.10 R (1) A *firm* must notify the *FCA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of an *FCA-approved person*.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* or the appointed representative has dismissed, or suspended, *the FCA-approved person* from its employment; or
- (b) relates to the resignation by the *FCA-approved person* while under investigation by the *firm*, the appointed representative, the *FCA* or any other *regulatory body*; or
- (c) otherwise reasonably suggests that it may affect the *FCA*'s assessment of the *FCA-approved person's* fitness and

propriety.

...

Changes to an approved person's personal details

- 10A.14.15 R If an *FCA-approved person's* title, name or national insurance number changes, the *firm* ~~for~~ in relation to which the *person* performs an *FCA controlled function* must notify the *FCA* on Form D (*SUP 10C Annex 6R*) of that change within seven *business days* of the *firm* becoming aware of the matter.

...

- 10A.14.21 G (1) If, in relation to a *firm* which has completed the relevant Form A (~~*SUP 10A Annex 4D*~~) (*SUP 10C Annex 3D*), any of the details relating to arrangements and *FCA controlled functions* are to change, the *firm* must notify the *FCA* on Form D (*SUP 10C Annex 6R*).

...

...

10A.15 References and accurate information

References

- 10A.15.1 G (1) *SYSC 22* (Regulatory references) says that if a *firm* (A):
- (a) is considering appointing a *person* (P) to perform any *controlled function* or certain other functions;
 - (b) requests a reference from a *firm* (B) that is P's current or former *employer*; and
 - (c) indicates to B the purpose of the request;
- B should, as soon as reasonably practicable, give a reference to A.
- (2) ~~This applies even if A is a *firm* to which *SUP 10C* (FCA senior managers regime for approved persons in SMCR firms)) applies rather than this chapter. [deleted]~~
- ...
- (4) *SYSC 22.8.3R* and *SYSC 22.8.4R* (Appointed representatives) say that this applies to B's *appointed representatives* as well as to B.

...

The need for complete and accurate information

- 10A.15.4 G The obligations to supply information to the *FCA* under either *SUP* 10A.14.8R or *SUP* 10A.14.10R apply notwithstanding any agreement (for example a ‘COT 3’ Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a *firm* or its *appointed representative* and an *employee* upon termination of the *employee’s* employment. A *firm* should not ~~(and should ensure that its *appointed representatives* do not)~~ enter into any such arrangements or agreements that could conflict with its obligations under this section.

...

10A.16 How to apply for approval and give notifications

- 10A.16.1 D (1) This direction applies to an application under Form A or Form E.
- (2) ~~Subject to (2A), an~~ An application by a *firm* must be made by submitting the Form online at fea.org.uk using the form specified on the *FCA’s* and *PRA’s* online notification and application system in accordance with the requirements in *SUP* 10C.15 (Forms and other documents and how to submit them to the FCA) about the submission of those Forms.

- (2A) ~~An application by a *firm* whose application for permission or whose Part 4A permission covers only credit-related regulated activities must be made using the form in *SUP* 10A Annex 4 or *SUP* 10A Annex 8 and must be submitted in the way set out in *SUP* 15.7.4 R to *SUP* 15.7.9G (Form and method of notification).~~ [deleted]

...

- (4) ~~Where a *firm* is obliged to submit an application online under (2), if the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in *SUP* 10A Annex 4D or *SUP* 10A Annex 8D and submit it in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification).~~ [deleted]
- (5) ~~An application by a *firm* in relation to a controlled function to which *SUP* 10A.1.16BR (*appointed representative* of an *SMCR firm*) applies must be made in accordance with *SUP* 10C.15 (Forms and other documents and how to submit them to the FCA).~~ [deleted]

- 10A.16.2 R (1) This *rule* applies to a notification under Form B, Form C or Form D.
- (2) A notification must be made in accordance with *SUP* 10A.16.1D, except that the annexes in which the forms are to be found are *SUP* 10C Annex 5R or *SUP* 10C Annex 6R, rather than the Annexes mentioned in *SUP* 10A.16.1D the requirements in *SUP* 10C.15 (Forms and other documents and how to submit them to the FCA)

about the submission of those Forms.

- (3) ~~A notification by a *firm* in relation to a *controlled function* to which *SUP 10A.1.16BR* (*appointed representative of an SMCR firm*) applies must be made in accordance with *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) and not this section. [deleted]~~
- 10A.16.2A R ~~*SUP 10A.16.2R(3)* rule also applies to Form B in relation to a *controlled function* to which *SUP 10A.1.16BR* (*appointed representative of an SMCR firm*) applies. [deleted]~~
- 10A.16.3 G ~~If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP 10A.16.1D(4)* and *SUP 15.7.4R* to *SUP 15.7.9G* (Form and method of notification) should be used. [deleted]~~
- 10A.16.4 G ~~Where *SUP 10A.16.1D(4)* or the equivalent situation under *SUP 10A.16.2R* applies to a *firm*, *GEN 1.3.2R* (Emergency) does not apply. [deleted]~~
- 10A.17 Further questions [deleted]**
- 10A.17.1 G ~~A list of frequently asked questions and answers is at *SUP 10A Annex 1*.~~
- 10A.17.2 G ~~If the *firm* or its advisers have further questions, they should contact the *FCA's* Contact Centre (see *SUP 10A.12.6G*).~~

...

Delete the following Annexes. The deleted text of each Annex is not shown.

10A Frequently asked questions [deleted]
Annex 1G

10A Approved persons regime: summary of forms and their use for applications
Annex 2G for approval to perform an FCA-controlled function [deleted]

10A Form A: Application to perform controlled functions under the approved
Annex 4D person regime [deleted]

10A Form E: Internal transfer of an approved person [deleted]

Annex 8D

Amend the following as shown.

[*Editor's note:* The text of SUP 10C takes into account the amendments proposed in the instrument included in CP17/25 and 17/26 as if it was made, as amended in the earlier parts of this annex.]

10C FCA senior managers regime for approved persons in SMCR firms

10C.1 Application

...

Appointed representatives

10C.1.7 R This chapter does not deal with an *approved person* who is approved under ~~SUP 10A.1.16BR (Appointed representatives)~~ SUP 10A (FCA Approved Persons in Appointed Representatives).

10C.1.8 G (1) ~~SUP 10A.1.15R to SUP 10A.1.16DG (Appointed representatives) deal~~ SUP 10A (FCA Approved Persons in Appointed Representatives) deals with the *approved persons* regime for *appointed representatives* of *SMCR firms*.

...

(5) This chapter, rather than SUP 10A, deals with an *appointed representative* that has a *limited permission* to carry on a *regulated activity* prescribed for the purposes of section 39(1E)(a) of the Act.

...

10C.3 General material about the definition of controlled functions

...

10C.3.4 G The *FCA* has (in SUP 10A (FCA Approved Persons in Appointed Representatives)) specified *controlled functions* for *SMCR firms* that are not *designated senior management functions*. ~~(See SUP 10C.1.7R to SUP 10C.1.8G (Appointed representatives)).~~

...

10C.4 Specification of functions

...

10C.4.3 R

Type	SMF	Description of FCA controlled function
FCA governing functions	SMF 1	Chief executive function
	SMF 3	Executive director function
	SMF 7	Group entity senior manager function
	SMF 9	Chairman <u>Chair of the governing body function</u>
	SMF 10	Chairman <u>Chair of the risk committee function</u>
	SMF 11	Chairman <u>Chair of the audit committee function</u>
	SMF 12	Chairman <u>Chair of the remuneration committee function</u>
	SMF 13	Chairman <u>Chair of the nomination committee function</u>
	SMF 14	Senior independent director function
	SMF 15	Chairman <u>Chair of the with-profits committee function</u>
	SMF 19	Head of third country branch function
	SMF 27	Partner function
...		

10C.4.4 G As described in ~~SUP 10C.1.7R~~ to ~~SUP 10C.1.8G~~ (Appointed representatives), SUP 10A (FCA Approved Persons in Appointed Representatives) specifies certain other controlled functions for SMCR firms.

...

10C.5A FCA governing functions: Oversight

...

~~Chairman~~ Chair of the governing body function (SMF9)

10C.5A.5 R The ~~chairman~~ chair of the governing body function is the function of having responsibility for chairing, and overseeing the performance of

the role of, the *governing body* of the *firm*.

~~Chairman~~ Chair of the risk committee function (SMF10)

10C.5A.6 R The ~~chairman~~ chair of the *risk committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the risk management systems, policies and procedures of the *firm*, including where applicable to the *firm*, a committee established in accordance with the *risk control requirements for SMCR firms*.

10C.5A.7 G The ~~chairman~~ chair of the *risk committee function* applies even if the *firm*:

...

~~Chairman~~ Chair of the audit committee function (SMF11)

10C.5A.8 R The ~~chairman~~ chair of the *audit committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the internal audit system of the *firm* including where applicable to the *firm*, a committee established in accordance with the *internal audit requirements for SMCR firms*.

10C.5A.9 G The ~~chairman~~ chair of the *audit committee function* applies even if the *firm*:

...

~~Chairman~~ Chair of the remuneration committee function (SMF12)

10C.5A.10 R The ~~chairman~~ chair of the *remuneration committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the design and the implementation of the *remuneration* policies of a *firm*, including where applicable to the *firm*, a committee established in accordance with:

...

10C.5A.11 G The ~~chairman~~ chair of the *remuneration committee function* applies even if the *firm*:

...

...

Senior independent director function (SMF14)

10C.5A.14 R The *senior independent director function* is the function of performing the role of a senior independent director, and having particular

responsibility for leading the assessment of the performance of the person performing the ~~chairman~~ chair of the governing body function.

...

10C.6B Systems and controls functions: Other

...

10C.6B.2 G ...

10C.6B.3 G The chief operations function may include but not necessarily be limited to areas such as:

- (1) business continuity (including responsibility for compliance with SYSC 4.1.6R and SYSC 4.1.7R (Business continuity), if those rules apply to the firm;
- (2) cybersecurity;
- (3) information technology;
- (4) internal operations;
- (5) operational continuity, resilience and strategy;
- (6) outsourcing, procurement and vendor management; and
- (7) management of services shared with other group members.

10C.6B.4 G (1) If a firm does not have anyone who performs the chief operations function, the firm should allocate responsibility for the functions in SUP 10C.6B.3G among its SMF managers under SYSC 26 (Senior managers and certification regime: Overall and local responsibility).

(2) A firm should include the functions in SUP 10C.6B.3G in its management responsibilities map whether or not it has someone who performs the chief operations function.

10C.6B.5 G The table in ~~SUP 10C.6B.4G~~ SUP 10C.6B.6G gives examples of how the chief operations function applies.

~~10C.6B.3~~

10C.6B.6 G Table: Examples of how the chief operations function applies

~~10C.6B.4~~

...

10C.6B.7 G ...

~~10C.6B.5~~

...

10C.12 Conditional and time-limited approvals

...

10C.12.2 G ...

- (3) The *FCA* has (in *SUP* 10A (FCA Approved Persons in Appointed Representatives)) specified *controlled functions* for *SMCR firms* that are not *designated senior management functions*. ~~See *SUP* 10C.1.7R to *SUP* 10C.1.8G (Appointed representatives) for more about this.~~

...

...

10C.15 Forms and other documents and how to submit them to the FCA

...

How to make applications and give notifications

- 10C.15.7 D (1) A *firm* other than a ~~*credit union firm*~~ *firm* in (2) must submit a document in column 1 of the table in *SUP* 10C.15.10R, in accordance with the corresponding requirement in column two of that table.
- (2) A:
- (a) *credit union*; or
- (b) a *firm* whose application for *permission* or whose *Part 4A permission* covers only *credit-related regulated activities*;
- must submit a document in column 1 of the table in *SUP* 10C.15.10R, in accordance with the corresponding requirement in column three of that table.
- (3) ...

10C.15.8 R ...

10C.15.9 G It is up to the ~~*credit union firm*~~ *firm* referred to in *SUP* 10C.15.7D(2) concerned to decide which of the methods of submission available to it under *SUP* 10C.15.10R it is going to use.

10C.15.10 R Table: Method of submission

Form or other document	Firms that are not credit unions <u>or limited permission consumer credit firms (SUP 10C.15.7D(1))</u>	Credit unions <u>and limited permission consumer credit firms (SUP 10C.15.7D(2))</u>
...		

...

10C Annex 1 What functions apply to what type of firm

...

Functions applying to limited scope core firms

- 7.1 R ~~(1) The table in SUP 10C Annex 1 7.3R sets out which FCA controlled function applies to which type of limited scope core SMCR firm other than firms covered by SUP 10C Annex 1 7.2R.~~
- (2) Limited scope core SMCR firms in (1) are divided into the following categories for the purposes of in (1) SUP 10C Annex 1:
- (1) (a) a an SMCR firm not within (b) or (c) any other category;
- (2) (b) a firm falling within row (5) of the table in SYSC 23 Annex 1 4.3R (distribution of non-investment insurance contracts); and
- (3) (c) a firm falling within SYSC 23 Annex 1 4.6R (credit firms with limited permission) except for one falling within (4);
- (4) (d) a firm falling within SYSC 23 Annex 1 4.6R that is an appointed representative;
- (5) a sole trader who does not come within (2), (3) or (4);
- (6) an authorised professional firm that does not come within (2), (3) or (4).
- 7.2 R The table in SUP 10C Annex 1 7.3R sets out which FCA controlled function applies to limited scope core SMCR firm covered by SUP 10C Annex 1 7.1R(1), (2), (3) and (4).
- 7.3 R Table: Controlled functions applying to limited scope core SMCR firms except sole traders and authorised professional firms

Brief description of function	Function	General	Insurance	<u>Consumer</u>
-------------------------------	----------	---------	-----------	-----------------

	number		<u>mediation distribution and credit firms</u>	<u>credit appointed representatives</u>
<u>Governing functions</u>				
<u>The governing functions that apply to core SMCR firms</u>	<u>Various</u>	×	×	✓
<u>Required functions</u>				
<i>Compliance oversight function</i>	SMF 16	✓	×	×
<i>Money laundering reporting function</i>	SMF 17	✓	×	×
<i>Limited scope function</i>	SMF 29	✓	✓	✓
<p>Note: The categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> at SUP 10C Annex 1 7.1R. Therefore:</p> <p>(1) column three (General) refers to SUP 10C Annex 1 7.1R(2)(a) <u>SUP 10C Annex 1 7.1R(1); and</u></p> <p>(2) column four (Insurance mediation <u>distribution</u> and credit firms) refers to SUP 10C Annex 1 7.1R(2)(b) and (c) <u>SUP 10C Annex 1 7.1R(2) and SUP 10C Annex 1 7.1R(3); and</u></p> <p>(3) column five (Consumer credit appointed representatives) refers to <u>SUP 10C Annex 1 7.1R(4).</u></p>				

- 7.4 R (1) This rule applies to a firm in SUP 10C Annex 1 7.1R(4) (an appointed representative that has a limited permission).
- (2) The required functions apply in relation to the carrying on of the regulated activity for which it has limited permission.
- (3) The governing functions apply in relation to the carrying on of the regulated activity, for which it does not have permission, comprised in the business for which its principal has accepted responsibility.
- (4) If the appointed representative meets the conditions in SUP 10A.1.16R, that rule applies to the controlled functions in (3).
- 7.5 R (1) The table in SUP 10C Annex 1 ~~7.4R~~ 7.6R sets out which FCA
7.2 controlled function applies to a limited scope core SMCR firm that is covered by SUP 10C Annex 1 7.1R(5) and (6) (a sole trader or an authorised professional firm).
- (2) Firms in (1) are divided into the following categories for the

purposes of this *rule*:

- (a) a *UK SMCR firm*;
- (b) an *EEA SMCR firm*; and
- (c) a *non-UK SMCR firm* not falling into (b).

7.6 R Table: Controlled functions applying to limited scope core SMCR firms
7.4 that are sole traders or authorised professional firms

Brief description of function	Function number	UK firm	EEA firm	Other non-UK firm
Governing functions				
<i>Chief executive function</i>	SMF 1	✓	×	×
<i>Executive director function</i>	SMF 3	✓	×	✓
Chairman <i>Chair of the governing body function</i>	SMF 9	✓	×	×
<i>Partner function</i>	SMF 27	✓	×	×
<i>Head of third country branch function</i>	SMF 19	×	×	✓
Required functions				
<i>Compliance oversight function</i>	SMF 16	✓	×	✓
<i>Money laundering reporting function</i>	SMF 17	✓	✓	✓
<i>EEA branch senior manager function</i>	SMF 21	×	✓	×
<i>Limited scope function</i>	SMF 29	✓	×	✓
<p>Note: The categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> at <i>SUP 10C Annex 1 7.2R</i>. Therefore:</p> <p>(a) column three (UK firm) refers to <i>SUP 10C Annex 1 7.2R(2)(a)</i> <i>SUP 10C Annex 1 7.5R(2)(a)</i>;</p> <p>(b) column four (EEA firm) refers to <i>SUP 10C Annex 1 7.2R(2)(b)</i> <i>SUP 10C Annex 1 7.5R(2)(b)</i>; and</p> <p>(c) column five (Other non-UK firm) refers to <i>SUP 10C Annex 1 7.2R(2)(c)</i> <i>SUP 10C Annex 1 7.5R(2)(c)</i>.</p>				

7.7 G As explained in *SUP 10C Annex 1 1.3G*, the full range of *FCA controlled functions* that are applied to a class of *firm* by this Annex may not apply

~~7.5~~ to every *firm* in that class. For example, in the case of a *limited scope core SMCR firm* that is a *sole trader* or an *authorised professional firm*:

...

Insert the following annexes in the appropriate position. The text (which consists of forms) is included in Part 2 of Annex W of this instrument.

10C Annex Form A: Application to perform senior management functions
3D

Long Form A – Solo regulated firms (including EEA and third country)

Short Form A – Solo regulated firms (including EEA and third country)

(The first form is to be inserted under the heading “Long Form A” and the second form is to be inserted under the heading “Short Form A”)

10C Annex Form E: Internal transfer of a person performing a controlled function
7D

Form E – Internal transfer of a person performing a controlled function for solo-regulated firms (including EEA and third country)

10C Annex Statement of responsibilities
10D

Statement of responsibilities for solo-regulated SMCR firms

Amend the following as shown.

...

12 Appointed representatives

...

12.6 Continuing obligations of firms with appointed representatives or EEA tied agents

...

Obligations of firms under the approved persons and senior managers regime

- 12.6.8 G (1) Some of the *controlled functions*, as set out in ~~SUP 10A.4.1R~~ SUP 10A, apply to an *appointed representative* of a *firm*, other than an *introducer appointed representative*, just as they apply to a *firm* (see ~~SUP 10A.1.15R~~). These are the *governing functions* and the *customer function*. In the case of an *appointed representative* that also has a *limited permission*, an ~~FCA required~~ designated senior management function may apply to it and SUP 10C may apply in place of SUP 10A. As explained in ~~SUP 10A.1.16R~~ and ~~SUP 10A.3.2G~~ respectively:
- (a) ~~the effect of SUP 10A.1.15R is that the directors (or their equivalent) and senior managers (or their equivalent) of an appointed representative, other than an introducer appointed representative, must also be approved under section 59 of the Act for the performance of certain controlled functions;~~
 - (b) ~~although the customer function applies to an appointed representative, the descriptions of the functions themselves do not extend to home finance mediation activity, insurance mediation activity or credit related regulated activity;~~
 - (ba) ~~if an appointed representative also has a limited permission:~~
 - (i) ~~the apportionment and oversight function applies to it in relation to the carrying on of the regulated activity for which it has limited permission, unless it is a not-for-profit debt advice body;~~
 - (ii) ~~if it is a not-for-profit debt advice body and a CASS large debt management firm, the CASS operational oversight function applies in relation to the carrying on of debt management activity; and~~
 - (e) ~~sections 59(1) and 59(2) of the Act (Approval for particular arrangements) provide that approval is necessary in respect of a controlled function which is performed under an arrangement entered into by a firm, or its contractors (typically an appointed representative), in relation to a regulated activity.~~
- (2) The *approved persons* regime applies differently to an *appointed representative* whose scope of appointment ~~includes insurance mediation activity in relation to non-investment insurance contracts or credit related regulated activity but no other regulated activity~~ and whose principal purpose is to carry on activities other than *regulated activities*. These *appointed representatives* need only one *person* performing one of the *governing functions*. This means that only one *director* (or equivalent) of these *appointed representatives* must be approved under section 59 of the *Act* for the performance of the *director function*, the *chief executive function*, the *partner function* or the *director of unincorporated association function*;

~~whichever is the most appropriate (see SUP 10A.1.16R). [deleted]~~

- (3) ~~The *approved persons* regime does not apply in relation to *CBTL* business carried on by *CBTL* firms. [deleted]~~
- (4) ~~The *approved persons* regime for *SMCR* firms is in SUP 10C (FCA senior managers regime for approved persons in *SMCR* firms), rather than SUP 10A. However, SUP 10A still applies to *approved persons* of *appointed representatives* of *SMCR* firms (see SUP 10A.1.16BR to SUP 10A.1.16DG and SUP 10C.1.8G for more about this). [deleted]~~

...

13A Qualifying for authorisation under the Act

...

13A Application of the Handbook to Incoming EEA Firms

Annex 1G

...

(1) Module of Handbook	(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of a firm (or its appointed representative) in the United Kingdom	(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom
...
<i>APER</i>	<i>APER</i> applies to <i>approved persons</i> of <i>appointed representatives</i> of firms other than <i>SMCR</i> firms . See below under SUP 10A as to whether <i>controlled functions</i> are performed, and approval therefore required.	Not relevant because SUP 10A does not apply
...
<i>SUP</i>	...	...
<i>SUP</i>	SUP 10A (Approved persons)	SUP 10A (Approved

	Applies to an <i>EEA firm</i> that <u>has appointed representatives</u> is not an <i>SMCR firm</i>, but the applicable controlled functions are limited. See <i>SUP 10A.1</i> (Application) for more detailed <i>guidance</i> .	persons) Does not apply (<i>SUP 10A.1.6R</i>).

...

...

Annex O

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

6 Penalties

...

6.2 Deciding whether to take action

...

Action against individuals under section 66 of the Act

...

- 6.2.7 G The *FCA* will not discipline individuals on the basis of vicarious liability (that is, holding them responsible for the acts of others), provided appropriate delegation and supervision has taken place (see *APER* 4.6.13G, *APER* 4.6.14G, *COCON* 4.1.8G and *COCON* 4.2.17G to *COCON* 4.2.24G). In particular, disciplinary action will not be taken against an *approved person* performing a *significant influence function* or a *senior conduct rules staff member* simply because a regulatory failure has occurred in an area of business for which they are responsible. The *FCA* will consider that an *approved person* performing a *significant influence function* may have breached *Statements of Principle* 5 to 7, or that a *senior conduct rules staff member* may have breached *rules* SC1/~~SH~~ to SC4/~~SH~~ in *COCON* 2.2, only if their conduct was below the standard which would be reasonable in all the circumstances at the time of the conduct concerned (see also *APER* 3.1.8AG and *COCON* 3.1.6G, as applicable).

...

- 6.2.9-E G When determining under section 66A(5)(d) of the *Act* whether or not an *SMF manager* has taken such steps as a person in their position could reasonably be expected to take to avoid the contravention of a relevant requirement by the *firm* occurring (or continuing), additional considerations to which the *FCA* would expect to have regard include, but are not limited to:
- (1) the role and responsibilities of the *SMF manager* (for example, such steps as an *SMF manager* in a non-executive role could reasonably be expected to take may differ, depending on the circumstances, from those reasonably expected of an *SMF manager* in an executive

role: see, for example, the *guidance* on the role and responsibilities of *non-executive directors* for ~~relevant authorised persons~~ SMCR firms in COCON 1 Annex 1G);

...

...

6.5B The five steps for penalties imposed on individuals in non-market abuse cases

...

Step 2 – the seriousness of the breach

6.5B.2 G ...

- (3) This approach reflects the *FCA*’s view that an individual receives remuneration commensurate with his responsibilities, and so it is reasonable to base the amount of penalty for failure to discharge his duties properly on his remuneration. The *FCA* also believes that the extent of the financial benefit earned by an individual is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. The *FCA* recognises that in some cases an individual may be approved for only a small part of the work he carries out on a day-to-day basis. However, in these circumstances the *FCA* still considers it appropriate to base the relevant income figure on all of the benefit that an individual gains from the relevant employment, even if his employment is not totally related to a ~~controlled function~~ controlled function.

...

...

8 Variation of SMF managers’ approval on the FCA’s own initiative

8.1 Introduction

8.1.1 G *DEPP* 8 sets out the *FCA*’s statement of policy on the exercise of its power under section 63ZB of the *Act* to vary, on its own initiative, an approval given by the *FCA* or the *PRA* for the performance of a *designated senior management function* in relation to the carrying on of a *regulated activity* by ~~a relevant authorised person~~ an SMCR firm. The *FCA* is required to publish this statement of policy by section 63ZD of the *Act*.

[**Note:** the *FCA*’s statement of policy on the exercise of its power under section 63ZA of the ~~Act~~ Act to vary an approval at the request of ~~a relevant authorised person~~ an SMCR firm is set out in *SUP* 10C]

...

Annex P

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

1 Treating complainants fairly

...

1.3 Complaints handling rules

...

- 1.3.7 R (1) A *firm* must appoint an individual at the *firm*, or in the same *group* as the *firm*, to have responsibility for oversight of the *firm's* compliance with *DISP* 1.
- (2) The individual appointed must be carrying out a *FCA governing function* at the *firm* or in the same *group* as the *firm*.
- (3) If there are no individuals at the *firm* or in the same *group* as the *firm* within (2), the *firm* must appoint an individual of appropriate seniority.
- (4) A *person* approved to perform the *apportionment and oversight function* for the *firm* or for a *firm* in the same *group* as the *firm* satisfies the condition in (3).

...

1.10 Complaints reporting rules

...

- 1.10.2A R ...
- (3) For the purposes of *DISP* 1 Annex 1CR *retail investment adviser* information must be reported by:
- (a) the *employee's* Individual Reference Number (IRN); or
- (b) in the case of an *employee* of ~~a relevant authorised person~~ an *SMCR firm* who is performing an *FCA-specified significant harm function* and has no IRN:

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

1 Treating complainants fairly

...

1.3 Complaints handling rules

...

1.3.7 R ...

- (4) A *person* approved to perform the ~~*apportionment and oversight function*~~ *limited scope function* for the *firm* or for a *firm* in the same *group* as the *firm* satisfies the condition in (3).

...

Annex Q

Amendments to the Credit Unions sourcebook (CREDS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

2 Senior management arrangements, systems and controls

...

2.2 General provisions

...

Governance and senior manager arrangements: general

- 2.2.65 G (1) ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 have a number of requirements about the governance and senior management arrangements of ~~relevant authorised persons~~ SMCR firms.
- (2) A credit union is a type of ~~relevant authorised person~~ SMCR firm.
- (3) ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 are summarised in *CREDS 2.2.66G to CREDS 2.2.70G*.
- (4) The *PRA*'s requirements about the subjects dealt with in ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 are set out in its Rulebook. *CREDS* does not summarise them.

Governance and senior management arrangements: responsibilities maps

- 2.2.66 G (1) ~~SYSC 25 says that a relevant authorised person~~ certain SMCR firms, including a credit union, should, at all times, have a comprehensive and up-to-date document that describes its management and governance arrangements. This is called the *management responsibilities map*.
- (2) ~~SYSC 4.5.13G~~ SYSC 25.4.14G has guidance on *management responsibilities maps* for small firms, which is likely to be of particular relevance to credit unions.

Governance and senior management arrangements: allocation of senior management responsibilities

- 2.2.67 G ~~SYSC 4.7 says that a relevant authorised person, including a credit union, should:~~

- (1) SYSC 24 says that certain SMCR firms, including a credit union, should allocate a number of specified management responsibilities (called FCA-prescribed senior management responsibilities) to one or more of its SMF managers. ~~÷ and~~
- (2) SYSC 26 says that certain SMCR firms, including a credit union, should ensure that, at all times, one or more of its SMF managers have overall responsibility for each of the activities, business areas and management functions of the firm.

...

- 2.2.69 G (1) The list of *FCA-prescribed senior management responsibilities* that a *credit union* should allocate is simpler than for most other ~~relevant authorised persons~~ SMCR firms.

...

...

Certification regime

- 2.2.71 G Under section 63E(1) of the *Act*, ~~a relevant authorised person~~ an SMCR firm (including a *credit union*) should take reasonable care to ensure that no employee of the *firm* performs an *FCA-specified significant-harm function* under an arrangement entered into by the *firm* in relation to the carrying on by that *firm* of a *regulated activity*, unless the employee has a valid certificate issued by that *firm* to perform the function to which the certificate relates. The definition of employee for these purposes goes beyond a conventional employee and is explained in more detail in SYSC 27.4.1G. It includes volunteers or unpaid staff.

...

8 Supervision

...

8.3 Approved persons

...

- 8.3.4 G (1) The regime for *approved persons* differs between ~~relevant authorised persons~~ SMCR firms and other types of *firm*.
- (2) A *credit union* is a type of ~~relevant authorised person~~ SMCR firm.
- (3) SUP 10C deals with the *approved persons* requirements for *credit unions* and other ~~relevant authorised persons~~ SMCR firms.
- 8.3.5 G (1) The *controlled functions* specified by the *FCA* for *credit unions* and other ~~relevant authorised persons~~ SMCR firms can be found in the

table in SUP 10C.4.3R.

- (2) The *controlled functions* specified by the *PRA* for *credit unions* and other ~~*relevant authorised persons*~~ *SMCR firms* can be found in the *PRA*'s Rulebook. They are not summarised in the *Handbook*.

...

8.3.8 G ...

- (3) *Designated senior management functions* only apply to ~~*relevant authorised persons*~~ *SMCR firms*, including *credit unions*.

...

8.3.9 G As well as listing the *FCA*'s *designated senior management functions* for *credit unions* and other ~~*relevant authorised persons*~~ *SMCR firms*, SUP 10C has other requirements about *SMF managers*:

...

...

10 Application of other parts of the Handbook to credit unions

10.1 Application and purpose

...

Application of other parts of the Handbook and of Regulatory Guides to Credit Unions

10.1.3 G

Module	Relevance to Credit Unions
...	...
Senior Management Arrangements, Systems and Controls (SYSC)	<i>SYSC 1, SYSC 4 to 10 and SYSC 21 apply to all credit unions in respect of the carrying on of their regulated activities and unregulated activities in a prudential context. SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material), SYSC 5.2 (Certification regime) SYSC 23 (Senior managers and certification regime: Introduction and classification), SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities), SYSC 25 (Senior managers and certification regime: Management</i>

	responsibilities maps and handover procedures and material), <i>SYSC 26</i> (Senior managers and certification regime: Overall and local responsibility), <i>SYSC 27</i> (Senior managers and certification regime: Certification regime) and <i>SYSC 18</i> apply to all <i>credit unions</i> in respect of both their <i>regulated activities</i> and their unregulated activities.
...	...
The Fit and Proper test for Approved Persons <u>Fit and Proper test for Employees and Senior Personnel</u> (<i>FIT</i>)	<p>The purpose of <i>FIT</i> is to set out and describe the criteria that a <i>firm</i> should consider when assessing the fitness and propriety of a person (1) in respect of whom an application is being made for approval to undertake a <i>controlled function</i> under the approved persons <u>senior managers</u> regime, (2) who has already been approved, (3) who is a <i>certification employee</i> or (4) whom a <i>firm</i> is considering appointing to be a <i>certification employee</i>.</p> <p>It also sets out and describes criteria that the <i>FCA</i> will consider when assessing the fitness and propriety of a <i>candidate</i> for a <i>controlled function</i> position and that it may consider when assessing the continuing fitness and propriety of <i>approved persons</i>.</p>
...	...
Supervision manual (<i>SUP</i>)	<p>The following provisions of <i>SUP</i> are relevant to <i>credit unions</i>: <i>SUP 1A</i> (The <i>FCA</i>'s approach to supervision), <i>SUP 2</i> (Information gathering by the <i>FCA</i> or <i>PRA</i> on its own initiative), <i>SUP 3.1</i> to <i>SUP 3.8</i> (Auditors), <i>SUP 5</i> (Skilled persons), <i>SUP 6</i> (Applications to vary or cancel Part 4A permission), <i>SUP 7</i> (Individual requirements), <i>SUP 8</i> (Waiver and modification of rules), <i>SUP 9</i> (Individual guidance), <i>SUP 10C</i> (<i>FCA</i> senior management <u>managers</u> regime for approved persons in relevant authorised persons <u>SMCR firms</u>), <i>SUP 11</i> (Controllers and Close links), <i>SUP 15</i> (Notifications to the <i>FCA</i> or <i>PRA</i>) and <i>SUP 16</i> (Reporting Requirements).</p> <p>...</p>
...	...

...

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]**8 Supervision**

...

8.3 Approved persons

...

- 8.3.4 G (1) ~~The regime for *approved persons* differs between *SMCR firms* and other types of *firm*. [deleted]~~
- (2) ~~A *credit union* is a type of *SMCR firm*. [deleted]~~
- (3) *SUP 10C* deals with the *approved persons* requirements for *credit unions* and other *SMCR firms*.

...

- 8.3.8 G ...
- (3) ~~*Designated senior management functions* only apply to *SMCR firms*, including *credit unions*. [deleted]~~

...

Annex R

Amendments to the Consumer Credit sourcebook (CONC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

12 Requirements for firms with interim permission for credit-related regulated activities

12.1 Application and purpose

...

12.1.4 R Table: Disapplied or modified modules or provisions of the Handbook

Module	Disapplication or modification
...	...
Supervision manual (<i>SUP</i>)	<p><i>SUP</i> 3 (Auditors), <i>SUP</i> 10A (FCA Approved persons), <i>SUP</i> 10C (FCA senior management <u>managers</u> regime for approved persons in relevant authorised persons <u>SMCR firms</u>) and <i>SUP</i> 12 (Appointed representatives) (see Note 2) do not apply:</p> <p>(1) to a <i>firm</i> with only an <i>interim permission</i>; or</p> <p>(2) with respect to a <i>credit-related regulated activity</i> or <i>operating an electronic system in relation to lending</i> for which a <i>firm</i> has an <i>interim permission</i> that is treated as a variation of permission,</p> <p>except that <i>SUP</i> 3.10 and <i>SUP</i> 3.11 apply to a <i>firm</i> in relation to its <i>designated investment business</i> that comprises <i>operating an electronic system in relation to lending</i>.</p>
...	...

...

Annex S

Amendments to the Energy Market Participants guide (EMPS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2019 [main commencement date for solo-regulated firms]

1 Special guide for energy market participants

...

1.2 Parts of the Handbook applicable to energy market participants

...

1.2.3 G Applicability of parts of Handbook to energy market participants

This table belongs to *EMPS* 1.2.1G

	Part of Handbook	Applicability to energy market participants
High Level Standards	...	...
	Statements of Principle and Code of Practice for Approved Persons (APER) <u>Code of Conduct (COCON)</u>	This applies to an approved person who performs a controlled function for an energy market participant . <u>This applies.</u>

...
Regulatory processes	...	...
	Supervision manual (<i>SUP</i>)	This applies, with the following qualifications: ... (b) in SUP 10 (Approved persons), if an oil market participant's principal purpose

		is to carry on activities other than regulated activities, then the scope of the significant influence functions is restricted to the required functions: see SUP 10A.1.18R – SUP 10A.1.19G ...

...

...

Annex T

Amendments to the Oil Market Participants guide (OMPS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2019 [main commencement date for solo-regulated firms]

1 Special guide for oil market participants

...

1.2 Parts of the Handbook applicable to oil market participants

...

1.2.2 G Parts of the Handbook applicable to oil market participants

This table belongs to *OMPS* 1.2.1G

	Part of Handbook	Applicability to energy market participants
High Level Standards	...	...
	Statements of Principle and Code of Practice for Approved Persons (<i>APER</i>) <u>Code of Conduct (<i>COCON</i>)</u>	This applies to an approved person who performs a controlled function for an oil market participant. <u>This applies.</u>

...
Regulatory processes	...	...
	Supervision manual (<i>SUP</i>)	This applies, with the following qualifications: ... (b) in SUP 10 (Approved persons), if an

		oil market participant's principal purpose is to carry on activities other than regulated activities, then the scope of the significant influence functions is restricted to the required functions: see SUP 10A.1.18R – SUP 10A.1.19G ...

...

...

Annex U

Amendments to the Service companies guide (SERV)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2019 [main commencement date for solo-regulated firms]

1 Handbook requirements for service companies

...

1.2 Parts of the Handbook applicable to service companies

...

1.2.2 G Parts of the Handbook applicable to service companies

This table belongs to *SERV* 1.2.1G

	Part of Handbook	Applicability to energy market participants
High Level Standards	...	...
	Statements of Principle and Code of Practice for Approved Persons (<i>APER</i>) <u>Code of Conduct (<i>COCON</i>)</u>	This applies to an approved person who performs a controlled function for a service company. <u>This applies.</u>

...
Regulatory processes	...	...
	Supervision manual (<i>SUP</i>)	This applies, with the following qualifications: ... (e) in <i>SUP</i> 10 (Approved persons), if a service company's principal purpose is to

		<p>carry on activities other than <i>regulated activities</i>, then the scope of the <i>significant influence functions</i> is restricted to the <i>required functions</i>: see <i>SUP 10A.1.18R – SUP 10A.1.19G</i>;</p> <p>...</p>

...

...

Annex V

Amendments to the Enforcement Guide (EG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Comes into force [] 2018 [main commencement date for insurance firms]

9 Prohibition Orders and withdrawal of approval

...

9.3 Prohibition Order and withdrawal of approval - approved persons

...

9.3.2 When the *FCA* decides whether to make a *prohibition order* against an *approved person* and/or withdraw their approval, the *FCA* will consider all the relevant circumstances of the case. These may include, but are not limited to those set out below.

...

(3) Whether, and to what extent, the *approved person* has:

- (a) failed to comply with the *Statements of Principle* or *COCON*, as applicable, issued by the *FCA* with respect to the conduct of *approved persons*; or

...

...

...

9.3.5 The following are examples of types of behaviour which have previously resulted in *FCA* the deciding to issue a *prohibition order* or withdraw the approval of an *approved person*:

...

- (5) Serious breaches of ~~the *Statements of Principle*~~ *APER* or *COCON*, for *approved persons*, such as failing to make terms of business regarding fees clear or actively misleading clients about fees; acting without regard to instructions; providing misleading information to clients; consumers or third parties; giving clients poor or inaccurate advice; using intimidating or threatening behaviour towards clients and former clients; failing to remedy breaches of the general prohibition or to ensure that a *firm* acted within the scope of its permissions.

...

15 Disqualification of auditors and actuaries

...

15.2 Disqualification of auditors and actuaries under its powers contained in section 345, section 249 and section 261K of the Act: the FCA's general approach

...

15.2.2 *Actuaries appointed by firms under rule 4.3.1 of the FCA's Supervision Manual are approved persons and as such will be subject to the FCA's ~~Statements of Principle and Code of Practice for Approved Persons~~ APER or COCON, as applicable. When deciding whether to exercise its power to disqualify an *actuary* who is an *approved person*, the FCA will consider whether the particular breach of duty can be adequately addressed by the exercise of its disciplinary powers in relation to *approved persons*.*

...

App 3 Appendix 3 – Appendix to the guidelines on investigation of cases of interest or concern to the financial conduct authority and other prosecuting and investigating agencies

App 3.1 The FCA

...

3.1.4 The FCA has the power to take the following enforcement action:
discipline authorised firms under Part XIV of the 2000 Act and approved persons and other individuals under s.66 of the 2000 Act;
impose penalties on persons that perform ~~controlled functions~~ controlled functions without approval under s.63A of the 2000 Act;

...

...

Annex W

Handbook forms

All the text is new. It is not underlined. The forms are to be inserted in the place specified in paragraph H of the cover sheet of this instrument.

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

Index of Forms

10C Annex 3D Form A: Application to perform senior management functions

Long Form A - Dual-regulated firms (including EEA and third country firms)
 Long Form A – UK and Overseas firms (not incoming EEA) for MIFID authorisation applications
 Short Form A - Dual-regulated firms (including EEA and third country firms)

10C Annex 4R Form B: Notice to withdraw an application to perform controlled functions (including senior management functions)

Form B – Notice to withdraw an application to perform controlled functions (including senior management functions)

10C Annex 5R Form C: Notice of ceasing to perform controlled functions (including senior management functions)

Form C – Notice of ceasing to perform controlled functions (including senior management functions)

10C Annex 6R Form D Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

Form D – Notification for changes in personal information and application details, and conduct breaches and disciplinary action related to conduct

10C Annex 7D Form E: Internal transfer of a person performing a controlled function for dual regulated firms

Form E – Internal transfer of an individual performing a controlled function

10C Annex 8D Form I: Application to add, vary or remove a conditional approval for the performance of a senior management function

Form I – Application for the variation of conditional approval of a senior management function

10C Annex 9D Form J: Notification of significant changes in responsibilities of a person performing a senior management function

Form J – Notification of Significant Changes in Responsibilities of a Person Performing a Senior Management Function

10C Annex Statement of responsibilities
10D

Statement of responsibilities for dual-regulated SMCR firms

15 Annex Form H: Notification of Disciplinary Action relating to conduct rules
7R staff (other than SMF managers) in SMCR firms

Form for the notification of disciplinary action relating to conduct rules staff (other than SMF managers) in SMCR firms

TP 10 Conversion Notification Form Solvency II and large non-directive firms
23.1R (Form K)



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The *FCA* has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the *FCA* website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex2D.html>

Both the applicant *firm* and the *candidate* will be treated by the *FCA* and *PRA* as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

Long Form A – Dual-regulated firms (including EEA and third country firms)

Application to perform *controlled functions* including senior management functions

FCA Handbook Reference: SUP 10C Annex 3D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications¹

[Commencement Date]

Name of *candidate*
(to be completed by applicant firm)

Name of applicant *firm*
(as entered in 2.01)

Firm reference number
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom

Telephone +44 (0) 203 461 7000
E-mail PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

¹ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

1.01 a	<i>Candidate</i> Individual Reference Number (IRN)	
b	OR name of previous regulatory body	
c	AND previous reference number (if applicable)	
1.02	Title (e.g. Mr, Mrs, Ms)	
1.03	Surname	
1.04	ALL forenames	
1.05	Name commonly known by	
1.06	Date of birth (dd/mm/yyyy)	
1.07	National Insurance number	
1.08	Previous name	
1.09	Date of name change	
1.10 a	Nationality	
b	Passport number (if National Insurance number not available)	
1.11	Place of birth	
1.12	Phone number	
1.13	Email address	



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

1.14 a Private address

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

1.16 a Previous address 2

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To



I have supplied further information
related to this page in Section 6

YES

NO

2.01	Name of <i>firm</i> making the application	
2.02	<i>Firm</i> Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Phone number	
d	E-mail	

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

Arrangement and Senior Management Functions

Section 3A

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative* then please complete section 3B.

3A.01

Nature of the arrangement between the candidate and the applicant firm.

a

Employee

☐

b

Group employee

☐

Name of group

c

Contract for services

☐

d

Partner

☐

e

Other

☐

Give details

Proposed date of appointment

Length of appointment (if applicable)

3A.02

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please leave the boxes below blank and go to question **3A.04**

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

Function	Description of a <i>Senior Management Function</i>	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the <i>Governing Body</i>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

* 'UK Banks' refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

Insurance distribution

Will the *candidate* be responsible for insurance distribution at the *firm*?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

Mortgage Credit Directive

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the *firm*?

YES

☐

NO

☐



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

3A.04 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.

	<i>Firm Reference Number</i>	<i>Name of firm</i>	<i>Senior Management Function</i>	<i>Job title</i>	<i>Responsible for insurance distribution?</i>	<i>Responsible for mortgage credit intermediation?</i>	<i>Effective date</i>
a							
b							
c							
d							
e							



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Arrangements and controlled functions – Appointed Representatives Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 3A.

3B.01 Nature of the *arrangement* between the *candidate* and the applicant.

a Appointed representative/tied agent – customer function ☐

AR firm name and reference number

b Appointed representative/tied agent – governing function ☐

AR firm name and reference number

c Other ☐

Give details

3B.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3B.05**.

a **Significant influence functions**

CF 1 Director function ☐

☐

CF 3 Chief executive function ☐

CF 4 Partner function ☐

CF 5 Director of an unincorporated association function ☐

☐

b **Customer function**

CF 30 Customer function ☐

3B.03 Effective date of *controlled functions* indicated above

3B.04 Job title

Please refer to notes on the requirements for submitting a CV.



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

3B.05

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	<i>Firm</i> Reference Number	Name of <i>firm</i>	<i>Controlled</i> <i>function</i>	Job title	Effective date
a					
b					
c					
d					
e					



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Employment history in the past 5 years

Section 4

N.B.: ALL gaps must be accounted for

4.01

Employment details (1)

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"> <tr> <td><i>a</i></td> <td>Employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If c or d is ticked, please give details	<input type="text"/>																					
c	Name of employer	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/> NO <input type="checkbox"/>		Name of regulatory body <input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>		If yes, of which <i>firm</i> ? <input type="text"/>																			
i	Position held	<input type="text"/>																					
j	Responsibilities	<input type="text"/>																					
k	Reason for leaving:	<table border="0"> <tr> <td><i>a</i></td> <td>Resignation</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																					
<i>b</i>	Redundancy	<input type="checkbox"/>																					
<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					

If 'other', please specify

4.02 Employment details (2)

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"><tr><td><i>a</i></td><td>Employed</td><td><input type="checkbox"/></td></tr><tr><td><i>b</i></td><td>Self-employed</td><td><input type="checkbox"/></td></tr><tr><td><i>c</i></td><td>Not employed</td><td><input type="checkbox"/></td></tr><tr><td><i>d</i></td><td>Full-time education</td><td><input type="checkbox"/></td></tr></table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If c or d is ticked, please give details	<input type="text"/>																					
c	Name of employer	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/> NO <input type="checkbox"/>		Name of regulatory body <input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>		If yes, of which <i>firm</i> ? <input type="text"/>																			
i	Position held	<input type="text"/>																					
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<i>a</i>	Resignation	<input type="checkbox"/>																					
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<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					
	If 'other', please specify	<input type="text"/>																					



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

5.01 Criminal Proceedings

When answering the questions in this section the *candidate* should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *candidate* is subject to the law of Scotland or Northern Ireland, the *candidate* must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

If any question has been answered ‘yes’ in Section 5, further details should be provided in Section 6.

If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included in Section 6.

5.01.1a	Has the <i>candidate</i> ever been convicted of any criminal offence (whether spent or not and whether or not in the <i>United Kingdom</i>):	YES <input type="checkbox"/> NO <input type="checkbox"/>
i.	involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or	
ii.	relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i> , insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i> , market manipulations or <i>insider dealing</i> ?	
b	Is the <i>candidate</i> currently the subject of any criminal proceedings, whether in the UK or elsewhere?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Has the <i>candidate</i> ever been given a caution in relation to any criminal offence?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.2	Has the <i>candidate</i> any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.3	Is the <i>candidate</i> the subject of any ongoing criminal investigation?	
5.01.4	Has the <i>candidate</i> been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation? In answering question 5.01.4, you should include all matters even where the <i>candidate</i> was not the subject of the investigation.	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

5.01.5 Has any *firm* at which the *candidate* holds or has held a position of influence ever:

(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

a	Been convicted of any criminal offence?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Been the subject of any criminal proceeding which has not resulted in a conviction?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
d	Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the *firm* was not the subject of the investigation. However, *firms* are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 6 YES ☐ NO ☐

5.02 Civil Proceedings

5.02.1 Has the *candidate*, **ever** been the subject of a judgement debt or award against the *candidate* (whether satisfied or not)?

YES

☐

NO

☐

Please give a full explanation of the events in question,
The candidate should include all County Court Judgement(s) (CCJs) made against the *candidate*, whether satisfied or not); and
i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and
ii) the total number of all judgement debts, awards or CCJs ordered.

5.02.2 Has the *candidate* ever been party to any civil proceedings which resulted in any order against the *candidate* (other than a judgement debt or award referred to in 5.02.1 above)? (the *candidate* should include, for example, injunctions and employment tribunal proceedings.)

YES

☐

NO

☐

5.02.3 Is the *candidate* aware of:

a Any proceedings that have begun, or anyone's intention to begin proceedings against the *candidate*, for a CCJ or another judgement debt?

YES

☐

NO

☐

b More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?

YES

☐

NO

☐

5.02.4 Does the *candidate* have any **current** judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?

YES

☐

NO

☐

5.02.5 Has the *candidate* **ever** failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?

YES

☐

NO

☐

I have supplied further information related to this page in Section 6

YES

☐

NO

☐

5.02.6	Has the <i>candidate</i> ever:	
a	Filed for the <i>candidate</i> 's own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	Been adjudged bankrupt?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/> NO <input type="checkbox"/>
d	Made any arrangements with the <i>candidate</i> 's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
e	Had assets sequestrated?	YES <input type="checkbox"/> NO <input type="checkbox"/>
f	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.7	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past (whether or not in the UK or overseas)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.8	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.9	Is the <i>candidate</i> currently:	
a	Party to any civil proceedings (including those covered in 5.02.7 above)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? (<i>Candidate</i> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.10	During the period over which the <i>candidate</i> has held a position of influence and/or in the 10 years after this, has any <i>firm</i> at which the <i>candidate</i> holds or has held a position of influence ever been:	YES <input type="checkbox"/> NO <input type="checkbox"/>
a	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	The subject of a judgement debt or award against the <i>firm</i> ? (<i>Candidate</i> should include all CCJs made against the firm, whether satisfied or not.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Party to any other civil proceedings which resulted in an order against the <i>firm</i> other than in relation to matters covered in 5.02.10a and 5.02.10b above?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6 YES ☐ NO ☐

5.02.11 Is any *firm* at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a a party to civil proceedings; and/or

YES ☐ NO ☐

b aware of anyone’s intention to begin civil proceedings against them?

YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the UK or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES ☐ NO ☐



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

5.03 Business and Employment Matters

5.03.1 Has the *candidate* **ever** been:

a Disqualified from acting as a director or similar position (one where the *candidate* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES ☐

NO ☐

b The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *candidate*)?

YES ☐

NO ☐

c The subject of any investigation which has led or might lead to disciplinary proceedings?

YES ☐

NO ☐

d Notified of any potential proceedings of a disciplinary nature against the *candidate*?

YES ☐

NO ☐

e The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised *firm*, as well as investigation by a regulatory body, at any time.)

YES ☐

NO ☐

5.03.2 Has the *candidate* **ever** been refused entry to, or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES ☐

NO ☐

5.03.3 Does the *candidate* have any material written complaints made against the *candidate* by the *candidate*'s clients or former clients in the last five years which the *candidate* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES ☐

NO ☐

5.03.4 Has the *candidate* ever participated in arbitration proceedings? (This question only applies where the applicant *firm* is a Solvency II insurance firm).

YES ☐

NO ☐



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

5.04 Regulatory Matters

5.04.1

In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see the guidance notes on section 5), has:

- the *candidate*, or
- any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, **ever** –

a	Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
d	Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
e	Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the <i>firm</i> or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
f	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
g	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
h	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
i	Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
j	Provided payment services or distributed or redeemed e-money on behalf of a regulated <i>firm</i> or itself under any contractual agreement where that agreement was terminated by the regulated <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
k	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
l	Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant <i>firm</i> is a Solvency II insurance firm).	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

5.04.2

In relation to activities regulated by the *FCA/PRA* or any other regulatory body, has the *candidate* or any *firm* at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate's* association with the *firm* **ever**:

- | | | |
|----------|--|--|
| a | Been found to have carried on activities for which authorisation or registration by the <i>FCA/PRA</i> or any other regulatory body is required without the requisite authorisations? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| b | Been investigated for the possible carrying on of activities requiring authorisation or registration by the <i>FCA/PRA</i> or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the <i>candidate</i> ? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| c | Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other regulatory body) without the requisite approval? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| d | Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the <i>candidate</i> ? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| e | Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the <i>FCA/PRA</i> of the identity of a person acting in a position of influence over its electronic money or payment services business? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| f | Been the subject of a prohibition order under section 56 Financial Services and Markets Act 2000 , or received a warning notice proposing that such a direction or order be made, or received a private warning? | YES <input type="checkbox"/> NO <input type="checkbox"/> |



I have supplied further information
related to this page in Section 6

YES ☐ NO ☐

5.05 Other Matters

5.05.1 Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

YES ☐ NO ☐

5.05.2 **Question 5.05.2 should only be answered if the applicant *firm* is a Solvency II Insurer.**

Does the *candidate* have, or know of any:

a Qualifying ownership² or any other form of substantial influence in the *firm* or *group*, or any other companies

YES ☐ NO ☐

If yes, please provide:

1. Company name and registration number
2. Nature and scope of the operations
3. The registered office of the company
4. Possession in percentage

b Close relatives with any other financial relations in the *firm* or *group*

YES ☐ NO ☐

c Any other commitments that may give rise to a conflict of interest

YES ☐ NO ☐

d Any other commitments that may give rise to a conflict of interest

YES ☐ NO ☐

If the response is 'yes' to any of the above, please provide, in Section 6, explanations of the circumstances and how the *candidate* intends to mitigate this.

5.05.3 Is the *candidate* or the *firm* aware of any other information relevant to this notification that the *FCA/PRA* might reasonably expect from the *candidate*?

YES ☐ NO ☐

5.05.4 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required, under *PRA* rules, to request and under *FCA* rules, to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and *PRA* Rulebook: Fitness and Propriety)³

YES ☐ NO ☐

If yes, please enter date the check was undertaken

Date (dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6

5.05.5 Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*?

YES ☐ NO ☐

If no, please provide details why the reference or references has/have

² As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is 'direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking'.

³ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.



I have supplied further information
related to this page in Section 6

YES

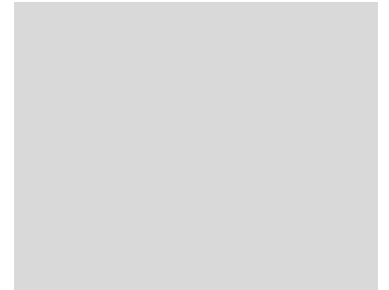
☐

NO

☐

not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety 2 in the PRA Rulebook). "Employer" has an extended meaning for these purposes.



- why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- how the appointment was agreed including details of any discussions at governing body level (where applicable);
- a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.

	Statement of Responsibilities
	<i>Candidate's</i> Curriculum Vitae (C.V)
	Role(s) description
	A copy of the <i>firm's</i> management responsibilities map (SYSC 25.1 and Allocation of Responsibilities in the PRA Rulebook⁴) This requirement does not apply to all <i>firms</i>.
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G and Senior Management Functions in the PRA Rulebook⁵) This requirement does not apply to all <i>firms</i>.

⁵ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000 –‘FSMA’). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The *candidate* authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

Where applicable, the *candidate* agrees that they may be required to apply for a search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

The *candidate* confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*’s *COCON* and/or the *PRA Rulebook: Conduct Rules*.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and *candidates/approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration: ☐

7.01 Name of *candidate*

7.02 Signature

Date

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA Handbook* and/or the Fitness and Propriety part of the *PRA Rulebook* that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON* and/or the *PRA Rulebook: Conduct Rules*.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *Firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the Applicant firm:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those firms at the same time as submitting the form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application

7.04 Name of *person* signing on behalf of the Applicant *firm*

7.05 Job title

7.06 Signature

Date

Application number
(for FCA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the Handbook website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10A/Annex4.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA as having taken these notes into consideration when completing their answers to the questions in this form.

Long Form A – UK and overseas firms (not incoming EEA) for MiFID authorisation applications*

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 3D

[Commencement date]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of applicant *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

Telephone +44 (0) 300 500 0597
Facsimile +44 (0) 207 066 0017
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

*This Form should only be used when an unauthorised firm applies for permission to carry out MiFID activities and where an authorised firm which does not have permission to carry out MiFID activities applies for permission to carry out those activities.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

- 1.01 a** *Candidate* Individual Reference Number (IRN)[†]
- b** OR name of previous regulatory body[†]
- c** AND previous reference number (if applicable)[†]
- 1.02** Title (e.g. Mr, Mrs, Ms, etc)[†]
- 1.03** Surname[†]
- 1.04** ALL forenames[†]
- 1.05** Name commonly known by[†]
- 1.06** Date of birth (dd/mm/yyyy)[†]
- 1.07** National Insurance number[†]
- 1.08** Previous name[†]
- 1.09** Date of name change[†]
- 1.10 a** Nationality[†]
- b** Passport number (if National Insurance number not available)[†]
- 1.11** Place of birth[†]
- 1.12** Phone number
- 1.13** Email address



I have supplied further information related to this page in Section 6[†]

YES

☐

NO

☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

1.14 a Private address[†]

b

Postcode[†]

c Dates resident at this address (mm/yyyy)[†]

From

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1[†]

b

Postcode

c Dates resident at this address (mm/yyyy)[†]

From

To

1.16 a Previous address 2[†]

b

Postcode[†]

c Dates resident at this address (mm/yyyy)[†]

From

To



I have supplied further information related to this page in Section 6[†]

YES ☐ NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.01 Name of *firm* making the application

2.02 Firm Reference Number (FRN)

2.03 a Who should the *FCA* contact at the *firm* in relation to this application?

b Position

c Phone number

d Fax

e E-mail



I have supplied further information related to this page in Section 6[†]

YES

☐

NO

☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Arrangements and senior management functions

Section 3

3.01

Nature of the arrangement between the candidate and the applicant.

a Employee

☐

b Group employee

☐

Name of group

c Contract for services

☐

d Partner/Sole trader

☐

e Other

☐

Give details

Proposed date of appointment

Length of appointment (if applicable)

3.02

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please go to question 3.05

Function	Description of Senior Management Function	Tick (if applicable)			
		Core firms			Enhanced firms
		Limited scope firms	UK core firm	Third country branch	
SMF 1	Chief Executive		<input type="checkbox"/>		<input type="checkbox"/>
SMF 2	Chief Finance				<input type="checkbox"/>
SMF 3	Executive Director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk Officer				<input type="checkbox"/>
SMF 5	Head of Internal Audit				<input type="checkbox"/>

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

SMF 7	Group Entity Senior Manager				<input type="checkbox"/>
SMF 9	Chair of the governing body		<input type="checkbox"/>		<input type="checkbox"/>
SMF10	Chair of the Risk Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF11	Chair of the Audit Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF13	Chair of the Nomination Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF14	Senior Independent Director		<input type="checkbox"/>		<input type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF17	Money Laundering Reporting Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF18	Other overall responsibility function				<input type="checkbox"/>
SMF19	Head of Third Country Branch			<input type="checkbox"/>	
SMF24	Chief Operations				<input type="checkbox"/>
SMF27	Partner		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF29	Limited scope function (limited scope firms only)	<input type="checkbox"/>			

3.03

Job title[†]

Please refer to notes on the requirements for submitting a CV

Insurance distribution

Will the candidate be responsible for Insurance distribution at the firm?

(Note: Yes can only be selected if the individual is applying for (SMF1, SMF3, SMF27 or SMF29))

Mortgage Credit Directive

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm?

(Note: Yes can only be selected if the individual is applying for (SMF1, SMF 3, SMF 27 or SMF 29.)

YES ☐ NO ☐

YES ☐ NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



I have supplied further information
related to this page in Section 6[†]

YES

☐

NO

☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

3.04 **Complete this section only if the application is on behalf of more than one *firm*.**

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.[†]

	Firm Reference Number	Name of <i>firm</i>	Senior management function	Job title	Responsible for insurance distribution?	Responsible for MCD credit intermediation ?	Effective date
a							
b							
c							
d							
e							



I have supplied further information
related to this page in Section 6[†]

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

N.B.: ALL gaps must be accounted for

4.01 Employment details (1) [†]

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"> <tr> <td><i>a</i></td> <td>Employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If c or d is ticked, please give details	<input type="text"/>																					
c	Name of employer	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body																			
				<input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																			
				<input type="text"/>																			
i	Position held	<input type="text"/>																					
j	Responsibilities	<input type="text"/>																					
k	Reason for leaving:	<table border="0"> <tr> <td><i>a</i></td> <td>Resignation</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																					
<i>b</i>	Redundancy	<input type="checkbox"/>																					
<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					

Specify

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

4.02 Employment details (2) [†]

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"><tr><td><i>a</i></td><td>Employed</td><td><input type="checkbox"/></td></tr><tr><td><i>b</i></td><td>Self-employed</td><td><input type="checkbox"/></td></tr><tr><td><i>c</i></td><td>Not employed</td><td><input type="checkbox"/></td></tr><tr><td><i>d</i></td><td>Full-time education</td><td><input type="checkbox"/></td></tr></table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If c or d is ticked, please give details	<input type="text"/>																					
c	Name of employer	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body <input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ? <input type="text"/>																			
i	Position held	<input type="text"/>																					
j	Responsibilities	<input type="text"/>																					
k	Reason for leaving:	<table border="0"><tr><td><i>a</i></td><td>Resignation</td><td><input type="checkbox"/></td></tr><tr><td><i>b</i></td><td>Redundancy</td><td><input type="checkbox"/></td></tr><tr><td><i>c</i></td><td>Retirement</td><td><input type="checkbox"/></td></tr><tr><td><i>d</i></td><td>Termination/dismissal</td><td><input type="checkbox"/></td></tr><tr><td><i>e</i></td><td>End of contract</td><td><input type="checkbox"/></td></tr><tr><td><i>f</i></td><td>Other</td><td><input type="checkbox"/></td></tr></table>				<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																					
<i>b</i>	Redundancy	<input type="checkbox"/>																					
<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					
	Specify	<input type="text"/>																					

I have supplied further information
related to this page in Section 6[†]YES ☐NO ☐[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.01 Criminal Proceedings

When answering the questions in this section the candidate should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the candidate is subject to the law of England and Wales, the candidate must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the candidate is subject to the law of Scotland or Northern Ireland, you must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

- 5.01.1a** Has the *candidate* **ever** been convicted of any criminal offence (whether spent or not and whether or not in the *United Kingdom*):
- iii. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty: or
 - iv. relating to *companies, building societies, industrial and provident societies, credit unions, friendly societies*, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, *money laundering*, market manipulations or *insider dealing*?

YES ☐NO ☐

- b** Is the *candidate* currently the subject of any criminal proceedings, whether in the UK or elsewhere?

YES ☐NO ☐

- c** Has the *candidate* **ever** been given a caution in relation to any criminal offence?

YES ☐NO ☐

- 5.01.2** Has the *candidate* any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?

YES ☐NO ☐

If the answer to questions 5.01.1a or 5.01.2 is “yes”, please provide an official certificate of conviction or equivalent document if and so far as it is available from the UK or, where applicable, another country. Please attach a copy of this form as an Additional Supporting Document.

- 5.01.3** Is the *candidate* the subject of any ongoing criminal investigation?

YES ☐NO ☐

- 5.01.4** Has the *candidate* been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

YES ☐NO ☐

In answering question 5.01.4, you should include all matters even where the candidate was not the subject of the investigation.



I have supplied further information related to this page in Section 6[†]

YES ☐NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.01.5 Has any firm at which the *candidate* holds or has held a position of influence ever:

a Been convicted of any criminal offence?

(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

YES ☐

NO ☐

b Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?

YES ☐

NO ☐

c Been the subject of any criminal proceeding which has not resulted in a conviction?

YES ☐

NO ☐

d Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

YES ☐

NO ☐

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 6[†]

YES ☐

NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.02 Civil Proceedings

5.02.1

Has the candidate, **ever been the subject of a judgment debt or award against the candidate?**

YES ☐

NO ☐

Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form.

You should include all County Court Judgment(s) (CCJs) made against the candidate, whether satisfied or not); and

i) the sum and date of all judgment debts, awards or CCJs (whether satisfied or not); and

ii) the total number of all judgment debts, awards or CCJs ordered.

5.02.2

Has the *candidate* ever been party to any civil proceedings which resulted in any order against the candidate (other than a judgment debt or award referred to in 5.02.1 above)? (You should include, for example, injunctions and employment tribunal proceedings.)

YES ☐

NO ☐

5.02.3

Is the candidate aware of:

a

Any proceedings that have begun or anyone's intention to begin proceedings against the candidate, for a CCJ or another judgment debt?

YES ☐

NO ☐

b

More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgment debt?

YES ☐

NO ☐

YES ☐

NO ☐

5.02.4

Does the candidate have any **current** judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?

YES ☐

NO ☐

5.02.5

Has the *candidate* **ever** failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?

YES ☐

NO ☐



I have supplied further information related to this page in Section 6[†]

YES ☐

NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.02.6	Has the <i>candidate</i> ever:	
a	Filed for the candidate's own bankruptcy or had a bankruptcy petition served on the candidate?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	Been adjudged bankrupt?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/> NO <input type="checkbox"/>
d	Made any arrangements with the candidate's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
e	Had assets sequestrated?	YES <input type="checkbox"/> NO <input type="checkbox"/>
f	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the candidate or result in any kind of agreement with the candidate?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.7	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past (whether or not in the UK or overseas)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.8	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.9	Is the <i>candidate</i> currently:	
a	Party to any civil proceedings (including those covered in 5.02.7 above)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	Aware of anybody's intention to begin civil proceedings against the candidate? (You should include any ongoing disputes whether or not such dispute is likely to result in any order against the candidate.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.10	During the period over which the <i>candidate</i> has held a position of influence and/or in the 10 years after this, has any firm at which the <i>candidate</i> holds or has held a position of influence ever been:	
a	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	The subject of a judgment debt or award against the firm? (You should include all CCJs made against the firm, whether satisfied or not.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES ☐ NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.02.11 Is any firm at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a a party to civil proceedings?

YES ☐ NO ☐

b aware of anyone's intention to begin civil proceedings against them?

YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES ☐ NO ☐

5.03 Business and Employment Matters

5.03.1 Has the *candidate* ever been:

a Disqualified from acting as a director or similar position (one where the candidate acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES ☐ NO ☐

b The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *candidate*)?

YES ☐ NO ☐

c The subject of any investigation which has led or might lead to disciplinary proceedings?

YES ☐ NO ☐

d Notified of any potential proceedings of a disciplinary nature against the candidate?

YES ☐ NO ☐

e The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)

YES ☐ NO ☐

5.03.2 Has the *candidate* ever been refused entry to, or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment or from any fiduciary office or position of trust whether or not remunerated?

YES ☐ NO ☐

5.03.3 Does the *candidate* have any material written complaints made against the candidate by the candidate's clients or former clients in the last five years which the candidate has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES ☐ NO ☐



I have supplied further information related to this page in Section 6[†]

YES ☐ NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.04 Regulatory Matters

5.04.1

In relation to activities regulated by the FCA or any other regulatory body (see section 5 guidance notes), has:

- The *candidate*, or
- Any company, partnership or unincorporated associate of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate's association with the entity and for a period of three years after the candidate ceased to be associated with it, ever –

a	Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
d	Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the candidate or the firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
e	Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
f	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
g	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
h	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
i	Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
j	Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
k	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†]

YES ☐

NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.04.2 In relation to activities regulated by the FCA or any other regulatory body, has the *candidate* or any firm at which the *candidate* holds or has held a position of influence at any time during and within one year of the candidate's association with the firm ever:

- | | | |
|----------|---|--|
| a | Been found to have carried on activities for which authorisation or registration by the FCA or any other regulatory body is required without the requisite authorisations? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| b | Been investigated for the possible carrying on of activities requiring authorisation or registration by the FCA or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the candidate? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| c | Been found to have performed a controlled function (or an equivalent function requiring approval by the FCA/PRA or any other regulatory body) without the requisite approval? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| d | Been investigated for the possible performance of a controlled function (or an equivalent function requiring approval by the FCA or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the candidate? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| e | Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the FCA of the identity of a person acting in a position of influence over its electronic money or payment services business? | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| f | Been the subject of a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning? | YES <input type="checkbox"/> NO <input type="checkbox"/> |

5.05 Other Matters

5.05.1 Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the controlled functions for which approval is now being sought? Please include details of any financial or non-financial interests or relationships of the candidate and their close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders? For the purposes of this question "management body" has the meaning in Directive 2014/65/EU.

YES ☐ NO ☐

5.05.2 Is the *candidate* or the *firm* aware of any other information relevant to this notification that we might reasonably expect from the *candidate*?

YES ☐ NO ☐

Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA*?

Please note that a *firm* is required to request the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R)

YES ☐ NO ☐

If yes, please enter date the check was undertaken

Date (dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.05.4

Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA*?
If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22) “Employer” has an extended meaning for these purposes.

YES ☐ NO ☐



I have supplied further information related to this page in Section 6[†]

YES ☐ NO ☐

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

6.00 Please provide full details of:

- f) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- g) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- h) how the appointment was agreed including details of any discussions at governing body level (where applicable);
- i) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- j) the minimum time that will be devoted to the performance of the *candidate's* functions within the firm (please provide an indication of the time spent per month and per annum);
- k) the human and financial resources devoted to the induction and training of the candidate (please provide an indication of the time spent per annum);
- l) details of any previous assessments of the candidate's fitness and propriety as a controller or director which have been undertaken by any other regulatory body (if known) (please include the date of the assessment, the name of the regulatory body and details of the outcome);

If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5)

6.01

m)

Question	Information

6.03

Firms must also provide the following supporting documents required with this form (please tick)

	<i>Statement of Responsibilities</i>
	<i>Candidate's Curriculum Vitae (C.V)</i> The <i>candidate's</i> C.V. should include the names of all organisations where the <i>candidate</i> has worked during the past ten years, details of the nature and duration of the functions performed at those organisations and details of any activities at those organisations which are related to the role for which approval is being sought. The C.V. should also include details of all delegated powers and internal decision-making powers and details of the areas of operations for which the candidate was responsible whilst working at the organisations above. The information above does not need to be included in the C.V. if it has been provided in Section 4 of this form.
	References in relation to the <i>candidate's</i> reputation and experience (including contact details of the referees).

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

	Role(s) description
	Organisational chart
	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

In addition, enhanced scope SMCR firms must also provide:-

	A copy of the firm's <i>management responsibilities map</i> (SYSC 25.1 SYSC 4.6 and SUP 10C.9.10G)
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G)

6.04

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Declaration of *Candidate*

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another regulatory body.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

a) I authorise the *FCA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Disclosure and Barring Service for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Code of Conduct for staff sourcebook (COCON)

(<https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter>)

Tick here to confirm you have read and understood this declaration: ☐

7.01 *Candidate's* full name[†]

7.02 Signature*

Date[†]

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Declaration of Firm

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and to notify the *FCA* immediately if materially inaccurate information has been provided.

COCON 4.2.27G provides that, where an *approved person* is responsible for reporting matters to the *FCA*, failure to inform the *FCA* of materially significant information of which he is aware is a breach of *Senior Conduct Rule 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the *FCA*. It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another regulatory body.

In making this application the *firm* believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

In signing this form on behalf of the firm:

- a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
- b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 3.05. I also confirm that a copy of this Form, as submitting to the *FCA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA*.
- c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Code of Conduct for Staff Sourcebook (COCON)

(<https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter>)

7.03 Name of the *firm* submitting the application[†]

7.04 Name of *person* signing on behalf of the *firm*[†]

7.05 Job title[†]

7.06 Signature^{*}

Date[†]

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10A/Annex4.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Short Form A – Dual-regulated firms (including EEA and third country firms)

Application to perform controlled functions including *senior management functions*

FCA Handbook Reference: SUP 10C Annex 3D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications⁶

[Commencement Date]

Name of *candidate*
(to be completed by applicant firm)

Name of applicant *firm*
(as entered in 2.01)

Firm reference number
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA-
ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

⁶ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Personal identification details**Section 1**

1.01 a	<i>Candidate</i> Individual Reference Number (IRN)	
b	OR name of previous regulatory body	
c	AND previous reference number (if applicable)	
1.02	Title (e.g. Mr, Mrs, Ms,)	
1.03	Surname	
1.04	ALL forenames	
1.05	Name commonly known by	
1.06	Date of birth (dd/mm/yyyy)	
1.07	National Insurance number	
1.08	Previous name	
1.09	Date of name change	
1.10 a	Nationality	
b	Passport number (if National Insurance number not available)	
1.11	Place of birth	
1.12	Phone number	
1.13	Email address	



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

1.14 a Private address

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

1.16 a Previous address 2

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

2.01	Name of <i>firm</i> making the application	
2.02	<i>Firm</i> Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Phone number	
d	E-mail	

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

Arrangement and Senior Management Functions Section 3A

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative* then please complete section 3B.

3A.01 Nature of the arrangement between the candidate and the applicant firm.

a *Employee* ☐

b *Group employee* ☐

Name of group

c *Contract for services* ☐

d *Partner* ☐

e *Other* ☐

Give details

Proposed date of appointment

Length of appointment (if applicable)

3A.02 For applications from a single firm, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one firm, please leave blank and go to question **3A.04**

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

*UK Banks' refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

Insurance distribution

Will the *candidate* be responsible for Insurance distribution at the *firm*?

YES ☐ NO ☐

☐

(Note: Yes can only be selected if the *candidate* is applying for a governing function (other than a non-executive director function))

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm? YES ☐ NO ☐



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

3A.04 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.[†]

	<i>Firm Reference Number</i>	<i>Name of firm</i>	<i>Senior Management Function</i>	<i>Job title</i>	<i>Responsible for insurance distribution?</i>	<i>Responsible for mortgage credit intermediation?</i>	<i>Effective date</i>
a							
b							
c							
d							
e							



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Arrangements and controlled functions – Appointed Representatives Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 3A.

3B.01 Nature of the *arrangement* between the *candidate* and the applicant.

a	Appointed representative/tied agent – customer function	<input type="checkbox"/>
	AR firm name and reference number	
b	Appointed representative/tied agent – governing function	<input type="checkbox"/>
	AR firm name and reference number	
c	Other	<input type="checkbox"/>
	Give details	

3B.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3B.05**.

A *Significant influence functions*

CF 1 *Director function* ☐

☐

CF 3 *Chief executive function* ☐

CF 4 *Partner function* ☐

CF 5 *Director of an unincorporated association function* ☐

☐

B Customer function

CF 30 Customer function

3B.03 Effective date of *controlled functions* indicated above

3B.04 Job title

Please refer to notes on the requirements for submitting a CV.

I have supplied further information related to this page in Section 6[†]

YES ☐NO ☐

3B.05 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	<i>Controlled function</i>	Job title	Effective date
a					
b					
c					
d					
e					



I have supplied further information
related to this page in Section 6

YES ☐ NO ☐

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

5.1

Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required, under *PRA* rules, to request and, under *FCA* rules, to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc.) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and *PRA* Rulebook: Fitness and Propriety).⁷

YES ☐NO ☐

If yes, please enter date the check was undertaken.

Date (dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details in section 6.

5.2

Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*.

If no, please provide details why the reference or references has/have not been obtained.

YES ☐NO ☐

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety in the PRA Rulebook⁸. "Employer" has an extended meaning for these purposes.



I have supplied further information related to this page in Section 6

YES ☐NO ☐

⁷ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

⁸ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

¹⁰ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying

	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The *candidate* authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

Where applicable, the *candidate* agrees that they may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and *PRA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

The *candidate* confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA's COCON* and/or the *PRA Rulebook: Conduct Rules*.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration: ☐

7.01 Name of *candidate*

7.02 Signature

Date

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA handbook* and/or the Fitness and Propriety sections in the *PRA Rulebook* that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON* and/or the *PRA Rulebook: Conduct Rules*.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *Firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the Applicant *firm*:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those firms at the same time as submitting the form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application

7.04 Name of *person* signing on behalf of the *firm*

7.05 Job title

7.06 Signature

Date



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at <https://www.handbook.fca.org.uk/handbook/SUP/10A/Annex5.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Form B

Notice to withdraw an application to perform *controlled functions* (including *senior management functions*)

This form is also to be used for notice to withdraw an application to add, vary or remove a conditional approval

FCA Handbook Reference: SUP 10C Annex 4R

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications¹¹

[Commencement Date]

Name of *candidate* / approved person
(as applicable)
(to be completed by applicant *firm*)

Name of applicant *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

¹¹ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Personal identification details

Section 1

1.01 *Candidate/Approved Person* Individual
Reference Number (IRN)

1.02 Title
(e.g. Mr, Mrs, Ms)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.07 *Candidate/Approved Person's* private
address

1.08 Phone number

1.09 Email address



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

Firm identification details**Section 2**

2.01	Name of applicant <i>firm</i>	
2.02	Firm Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the applicant <i>firm</i> in relation to this notice?	
b	Position	
c	Phone number	
d	E-mail	

Please note that the contact at the applicant firm cannot be the same person as the candidate

2.04 Firms included on application form (including applicant *firm*)

	FRN	Name of <i>firm</i>	Controlled function or Senior Management Function
a			
b			
c			
d			
e			

If this is notice to withdraw an application to perform *controlled functions* (including *senior management functions*), please complete sections 3, 5, and 6.

If this is notice to withdraw an application to vary a conditional approval for the performance of a *senior management function*, please complete sections 4, 5 and 6.

3.01

Indicate the reason for withdrawal of application to perform *controlled functions* including *senior management functions*

- | | | |
|---------------------------|---|--------------------------|
| <i>a</i> | Internal movement of staff | <input type="checkbox"/> |
| <i>b</i> | Dismissal/Termination of employment or contract | <input type="checkbox"/> |
| <i>c</i> | Resignation | <input type="checkbox"/> |
| <i>d</i> | Redundancy | <input type="checkbox"/> |
| <i>e</i> | Withdrawal of offer of employment | <input type="checkbox"/> |
| <i>f</i> | End of contract | <input type="checkbox"/> |
| <i>g</i> | Suspension | <input type="checkbox"/> |
| <i>h</i> | Other | <input type="checkbox"/> |
| GIVE DETAILS IN SECTION 5 | | |



I have supplied further information related to this page in Section 5

YES ☐NO ☐

4.01

Only complete this section if this is notice to withdraw an application to vary a conditional approval for the performance of a *senior management function*.

Indicate the reason(s) for withdrawal of an application to vary a conditional approval for the performance of a *senior management function* (including reference number of prior application).



I have supplied further information
related to this page in Section 5

YES

☐

NO

☐

- 5.01** Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly to which question supplementary information relates.

Question	Information

- 5.02** How many additional sheets are being submitted?

DECLARATION OF CANDIDATE/APPROVED PERSON

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000 – ‘FSMA’).

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

Data Protection

For the purposes of complying with the Data Protection Act 1998, the personal information in this form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under FSMA and other relevant legislation, and it will not be disclosed for any other purposes without the permission of the *candidate*

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

6.01 *Candidate/approved person’s full name*

6.02 Signature

Date

DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM (if applicable)

We concur that the application to perform *controlled functions* (including *senior management function*) made in respect of the above *candidate* should be withdrawn with immediate effect.

6.03 Name of *appointed representative*
or other *firm*

6.04 Name of *person* signing
on behalf of the *appointed representative*
or other *firm*

6.05 Job title

6.06 Signature

Date

DECLARATION BY APPLICANT *FIRM*

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of FSMA). *SUP* 15.6.1R and *SUP* 15.6.4R (*FCA*) and Notifications in the *PRA Rulebook (PRA)*¹² require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided. In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the appropriate regulator matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals. It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

6.07	Name of applicant <i>firm</i>	
6.08	Name of <i>person</i> signing on behalf of the applicant <i>firm</i>	
6.09	Job title	
6.10	Signature	
	Date	

¹² The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The **FCA** has produced notes which will assist both the applicant *firm* and the *approved person* in answering the questions in this form. Please read these notes, which are available on the **FCA** website at

<https://www.handbook.fca.org.uk/handbook/SUP/10A/Annex6.html>

Both the applicant *firm* and the *approved person* will be treated by the **FCA** and **PRA** as having taken these notes into consideration when completing this form.

Terms defined in either or both of the **FCA** Handbook or the **PRA** Rulebook are italicised and should be construed accordingly.

Form C

Notice of ceasing to perform *controlled functions* including *senior management functions*

FCA Handbook Reference: SUP 10C Annex 5R (Notifications)

PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications¹³

[Commencement date]

Name of *approved person*

Name of *firm* (as entered in 2.01)

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

United Kingdom

Telephone +44 (0) 300 500 0597

E-mail firm.queries@fca.org.uk

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail PRA-ApprovedPersons@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

¹³ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Personal identification details	Section 1
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1.01	Individual Reference Number (IRN)	
1.02	Title (e.g. Mr, Mrs, Ms)	
1.03	Surname	
1.04	ALL forenames	
1.05	Date of birth	
1.06	National Insurance number	
1.07	<i>Approved person's</i> private address	
1.08	Phone number	
1.09	Email address	

2.01 Name of applicant *firm*

2.02 Firm Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?

b Business address

c Position

d Phone number

g E-mail

3A.01

If the *firm* is submitting this notification on behalf of an appointed representative, please complete section 3B instead.

List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *senior management function* is indicated in column B, the FCA and/ or PRA should be notified in accordance with SUP 10C.14.7R, SUP 10C.14.8G of the FCA Handbook and/or Notifications; Senior Managers Regime - Applications and Notifications parts of the PRA Rulebook, as applicable by telephone, fax or email) that this Form will be submitted.

				Reason	
FRN	Name of firm	Senior management function	Effective date	A	B Full explanation in section 4
a			/ /	Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
b				Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
c				Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
d				Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)

e					Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
---	--	--	--	--	--	--



I have supplied further information YES ☐ NO ☐
related to this page in Section 4[†]

3A.02 Does the *firm* also seek to notify the *FCA* and/or *PRA* under one or both of section 63(2A) (withdrawal of approval) or section 64C (Requirement for Relevant Authorised Persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000?

YES ☐ NO ☐

If the *firm* has answered “No”, please go to section 4.

If the *firm* has answered “Yes”, please complete the below.

3A.03 If the *firm* is making a notification under question 3.02 based on any breach(es) of the individual or senior manager conduct rules set out in the *FCA*’s COCON or *PRA*’s Conduct Rules, please complete the relevant boxes below.

	Tick the rule(s) relevant to this notification
Individual Conduct Rules	
Rule 1: You must act with integrity.	<input type="checkbox"/>
Rule 2: You must act with due skill, care and diligence.	<input type="checkbox"/>
Rule 3: You must be open and cooperative with the <i>FCA</i> , the <i>PRA</i> and other regulators.	<input type="checkbox"/>
Rule 4: You must pay due regard to the interests of <i>customers</i> and treat them fairly.	<input type="checkbox"/>
Rule 5: You must observe proper standards of market conduct.	<input type="checkbox"/>
Senior Manager Conduct Rules	
SC1: You must take reasonable steps to ensure that the business of the <i>firm</i> for which you are responsible is controlled effectively.	<input type="checkbox"/>
SC2: You must take reasonable steps to ensure that the business of the <i>firm</i> for which you are responsible complies with relevant requirements and standards of the <i>regulatory system</i> .	<input type="checkbox"/>
SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate <i>person</i> and that you oversee the discharge of the delegated responsibility effectively.	<input type="checkbox"/>
SC4: You must disclose appropriately any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	<input type="checkbox"/>
SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their	<input type="checkbox"/>

	Tick the rule(s) relevant to this notification
Individual Conduct Rules	
insured benefits.	

3A.04 For each breach please provide the following information. Please attach additional sheets as necessary.

<p>Details of the breach:</p>

3A.05 If the *firm* is making a notification under section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions 3.03 and 3.04 above. If necessary please cross refer to the answers provided.

--

3A.06 If the *firm* is making a notification under section 63(2A) (withdrawal of approval) of Financial Services and Markets Act 2000, please provide details below. Please do not repeat information already included in the answers to Questions 3A.05 and 3A.06 above. If necessary please cross refer to the answers provided.

--

If the firm is submitting this notification on behalf of an *approved person* performing *controlled functions* at an appointed representative, please complete this section.

3B.01 Please complete this section if you are submitting this notification on behalf of an *approved person* performing *controlled functions* at an FCA solo regulated firm prior to commencement of the SMCR. Following commencement of the SMCR only appointed representatives should complete this section. All other *SMCR firms* should complete Section 3A instead.

List all *controlled functions* (other than senior management functions) which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *controlled function* is indicated in column B, the FCA should be notified in accordance with SUP 10A.14.10R, SUP 10A.14.11G, SUP 10B.12.12.R and SUP (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted).

				Reason	
FRN	Name of firm	Controlled function	Effective date	A	B Full explanation in section 4
a				Internal move-ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
b				Internal move-ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
c				Internal move-ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
d				Internal move-ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)

e

				Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
--	--	--	--	--	--



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

4.01 Is there any other information the approved person or the firm considers to be relevant to this notice?

Please provide full details

4.02 Please indicate clearly to which question the supplementary information relates.

Question	Information

4.03 How many additional sheets are being submitted?

Supporting Documents

Indicate the required supporting documents to accompany this form.

Documents	Mode (by email, fax or post)

Other information (please specify)

--

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of FSMA). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the *individuals*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and/or *PRA* to discharge their statutory functions under FSMA and other relevant legislation, and will not be disclosed for any other purposes without the permission of the firm.

The *firm* confirms that the information in this form is accurate and complete to the best of its knowledge and belief. The *firm* will notify the *FCA* and/or *PRA*, as applicable, immediately if there is a material change to the information provided.

If the *firm* submits this form on behalf of one or more other *firms*, the *firm* confirms that it is duly authorised by such *firm(s)* to make such submission.

The *FCA* and/or *PRA* may seek to verify the information given in this form. The *firm* authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form.

I confirm that a permanent copy of this application, signed by the *firm*, will be retained for an appropriate period, for inspection at the *FCA*'s and/or *PRA*'s request.

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory note relating to the form.

By signing below you confirm that you have read and understood the above declaration.

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



FINANCIAL
CONDUCT
AUTHORITY

Application number
(for FCA/PRA use only)

The *FCA* has produced notes which will assist both the *firm* and the *approved person* in answering the questions in this form. Please read these notes, which are available on the *FCA* website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10A/Annex7.html>

Both the *firm* and the *approved person* will be treated by the *FCA* and *PRA* as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

Form D Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

FCA Handbook Reference: SUP 10C Annex 6R

PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications¹⁴,
[Commencement date]

Name of approved person
(to be completed by *firm*)

Name of *firm*
(as entered in 4.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

Telephone +44 (0) 300 500 0597

E-mail firm.queries@fca.org.uk

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom

Telephone +44 (0) 203 461 7000

E-mail PRA-ApprovedPersons@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

¹⁴ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

What sections should you complete?

The question below will help you determine the sections of the form you must complete.

Please select the outcome

Change in personal details

YES ☐ You must complete sections 1, 2, 6 (if applicable) & 7

Change in *arrangements*

YES ☐ You must complete sections 1, 2, 3, 4, 6 (if applicable) & 7

Change to fitness and propriety information

YES ☐ You must complete sections 1, 2, 5, 6 (if applicable) & 7

Notifications under section 64C of the Financial Services and Markets Act 2000(FSMA)

YES ☐ You must complete sections 1, 2, 6 & 7

Input applicant *firm* contact for this notification. Please note that the contact at the applicant *firm* contact cannot be the same person as the approved person to whom this application relates.

1.01	Title (e.g. Mr, Mrs, Ms)	
1.02	First name	
1.03	Surname	
1.04	Job title	
1.05	Business address	
	Post code	
1.06	Phone number	
1.07	Email address	



I have supplied further information
related to this page in Section 7

YES

☐

NO

☐

2.01 *Approved person* Individual Reference Number (IRN)

DETAILS TO BE CHANGED

2.02 Title
(e.g. Mr, Mrs, Ms)

2.03 Surname

2.04 ALL forenames

2.05 National Insurance number

2.06 Nationality

2.07 Passport number

2.08 Job title or position

2.09 Effective date of change

2.10 Reason for change



I have supplied further information
related to this page in Section 7

YES

☐

NO

☐

Arrangements and Controlled Functions (including Senior Management Functions) Section 3

Add New Arrangement

3.01 State the nature of the *arrangement* between the *approved person* and the firm?

Employee

☐ Continue to Section 4

Group employee

☐ Continue to Question 3.02

Contract for services

☐ Continue to Section 4

Appointed Representative

☐ Continue to Question 3.04

Other arrangement

☐ Continue to Question 3.03

3.02 Name of *group*
(Once completed continue to Section 4.)

3.03 Details of the other *arrangement*
(Once completed continue to Section 4.)

Appointed Representatives

3.04 **Please provide details of the Appointed Representatives you would like to add and/or remove.**

If you are removing an Appointed Representative you will need to consider whether to submit a withdrawal of a controlled function (Form C) and/or an Appointed Representative termination.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many here.

Appointed Representative 1

Are you adding or removing an Appointed Representative?

Add ☐ Remove ☐

Appointed Representative Firm Reference Number

Firm name

Effective date (dd/mm/yyyy)

Appointed Representative 2

Are you adding or removing an Appointed Representative?

Add ☐ Remove ☐

Appointed Representative Firm Reference Number

Firm name

Effective date (dd/mm/yyyy)

Appointed Representative 3

Are you adding or removing an Appointed Representative?

Add ☐ Remove ☐

Appointed Representative Firm Reference Number

Firm name

Effective date (dd/mm/yyyy)

Appointed Representative 4

Are you adding or removing an Appointed Representative?

Add ☐ Remove ☐

Appointed Representative Firm Reference Number

Firm name

Effective date (dd/mm/yyyy)

4.01 Name of *firm* making the notification

4.02 Firm Reference Number (FRN)

4.03

Other *firms* for whom the *approved person* performs *senior management functions* or, for FCA solo regulated firms prior to the commencement of the SMCR, performs *controlled functions*.

	FRN	Name of <i>firm</i>	<i>Senior management function/controlled function</i>
A			
B			
C			
D			
E			

I have supplied further information
related to this page in Section 7

YES

☐

NO

☐

Only complete Section 5 if the notification relates to changes to the *approved person's* fitness and propriety.

5.00 Do you want to notify us of a change to the *approved person's* fitness and propriety?

YES ☐ NO ☐

5.01 Criminal Proceedings

When answering the questions in this section the *approved person* should include matters whether in the *UK* or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *approved person* is subject to the law of England and Wales, the *approved person must* disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *approved person* is subject to the law of Scotland or Northern Ireland, the *approved person must* disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

If you answer 'yes' to any of the questions in Section 5, further details should be provided in Section 7.

If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included in Section 7.

5.01.1 a Has the *approved person* **ever** been convicted of any criminal offence (whether spent or not and whether or not in the *UK*):

- v. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or
- vi. relating to *companies, building societies, industrial and provident societies, credit unions, friendly societies*, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, *money laundering*, market manipulations or *insider dealing*?

YES ☐ NO ☐

B Is the *approved person* currently the subject of any criminal proceedings, whether in the *UK* or elsewhere?

YES ☐ NO ☐

C Has the *approved person* **ever** been given a caution in relation to any criminal offence?

YES ☐ NO ☐

5.01.2 Has the *approved person* any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?

YES ☐ NO ☐

5.01.3 Is the *approved person* the subject of any ongoing criminal investigation?

YES ☐ NO ☐



I have supplied further information related to this page in Section 7

YES ☐ NO ☐

5.01.4 Has the *approved person* been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

YES ☐ NO ☐

In answering question 5.01.4, you should include all matters even where the *approved person* was not the subject of the investigation.

5.01.5 Has any *firm* at which the *approved person* holds or has held a position of influence **ever**:

(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

A Been convicted of any criminal offence?

YES ☐ NO ☐

B Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?

YES ☐ NO ☐

C Been the subject of any criminal proceeding which has not resulted in a conviction?

YES ☐ NO ☐

D Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

YES ☐ NO ☐

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information
related to this page in Section 7

YES ☐ NO ☐

5.02 Civil Proceedings

5.02.1	<p>Has the <i>approved person</i> ever been the subject of a judgement debt or award against the <i>approved person</i> (whether satisfied or not)?</p> <p>Please give a full explanation of the events in question.</p> <p>The <i>approved person</i> should include all County Court Judgement(s) (CCJs) made against the <i>approved person</i>, whether satisfied or not; and</p> <p>i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and</p> <p>ii) the total number of all judgement debts, awards or CCJs ordered.</p>	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
5.02.2	<p>Has the <i>approved person</i> ever been party to any civil proceedings which resulted in any order against the <i>approved person</i> (other than a judgement debt or award referred to in 5.02.1 above)? (the <i>approved person</i> should include, for example, injunctions and employment tribunal proceedings.)</p>	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
5.02.3	<p>Is the <i>approved person</i> aware of:</p>	
A	Any proceedings that have begun, or anyone’s intention to begin proceedings against the <i>approved person</i> , for a CCJ or another judgement debt?	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
B	More than one set of proceedings, or anyone’s intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
C		<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
5.02.4	Does the <i>approved person</i> have any current judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>
5.02.5	Has the <i>approved person</i> ever failed to satisfy any such judgement debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?	<div>YES <input type="checkbox"/></div> <div>NO <input type="checkbox"/></div>

➔

I have supplied further information related to this page in Section7

YES ☐

NO ☐

5.02.6

Has the *approved person* **ever**:

- A** Filed for the *approved person*'s own bankruptcy or had a bankruptcy petition served on the *approved person*?
- B** Been adjudged bankrupt?
- C** Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?
- D** Made any arrangements with the *approved person*'s creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?
- E** Had assets sequestrated?

YES ☐ NO ☐

YES ☐ NO ☐

YES ☐ NO ☐

YES ☐ NO ☐

YES ☐ NO ☐

5.02.7

Does the *approved person*, or any undertaking under their management, have any outstanding financial obligations arising from *regulated activities*, which have been carried out in the past (whether or not in the *UK* or overseas)?

YES ☐ NO ☐

5.02.8

Has the *approved person* **ever** been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?

YES ☐ NO ☐

5.02.9

Is the *approved person* currently:

- A** Party to any civil proceedings (including those covered in 5.02.7 above)?
- B** Aware of anybody's intention to begin civil proceedings against the *approved person*? (The *approved person* should include any ongoing disputes whether or not such dispute is likely to result in any order against the *approved person*).

YES ☐ NO ☐

YES ☐ NO ☐

5.02.10

During the period over which the *approved person* has held a position of influence and/or in the 10 years after this, has any firm at which the *approved person* holds or has held a position of influence **ever** been:

- A** Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?
- B** The subject of a judgement debt or award against the firm? (The *approved person* should include all CCJs made against the firm, whether satisfied or not.)
- C** Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?

YES ☐ NO ☐

YES ☐ NO ☐

YES ☐ NO ☐



I have supplied further information related to this page in Section 7

YES ☐ NO ☐

5.02.11 Is any firm at which the *approved person* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

A a party to civil proceedings; and/or

YES ☐ NO ☐

B aware of anyone's intention to begin civil proceedings against them?

YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the *approved person* is or has been a *controller*, director, senior manager, *partner* or company secretary, in the *UK* or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES ☐ NO ☐



I have supplied further information
related to this page in Section 7

YES ☐ NO ☐

5.03 Business and Employment Matters

5.03.1 Has the *approved person* **ever** been:

A Disqualified from acting as a director or similar position (one where the *approved person* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES ☐ NO ☐

B The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *approved person*)?

YES ☐ NO ☐

C The subject of any investigation which has led or might lead to disciplinary proceedings?

YES ☐ NO ☐

D Notified of any potential proceedings of a disciplinary nature against the *approved person*?

YES ☐ NO ☐

E The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)

YES ☐ NO ☐

5.03.2 Has the *approved person* **ever** been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES ☐ NO ☐

5.03.3 Does the *approved person* have any material written complaints made against the *approved person* by the *approved person*'s clients or former clients in the last five years which the *approved person* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES ☐ NO ☐

5.03.4 Has the *candidate* ever participated in arbitration proceedings? (This question only applies where the applicant firm is a Solvency II insurance firm)



I have supplied further information related to this page in Section 7 YES ☐ NO ☐

5.04 Regulatory Matters

5.04.1

In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see the guidance notes on section 5), has:

- The *approved person*, or
- Any company, partnership or unincorporated association of which the *approved person* is or has been a *controller*, director, senior manager, *partner* or company secretary, during the *approved person's* association with the entity and for a period of three years after the *approved person* ceased to be associated with it, **ever** –

A	Been refused, had revoked, restricted, been suspended from or terminated any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/> NO <input type="checkbox"/>
B	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/> NO <input type="checkbox"/>
C	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>approved person</i> or the firm?	YES <input type="checkbox"/> NO <input type="checkbox"/>
D	Been the subject of an investigation by any regulatory body whether or not such an investigation resulted in a finding against the <i>candidate</i> or the firm?	YES <input type="checkbox"/> NO <input type="checkbox"/>
E	Been required or requested to produce documents or any other information to any regulatory body in connection with an investigation (whether against the firm or otherwise)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
F	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/> NO <input type="checkbox"/>
G	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?	YES <input type="checkbox"/> NO <input type="checkbox"/>
H	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body not to proceed with it?	YES <input type="checkbox"/> NO <input type="checkbox"/>
I	Been the subject of any civil action related to any <i>regulated activity</i> which has resulted in a finding by a court?	YES <input type="checkbox"/> NO <input type="checkbox"/>
J	Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?	YES <input type="checkbox"/> NO <input type="checkbox"/>
K	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
a.	Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant firm is a Solvency II insurance firm)	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 7

YES ☐ NO ☐

5.04.2

In relation to activities regulated by the *FCA/PRA* or any other regulatory body, has the *approved person* or any firm at which the *approved person* holds or has held a position of influence at any time during and within one year of the *approved person's* association with the firm **ever**:

A	Been found to have carried on activities for which authorisation or registration by the <i>FCA/PRA</i> or any other regulatory body is required without the requisite authorisations?	YES <input type="checkbox"/> NO <input type="checkbox"/>
----------	---	--

B	Been investigated for the possible carrying on of activities requiring authorisation or registration by the <i>FCA/PRA</i> or any other regulatory body, without the requisite authorisation whether or not such investigation resulted in a finding against the <i>approved person</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C	Been found to have performed a <i>senior management function</i> or other <i>controlled function</i> (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other regulatory body) without the requisite approval?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
D	Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the approved person?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
E	Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the <i>FCA/PRA</i> of the identity of a person acting in a position of influence over its electronic money or payment services business?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
F	Been the subject of a prohibition order under section 56 Financial Services and Markets Act 2000, or received a warning notice proposing that such a direction or order be made, or received a private warning?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 7

YES ☐ NO ☐

5.05 Other Matters

5.05.1	Is the <i>approved person</i> , in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the <i>controlled functions</i> (including senior management functions) for which approval is now being sought?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.05.2	5.05.2 should only be answered if the firm is a Solvency II insurer. Does the <i>approved person</i> have, or know of any:		
A	Qualifying ownership ¹⁵ or any other form of substantial influence in the <i>firm</i> or <i>group</i> , or any other companies	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	If yes, please provide: 1. Company name and registration number 2. Nature and scope of the operations 3. The registered office of the company 4. Possession in percentage		
B	Close relatives with ownership shares in the <i>firm</i> or <i>group</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C	Close relatives with any other financial relations in the <i>firm</i> or <i>group</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>

¹⁵ As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is 'direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking'.

D	Any other commitments that may give rise to a conflict of interest	YES <input type="checkbox"/>	NO <input type="checkbox"/>
----------	--	------------------------------	-----------------------------

If the response is 'yes' to any of the above, please provide, in Section 6, explanations of the circumstances and how the *candidate* intends to mitigate this.

5.05.3	Is the <i>approved person</i> or the <i>firm</i> aware of any other information relevant to this notification that the <i>FCA/PRA</i> might reasonably expect	YES <input type="checkbox"/>	NO <input type="checkbox"/>
---------------	---	------------------------------	-----------------------------



I have supplied further information related to this page in Section 7	YES <input type="checkbox"/>	NO <input type="checkbox"/>
---	------------------------------	-----------------------------

Fitness and Propriety – Notifications under section 64C of the Financial Services and Markets Act 2000

Section 6

This section does not apply to appointed representatives. It should be completed by an SMCR firm to:

- (a) make a notification of disciplinary action (as defined in section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of FSMA) due to any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules set out in the *FCA*'s COCON or *PRA* Conduct Rules;
- (b) make a follow up notification to update a determination that has previously been the subject of a notification made by the firm in relation to (a) (and to the extent required by, in the case of the *FCA*, SUP 10C, SUP 15.6.4R and SUP 15.11.8G, or in the case of the *PRA*, Notifications in the Rulebook¹⁶).

6.01 Initial or update on previous notification

6.01.1 Is the firm updating a previous notification made under section 64C of FSMA?

YES ☐ NO ☐

If the firm has answered "No", please go to section 6.02.

If the firm has answered "Yes", please complete the below:

Date of previous notification:
Please provide brief details of prior notification including reference number:
Description of the update to the previous notification:

6.02 Notification of disciplinary action where the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules.

6.02.1 Please include details in the relevant boxes below of the individual or senior manager conduct rules set out in the *FCA*'s COCON or *PRA* Conduct Rules, relevant to this notification.

	Tick the rule(s) relevant to this notification
Individual Conduct Rules	
Rule 1: You must act with integrity.	<input type="checkbox"/>
Rule 2: You must act with due skill, care and diligence.	<input type="checkbox"/>
Rule 3: You must be open and cooperative with the <i>FCA</i> , the <i>PRA</i> and other regulators.	<input type="checkbox"/>
Rule 4: You must pay due regard to the interests of <i>customers</i> and treat them fairly.	<input type="checkbox"/>
Rule 5: You must observe proper standards of market conduct.	<input type="checkbox"/>
Senior Manager Conduct Rules	
SC1: You must take reasonable steps to ensure that the business of the <i>firm</i> for which you are responsible is controlled effectively.	<input type="checkbox"/>
SC2: You must take reasonable steps to ensure that the business of the <i>firm</i> for which you are responsible complies with relevant requirements and standards of the <i>regulatory system</i> .	<input type="checkbox"/>
SC3: You must take reasonable steps to ensure that any delegation of your	<input type="checkbox"/>

¹⁶ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

responsibilities is to an appropriate <i>person</i> and that you oversee the discharge of the delegated responsibility effectively.	
SC4: You must disclose appropriately any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	<input type="checkbox"/>
SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their insured benefits.	<input type="checkbox"/>

6.02.2 For each breach of an individual or senior manager conduct rule please provide the following information. Please attach additional sheets as necessary.

Relevant rule(s): Date when breach came to the attention of the <i>firm</i> : Date or period of breach: Further details of the breach:

6.02.3 Please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions 6.02.1 and 6.02.2 above. If necessary please cross refer to the answers provided.

--



I have supplied further information
related to this page in Section 7

YES

☐

NO

☐

- 7.01

Full details must be provided here if any questions have been answered “yes” in Section 5 (Fitness and Propriety) and if there if there is any other information the *approved person* or the *firm* considers to be relevant to the notification?

Please provide full details.

Please indicate clearly to which question the supplementary information relates.

Question	Information

- 7.02

How many additional sheets are being submitted?

Supporting Documents

7.03 Indicate the required supporting documents to accompany this form.

Documents

Declaration

The *firm* must ask the *approved person* to make the declaration only where the *firm* becomes aware of information that would reasonably be material to the assessment of the *approved person's* continuing fitness and propriety.

However, note that it may not be appropriate to ask the *approved person* to make the declaration below where the applicant *firm* becomes aware of information that would reasonably be material to the assessment of that *approved person's* continuing fitness and propriety.

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of FSMA). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the *approved person*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* and/or *PRA* to discharge their statutory functions under FSMA and other relevant legislation, and will not be disclosed for any other purposes without the permission of the *firm*.

DECLARATION OF APPROVED PERSON

The *approved person* confirms that they are aware that, for the purposes of complying with the Data Protection Act 1998, the personal information in this form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under FSMA and other relevant legislation. It will not be disclosed for any other purposes without the permission of the *approved person*.

The *approved person* confirms that the information in this form is accurate and complete to the best of their knowledge and belief and that they have read the notes to this form. The *approved person* will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.

The *FCA* and/or *PRA* may seek to verify the information given in this form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it considers appropriate. The *approved person* authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form. The *approved person* also understands that the results of these enquiries may be disclosed to the *firm* / their employer.

8.01 Full name of *approved person*

i.e. Title, forenames, SURNAME

8.02 Signature

Date

DECLARATION OF FIRM

The *firm* confirms that the information in this form is accurate and complete to the best of its knowledge and belief. The *Firm* will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.

If the *firm* submits this form on behalf of one or more other *firms*, the *firm* confirms that is duly authorised by such *firm(s)* to make such submission.

The *FCA* and/or *PRA* may seek to verify the information given in this form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it considers appropriate. The *firm* authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form.

By signing below, the person submitting this form on behalf of the *firm* confirms that this form is accurate and complete to the best of their knowledge and he or she has read and understood the notes to this form and the declaration given by the *firm*.

8.03 Name of the *firm*

8.04 Name of *person* signing on behalf of the *firm*

8.05 Job title

8.06 Signature

Date

Application number
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Form E

Internal transfer of a person performing a controlled function for dual regulated firms

FCA Handbook Reference: SUP 10C Annex 7D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications¹⁷

[Commencement Date]

Name of *candidate*
(to be completed by applicant *firm*)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

¹⁷ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Personal identification details

Section 1

1.01 Individual Reference Number (IRN)

1.02 Title
(e.g. Mr, Mrs, Ms,)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.07 Place of birth

1.08 Phone number

1.09 Email address

Firm identification details

Section 2

2.01 Name of applicant *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the applicant *firm* in relation to this application?

B Position

C Phone number

D E-mail

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information
related to this page in Section 5

YES

☐

NO

☐

- 3.01** List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	FRN	Name of <i>firm</i>	Senior Management function	Effective date
A				
B				
C				
D				
E				



I have supplied further information
related to this page in Section 5

YES ☐

NO ☐

4A.01

Nature of the arrangement between the candidate and the applicant.

a

Employee

☐

b

Group employee

☐

Name of group

c

Contract for services

☐

d

Partner

☐

e

Other

☐

Give details

Proposed date of appointment

Length of appointment (if applicable)

4A.02

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed.

If the *senior management functions* are to be performed for more than one *firm*, please leave the boxes below blank and go to question 4.05

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

* 'UK Banks' refers to UK banks, building societies and PRA designated investment firms

4A.03 Job title

4A.04 Insurance distribution

Will the *candidate* be responsible for insurance distribution at the firm?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function).)

4A.05 Mortgage Credit Directive

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm?

YES

☐

NO

☐

4A.06 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* and/or *PRA*?

Please note that a *firm* is required under *PRA* rules to request and, under *FCA* rules to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and *PRA* Rulebook – Fitness and Propriety)¹⁸

If yes, please enter date the check was undertaken

Date(dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details in section 5.



I have supplied further information
related to this page in Section 5

YES ☐ NO ☐

¹⁸ The relevant section of the *PRA* Rulebook should be referred to depending on which firm is applying.

4A.07

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the applicant requires approval and the requested *senior management function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	Senior Management <i>function</i>	Job title (mandatory)	Responsible for insurance distribution?	Responsible for mortgage credit intermediation?	Effective date
A							
B							
C							
D							
E							

4A.08

Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*? If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety¹⁹ in the PRA Rulebook). "Employer" has an extended meaning for these purposes.

YES ☐

NO ☐

¹⁹ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.



I have supplied further information
related to this page in Section 6[†]

YES

☐

NO

☐

Arrangement and controlled functions – Appointed Representatives

Section 4B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 4A.

4B.01	Nature of the arrangement between the candidate and the applicant.	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div>	
		a	Appointed representative/tied agent – customer function <input type="checkbox"/> AR firm name and reference number <div style="background-color: #cccccc; width: 250px; height: 20px; display: inline-block;"></div>
		b	Appointed representative/tied agent – governing function <input type="checkbox"/> AR firm name and reference number <div style="background-color: #cccccc; width: 250px; height: 20px; display: inline-block;"></div>
		c	Other <input type="checkbox"/> Give details <div style="background-color: #cccccc; width: 250px; height: 20px; display: inline-block;"></div>
4B.02	For applications from a single <i>firm</i> , please tick the boxes that correspond to the <i>controlled functions</i> to be performed. If the <i>controlled functions</i> are to be performed for more than one <i>firm</i> , please go to question 4B.05 .		
A	Significant influence functions	CF 1 Director function <input type="checkbox"/> <input type="checkbox"/> CF 3 Chief executive function <input type="checkbox"/> CF 4 Partner function <input type="checkbox"/> CF 5 Director of an unincorporated association function <input type="checkbox"/> <input type="checkbox"/>	
B	Customer function	CF 30 Customer function <input type="checkbox"/>	
4B.03	Effective date of <i>controlled functions</i> indicated above		
4B.04	Job title Please refer to notes on the requirements for submitting a CV.		



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

4B.05 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	<i>Controlled function</i>	Job title	Effective date
A					
B					
C					
D					
E					



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Supplementary information for Senior Management Functions Section 5

5.01 Please provide full details of:

- why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- how the appointment was agreed including details of any discussions at governing body level (where applicable);
- a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and

5.02

- e) if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here.

Note: If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

5.03 Firms must also provide the following supporting documents required with this form (please tick)

It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.

	Statement of Responsibilities
	<i>Candidate's Curriculum Vitae (C.V)</i>
	Role(s) description
	A copy of the firm's management responsibilities map (SYSC 25.1 and Allocation of Responsibilities in the PRA Rulebook²⁰) This requirement does not apply to all firms.
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G and Senior Management Functions in the PRA Rulebook²¹) This requirement does not apply to all firms.
	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme

²⁰ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying

²¹ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

Declaration of *Candidate*

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms*, senior managers and other *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in the Statement of Responsibilities.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* and/or *PRA* to discharge their statutory functions under FSMA and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

- a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.
- b) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.
- c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*’s Conduct Rules (COCON) and/or *PRA* Conduct Rules.
- d) I confirm that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that I will be responsible for managing. I confirm that I have accepted all the responsibilities set out in this Statement of Responsibilities.

Tick here to confirm you have read and understood this declaration: ☐

6.01 *Candidate*’s full name

6.02 Signature

Date

Declaration of Firm

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of FSMA). *SUP* 15.6.1R and *SUP* 15.6.4R of the *FCA* Handbook and Notification 6 of the *PRA* Rulebook require a *firm* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, *firms*, senior managers and other *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and by reference to the criteria in FIT in the *FCA* Handbook and the Fitness and Propriety Part of the *PRA* Rulebook²² that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES ☐ NO ☐

If the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the *candidate* and has given due consideration to the information contained in that certificate in determining that *candidate* to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5.

In signing this form on behalf of the *firm*:

a) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

b) I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 4.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the form to the *FCA* and/or *PRA*.

c) I confirm the *candidate* has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (COCON) and/or *PRA* Conduct Rules.

d) I confirm that that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the candidate will be responsible for managing

6.03 Name of the *firm* submitting the application

6.04 Name of *person* signing on behalf of the *firm*

6.05 Job title

6.06 Signature

Date

²² The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying



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AUTHORITY

Application number
(for FCA/PRA use only)

Form I – Application to add, vary or remove a conditional approval for the performance of a *senior management function*

FCA Handbook Reference: SUP 10C Annex 8D

Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

[Commencement date]

Name of individual
(to be completed by applicant *firm*)

Name of applicant *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

1.01 Contact for this application (at the applicant firm)

Title	
First name	
Surname	
Job title	
Business address	
Post code	
Phone number	
Email address	

Personal identification details**Section 2****2.01** Individual Reference Number (IRN)**2.02** Title
(e.g. Mr, Mrs, Ms)**2.03** Surname**2.04** ALL forenames**2.05** Date of birth**2.06** National Insurance number**Firm identification details****Section 3****3.01** Name of applicant *firm***3.02** *Firm* Reference Number (FRN)**3.03 a** Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?**b** Business address**c** Position**d** Telephone**e** Mobile**f** E-mail

Condition(s)**Section 4**

3.01 Are you applying to add, vary or remove a condition?

Add	
Vary	
Remove	

3.02 If you are applying to vary an existing condition please provide details of the current condition, proposed variation and reason for the proposed variation.

<u>Applicable senior management function</u>	
<u>Current condition</u>	
<u>Proposed variation</u>	
<u>Reason for variation</u>	

3.03 If you are applying to add a condition to an existing conditional approval please provide details and reason for proposed condition.

<u>Applicable senior management function</u>	
<u>Proposed condition</u>	
<u>Reason for proposed condition</u>	

3.04 If you are applying to remove a condition from an existing conditional approval please provide details of the current condition and the reason for the proposed removal.

<u>Applicable senior management function</u>	
<u>Current condition</u>	
<u>Reason for removal of condition</u>	



I have supplied further information
related to this page in Section 4

YES ☐

NO ☐

- 4.01** Is there any other information that the applicant *firm* considers to be relevant to the application?
Please indicate clearly to which section the supplementary information relates.
Please submit an updated *statement of responsibilities* with this form.

Section	Information

- 4.02** How many additional sheets are being submitted?

Declaration of Applicant *Firm*

In this declaration, the *firm* seeking the variation of the conditional approval previously granted in relation to the performance of a *senior management function* by an individual is referred to as the “applicant firm”. The individual in relation to whom the *FCA/PRA* (as applicable) gave the conditional approval is referred to as the “Individual”.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

The applicant *firm* will notify the *FCA/PRA* (as applicable) immediately if there is a material change to the information provided.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA/PRA* (as applicable) matters of which it would reasonably expect to be notified. Failure to notify the *FCA/PRA* (as applicable) of such information may lead to the *FCA/PRA* (as applicable) taking disciplinary or other action against the applicant and/or the individual.

The applicant understands that the *FCA/PRA* (as applicable) may require it to provide further information or documents at any time.

For the purpose of complying with the Data Protection Act 1998, the personal data provided in this form may be used by the *FCA/PRA* to discharge their statutory functions under FSMA and other relevant legislation, and will not be disclosed for any other purposes without the permission of the applicant firm.

The applicant confirms that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the individual will be responsible for managing.

The person submitting this form on behalf of the applicant firm confirms that they have authority to submit this form and, on behalf of the applicant, confirms that they have read and understood the notes to this form and the declaration given by the applicant.

**Name of applicant
*firm***

**Name of *person*
signing on behalf of
the applicant *firm***

Position

Signature

Date

Declaration of *candidate / approved person*

The *approved person* confirms that the attached *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *approved person* will be responsible for managing. The *approved person* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

Name of *candidate/approved person*

Signature

Date



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Application number
(for FCA/PRA use only)

Form J: Notification of significant changes in responsibilities of a person performing a *senior management function*

FCA Handbook Reference: *SUP 10C Annex 9D*

PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications²³

Please submit with this form an updated *statement of responsibilities* including the effective date.

Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

[Commencement date]

Name of *approved person*
(to be completed by applicant *firm*)

Name of applicant *firm*
(as entered in 3.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

²³ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

1.01 Contact for this notification (at the applicant *firm*)

	Title	
	First name	
	Surname	
	Job title	
	Business address	
	Post code	
	Phone number	
	Email address	

Personal identifications details**Section 2****2.01** Individual Reference Number (IRN)**2.02** Title
(e.g. Mr, Mrs, Ms)**2.03** Surname**2.04** ALL forenames**2.05** Date of birth**2.06** National Insurance number**Firm identification details****Section 3****3.01** Name of applicant *firm***3.02** Firm Reference Number (FRN)**3.03 a** Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?**b** Business address**c** Position**d** Telephone**e** Mobile**f** E-mail

4.1 Summary of Significant Changes made

Please provide a summary of the significant changes made since the date of the previously submitted *statement of responsibilities*.

Please submit with this form an updated *statement of responsibilities* including the effective date.

If applicable, please submit with this form an updated *management responsibilities map*. Banking sector firms, Solvency II insurers, Large non-directive insurers and enhanced-scope SMCR firms are all required to have management responsibilities maps. Please see SYSC 25 in the FCA Handbook and Allocation of Responsibilities in the PRA Rulebook²⁴ for more information.

²⁴ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

Declarations and signatures

Section 5

Declaration by *approved person*

The candidate/ *approved person* confirms that this *statement of responsibilities* accurately reflects the aspects of the affairs of the applicant *firm* which it is intended that the *approved person* will be responsible for managing. The *approved person* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

This is given as the date in which the individual took up the roll or intends to take up the role.

Name of *candidate/approved person*

Signature

Date

Declaration by Applicant *Firm*

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The applicant *firm* confirms that the information provided is accurate and complete to the best of its knowledge.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the approved person. The person signing on behalf of the applicant *firm* confirms that:

- they have read this declaration in full;
- they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and the updated *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *approved person* will be responsible for managing.

Name of applicant *firm*

Name of *person* signing on behalf of applicant *firm*

Job title

Signature

Date

Notification of significant changes to *statement of responsibilities* of a *senior management function*



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Application number or IRN
(for FCA/PRA use only)

Senior Managers Regime: Statement of Responsibilities

This form applies to UK dual-regulated firms including EEA and third country branches. It does not apply to appointed representatives of SMCR firms. Terms defined in either or both of the FCA Handbook or PRA Rulebook are italicised and should be construed accordingly.

This is a statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For *candidates* for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Form J notification or a Form I application or variation.

FCA Handbook Reference: SUP 10C, SYSC 24.1, SYSC 25.1

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications²⁵

[Commencement date]

Name of individual
(to be completed by *firm*)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

United Kingdom

Telephone +44 (0) 300 500 0597

E-mail firm.queries@fca.org.uk

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail PRA-ApprovedPersons@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

²⁵ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Personal identifications details**Section 1****1.01** Individual Reference Number (IRN)**1.02** Title
(e.g. Mr, Mrs, Ms,)**1.03** Surname**1.04** ALL forenames**1.05** Date of birth (dd/mm/yyyy)**1.06** National Insurance number**Firm identification details****Section 2****2.01** Name of *firm***2.02** *Firm* Reference Number (FRN)**2.03 a** Who should the *FCA/PRA* contact at the *firm* in relation to this *statement of responsibilities*?**b**

Position

c

Telephone

e

E-mail

I have supplied further information
related to this page in Section 4YES ☐ NO ☐

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *senior management function* and how they fit in with the *firm's* overall governance and management arrangements. A *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*, if applicable. *Small non-directive insurers* and *insurance special purpose vehicles (ISPVs)* are not required to have *management responsibilities maps*.

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the *PRA* and *FCA* would not usually expect the description of each responsibility to exceed 300 words.

A *statement of responsibilities* must be a self-contained document. There should be one statement per senior manager per *firm*. Where an individual performs a senior management function on behalf of more than one *firm* within a *group*, one *statement of responsibilities* is required for each *firm*. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A *statement of responsibilities* must not cross refer to other documents, attachments or links.

A *statement of responsibilities* should include responsibilities held in relation to *FCA* controlled functions that are included in a *PRA controlled function* under *SUP 10C.9* (Minimising overlap with the *PRA* senior managers regime).

If the appropriate regulator considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a *candidate's* or *senior manager's* application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers. This section does not apply to incoming *EEA* branches.
- Section 3.3 covers having overall or local responsibility for each of the business areas, activities, and management functions of the *firm*. This section does not apply to *small non-directive insurers*, *ISPVs* or incoming *EEA* branches.
- Section 3.4 covers anything else, not otherwise included, for which a *candidate* or senior manager is to be responsible as part of their *FCA* and/or *PRA senior management function(s)*. *EEA* branches should complete this section to set out any matters for which a *candidate* or senior manager is to be responsible as part of their *FCA senior management function(s)*.

3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this *statement of responsibilities*:

Please note that where this is a revised *statement of responsibilities*, i.e. since the granting of the application, there has been a significant change in the aspects of the *firm's* affairs which the *senior manager* is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the *firm*,

or the *senior manager* is applying for a new or additional *senior management function*), then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *candidate* or *senior manager* is to perform and the effective date the *candidate* or *senior manager* commenced or will commence the performance of their functions.

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
	Underwriting Officer									
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

*'UK Banks' refers to UK banks, building societies and PRA designated investment firms

This *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.1.3 Please indicate those FCA functions that are included in a PRA *senior management function* under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

SMF	Description	Yes?

3.2 Prescribed Responsibilities

This section deals with those prescribed responsibilities to be allocated to one or more *senior managers*. The allocation of responsibilities under a *statement of responsibilities* should not reduce or alter the scope of any applicable prescribed responsibilities. EEA branches are not required to assign prescribed responsibilities and should leave this section blank.

If the responsibilities that the *candidate* or *senior manager* is to carry out as described in the *statement of responsibilities* go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed responsibilities set out in this section.

(FCA SUP 10C.11/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to the *candidate* or *senior manager*, if any, and whether or not they are shared. Different prescribed responsibilities apply to different types of firm as indicated in the table below.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
Shared	A	Responsibility for the <i>firm's</i> performance of its obligations under the <i>senior managers regime</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shared	B	Responsibility for the <i>firm's</i> performance of its obligations under the <i>employee certification regime</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FCA	B1	Responsibility for the <i>firm's</i> obligations in relation to individual conduct rules for training and reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shared	C	Responsibility for compliance with the requirements of the regulatory system about the <i>management responsibilities map</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FCA	D	Overall responsibility for the <i>firm's</i> policies and procedures for countering the risk that the <i>firm</i> might be used to further financial crime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRA	E	Responsibility for the allocation of all relevant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>

²⁶ Large CRR firm means a CRR firm that is not a small CRR firm (see SYSC4.7.5 and the Allocation of Responsibilities Part of the PRA Rulebook). This includes UK banks and designated investment firms.

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		<i>prescribed responsibilities</i>										
Shared	F	Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of, policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					<input type="checkbox"/>
Shared	G	Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all of the <i>firm's senior managers/</i> key function holders (other than members of the <i>firm's governing body</i>)	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					<input type="checkbox"/>
PRA	H	Responsibility for overseeing the adoption of the <i>firm's</i> culture in the day-to-day management of the <i>firm</i>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					<input type="checkbox"/>
PRA	I	Responsibility for leading	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		the development of the <i>firm's</i> culture by the <i>governing body</i> as a whole										
Shared	J	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of, the internal audit function	<input type="checkbox"/>									<input type="checkbox"/>
PRA	J1	If the firm outsources its internal audit function, responsibility for taking reasonable steps to ensure that every person involved in the performance of that function is independent from the persons who perform external audit, including: (a) supervision and management of the work of outsourced internal auditors; and (b) management of potential conflicts of interest between the provision of external audit and internal audit services.	<input type="checkbox"/>									<input type="checkbox"/>
Shared	J2						<input type="checkbox"/> **					<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		Responsibility for providing for and oversight of the internal audit function, where this function is outsourced to an external third-party provided by a non-significant firms.										
Shared	K	Responsibility for: (a) safeguarding the independence of; (b) oversight of the performance of, the compliance function	<input type="checkbox"/>									<input type="checkbox"/>
Shared	L	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of, the risk function	<input type="checkbox"/>									<input type="checkbox"/>
Shared	M	Responsibility for overseeing the development of, and implementation of the <i>firm's</i> remuneration policies and practices	<input type="checkbox"/>				<input type="checkbox"/>					<input type="checkbox"/>
Shared	N	Responsibility for the	<input type="checkbox"/>				<input type="checkbox"/>					<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		independence, autonomy and effectiveness of the <i>firm's</i> policies and procedures on whistleblowing										
PRA	O	Responsibility for managing the allocation and maintenance of the <i>firm's</i> capital, funding (where applicable) and liquidity	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>
PRA	P	Responsibility for the <i>firm's</i> treasury management functions	<input type="checkbox"/>									<input type="checkbox"/>
PRA	Q	Responsibility for the production and integrity of the <i>firm's</i> financial information and its regulatory reporting	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>
PRA	R	Responsibility for developing and maintaining the <i>firm's</i> <i>recovery plan</i> and <i>resolution pack</i> and for overseeing the internal processes regarding their governance	<input type="checkbox"/>									<input type="checkbox"/>
PRA	S	Responsibility for managing the <i>firm's</i> internal stress-tests and ensuring the accuracy and timeliness of information provided to the <i>PRA</i> and	<input type="checkbox"/>									<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		other regulatory bodies for the purposes of stress-testing										
PRA	T	Responsibility for the development and maintenance of the <i>firm's</i> business model by the <i>governing body</i>	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>
PRA	T1	Providing the governing body with an up-to-date business plan and all relevant MI						<input type="checkbox"/>				<input type="checkbox"/>
PRA	T2	Responsibility for the performance of the firm's Own Risk and Solvency assessment (ORSA)					<input type="checkbox"/> ***		<input type="checkbox"/>			<input type="checkbox"/>
PRA	U	Responsibility for the firm's performance of its obligations under <i>Fitness and Propriety</i> (in the PRA Rulebook) in respect of <i>notified non-executive directors</i> and those who perform a <i>key function</i> (where applicable for insurers)	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
PRA	V	If the firm carries out <i>proprietary trading</i> , responsibility for the firm's <i>proprietary trading</i> activities	<input type="checkbox"/>									<input type="checkbox"/>
PRA	W	If the firm does not have a <i>person</i> who performs the	<input type="checkbox"/>									<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		<i>Chief Risk function, responsibility for the compliance of the firm's risk management systems, policies and procedures with the requirements of Risk Control 2.1 to 2.4 of the PRA Rulebook.</i>										
PRA	X	Responsibility for the firm's performance of its obligations under the Outsourcing part of the PRA Rulebook (for CRR and non CRR firms), <i>Conditions Governing Business 7 (for SII firms and third country branches) or Non-solvency II firms: Governance 5 (for large NDFs)</i>	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>
PRA	X1	Responsibility for the firm's performance of its obligations under Internal Governance of Third Country Branches 7.			<input type="checkbox"/>							<input type="checkbox"/>
PRA	Y	If the firm is a ring-fenced body, responsibility for ensuring that those aspects of the firm's affairs for which a person is responsible for managing	<input type="checkbox"/>									<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms ²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		are in compliance with the <i>ring-fencing obligations</i>										
FCA	Z	Overall responsibility for the firm's compliance with CASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Shared/PRA	AA	Responsibility for implementing (where applicable) and management of the <i>firm's</i> risk management policies and procedures		<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
PRA	BB	Responsibility for managing the systems and controls of the <i>firm</i>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
PRA	CC	Responsibility for managing the <i>firm's</i> financial resources		<input type="checkbox"/>				<input type="checkbox"/>				<input type="checkbox"/>
PRA	DD	Responsibility for ensuring the <i>governing body</i> is informed of its legal and regulatory obligations		<input type="checkbox"/>				<input type="checkbox"/>				<input type="checkbox"/>
Shared	EE	Responsibility for escalating correspondence from the <i>PRA, FCA</i> and other regulators to the appropriate governing or management bodies			<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Shared	FF	Responsibility for the <i>firm's</i> compliance with the <i>UK regulatory system</i>			<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
PRA	GG	Responsibility for the oversight of systems and						<input type="checkbox"/>				<input type="checkbox"/>

FCA/PRA/Shared PR	Ref	Prescribed Responsibility (PR)	Large CRR firms²⁶	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms*	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
		controls, along with risk management policies and procedures, that are proportionate to the nature, scale, and complexity of the risks inherent in the firm's business model.										
PRA	HH	Responsibility for management of the firm's liquidity or, where a liquidity waiver is in place, the submission of information to the PRA on the firm's liquidity position			<input type="checkbox"/>							<input type="checkbox"/>

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- a breakdown of the different components and tasks which the responsibility encompasses; and
- if applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) with whom the *candidate* or senior manager is or will be sharing this prescribed responsibility. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

3.3 Overall or Local Responsibility

This section deals with having overall or local responsibility for any of the business areas, activities, or management functions of the firm. Section 3.3.1 applies to *UK SMCR dual regulated banking sector firms*, Solvency II insurers and *large non-directive insurers*. Third country branches should apply the local responsibility requirement and complete section 3.2.2 instead.

3.3.1 Overall Responsibility

By overall responsibility we mean the ultimate responsibility (under the *governing body*) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the *governing body* about that function and putting matters for decision about that function to the *governing body* of the firm.

If the individual has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the *statements of responsibilities* for each individual.

If the individual does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4

A *firm* may wish to refer to SYSC 25 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the *firm*. Please note that the *FCA* does not require firms to organise themselves by the functions in SYSC 25 Annex 1G, and that the Annex is not comprehensive. It is important that a *firm* does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 26.3.1R

Please provide a title for this overall responsibility	Please provide further details of this overall responsibility.	Is this overall responsibility shared? If 'Yes' please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No

3.3.2 Local Responsibility

Local responsibility is explained in SYSC 26. In summary, by local responsibility we mean:

- for a *person* who is allocated local responsibility under SYSC 26.3.2R(1), ultimate responsibility (under the *governing body* of the *branch*) for managing or supervising that function and primary and direct responsibility for briefing and reporting about that function to the branch's *governing body* or equivalent and for putting matters for decision about that function to the *branch's governing body* or equivalent. SYSC 26 states that, in general, the *FCA* expects that a *person* to whom overall responsibility for a function is allocated under SYSC 26.3.2R(1) will be the most senior employee or

officer responsible for managing or supervising that function under the management of the *branch's governing body*;

- b) for a *person* who is allocated local responsibility under SYSC 26.3.2R, a *person* who is directly involved in the management of the relevant activity, business area or management function. SYSC 26 states that, the *FCA* expects that a *firm* appointing someone to have local responsibility for a function under SYSC 26.3.2R will appoint the most senior employee or officer of the *firm* with responsibility for that activity, business area or management function.

If the individual has local responsibility for any or part of the activities, business areas or management functions of a branch, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have local responsibility for an activity, business area or management function of the branch, please skip this section.

A *firm* may wish to refer to SYSC 25 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate local responsibility for a particular activity of the firm. Please note that the *FCA* does not require firms to organise themselves by the functions in SYSC 25 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate local responsibility for business areas, activities and management functions, in line with SYSC 26.3.2R.

Please provide a title for this local responsibility	Please provide further details of this local responsibility.	Is this local responsibility shared? If 'Yes' please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

3.4 Other Responsibilities

3.4.1 Please set out below any additional responsibility, not otherwise recorded in this statement, for which a *candidate* or senior manager is to be responsible as part of their *FCA* and/or *PRA senior management function(s)*. For example, responsibilities outside the normal course of business such as those linked to high profile projects or initiatives.

EEA branches should use this section to set out below anything for which a candidate or senior manager is to be responsible as part of the FCA senior management function(s) role.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) the *candidate* or senior manager will be sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Please provide a title for this other responsibility	Please provide further details of this other responsibility	Is this other responsibility shared? If 'Yes' please provide ,the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

☐

NO

☐

4.1 Is there any other information the individual or the *firm* considers to be relevant?

YES ☐NO ☐

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

SYSC 25 **Examples of the business activities and functions of an *SMCR firm***
Annex 1G

Business areas and management functions	Explanation
(1) Payment services	This means: (1) <i>payment services</i> ;

Business areas and management functions	Explanation
	(2) issuing and administering other means of payment (for example, cheques and bankers' drafts); (3) issuing <i>electronic money</i> ; and (4) current accounts.
(2) Settlement	This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9). It also includes clearing and settlement of any transactions described in row (10).
(3) Investment management	This has the same meaning as <i>managing investments</i> with the following adjustments: (a) it covers all types of assets; and (b) the exclusions in the <i>Regulated Activities Order</i> do not apply. It also covers fund management.
(4) Financial or investment advice	This includes <i>advising on investments</i> .
(5) Mortgage advice	This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.
(6) Corporate investments	This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.
(7) Wholesale sales	This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i> . It does not include the activities in (1).
(8) Retail sales	This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i> . It includes savings accounts. It does not include the activities in (1).
(9) Trading for clients	This means <i>dealing in investments as agent</i> and <i>execution of orders on behalf of clients</i> but the list of products includes money market instruments and foreign exchange.
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1(7)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	Origination and syndication include: (1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction; (2) sub-participation; and (3) any transaction described in the <i>Glossary</i> definition of <i>originator</i> . Underwriting includes underwriting that is not on a firm commitment basis. A commitment or <i>investment</i> includes an economic interest in some or all of it. This activity also includes the provision of services relating to such transactions.
(13) Retail lending decisions	Deciding whether, and on what terms, to lend to <i>retail customers</i> . Lending includes granting credit, leasing and hire (including finance leasing).
(14) Wholesale lending decisions	Deciding whether, and on what terms, to lend to <i>persons</i> who are not <i>retail customers</i> .

Business areas and management functions	Explanation
	Lending includes granting credit, leasing and hire (including finance leasing).
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons</i> who are not <i>retail customers</i>
(16) Design and manufacture of products intended for <i>retail customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i>
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests
(19) Customer complaints handling	This includes the <i>firm's</i> compliance with <i>DISP</i> . It also includes: (1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i> ; (2) activities that take place outside the <i>UK</i> ; and (3) activities that are not subject to any ombudsman service.
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers Dealing with customers in arrears	"Customer" means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA's Handbook</i> . The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i> .
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>
(22) Issuing Commitments	This means the activity described in SYSC 27.7.6R(1)(i) (examples of what the significant management <i>FCA-specified significant harm function</i> can cover)
(23) Processing	This means the activity described in SYSC 27.7.6R(1)(j) (examples of what the significant management <i>FCA-specified significant-harm function</i> can cover).
(24) Human resources	This includes recruitment, training and competence and performance monitoring
(25) Incentive schemes for the <i>firm's</i> staff	This is not limited to schemes based on sales.
(26) <i>Providing information in relation to a specified benchmark</i>	
(27) <i>Administering a specified benchmark</i>	
(29) Administration of insurance	This means the activity described in SYSC 27.7.6R(1)(k) (examples of what the significant management <i>FCA-specified significant harm function</i> can cover).
(30) <u>The <i>firm's</i> information technology</u>	<u>This includes cybersecurity.</u>
(31) <u>Business continuity planning</u>	<u>If SYSC 4.1.6R and SYSC 4.1.7R (Business continuity) apply to the firm, this includes the systems and policies used to comply with those rules.</u> <u>It includes operational continuity, resilience and strategy.</u>
(32) <u>Outsourcing, procurement and vendor management</u> <u>Management of services shared</u>	

Business areas and management functions	Explanation
<u>with other group members</u>	
<u>(33) Internal operations</u>	
Note (1): The purpose of this annex is explained in SYSC 25.7 (Guidance about SYSC 25 Annex 1G) and SYSC 26.11.2G	
<p>Note (2): A <i>firm</i> does not have to use the split of example activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, the firm should adapt it to suit the <i>firm</i>'s management arrangements better.</p> <p>For example, a <i>firm</i> may find the split of activities into <i>retail</i> and wholesale activities unsuitable. If so, the <i>firm</i> might:</p> <p>(a) treat <i>retail</i> and wholesale activities together; or</p> <p>(b) use its own definition of retail and wholesale activities.</p>	

Application number
(for FCA/PRA use only)

Form H

Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms

FCA Handbook Reference: SUP 15 Annex 7R

[Commencement Date]

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>

Contact Details

Section 1

Contact for this notification

1.01	Title	
1.02	First Name	
1.03	Surname	
1.04	Job Title	
1.05	Business address	
1.06	Post code	
1.07	Phone number	
1.08	Email address	
1.09	Mobile No	

2.01 Name of *firm*

--

2.02 Firm Reference Number (FRN)

--

Fitness and Propriety - Notifications under section 64C of the Financial Services and Markets Act 2000

Section 3

This section should be completed by a firm to:

- (c) make an annual notification of disciplinary action (as defined in section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) if the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual conduct rules set out in the *FCA's Code of Conduct (COCON)*; or
- (d) make a follow up notification to update a notification that has been previously made by the firm in relation to (a); or
- (e) confirm that there is nothing to be reported under (a) or (b)

Is the firm making a nil return (see paragraph (c) of the introduction to this section)?

YES ☐ NO ☐

If the firm has answered "Yes", please go straight to section 5. If the firm has answered "No", please go to section 4.

Firms must notify us if they have taken disciplinary action against a person subject to our conduct rules between last September and August where that person was in breach of our conduct rules. Disciplinary action against a person means issuing a formal written warning, suspension or dismissal of that person, or reducing or recovering any of that person's remuneration. As a reminder, disciplinary actions against SMF managers for a breach of our conduct rules must be reported to us within 7 days via the appropriate form.

A *credit union* is not required to make a nil return (see SUP 15.11.13R(5)). If a *credit union* has nothing to notify for a particular reporting period, it should not send a Form H to the *FCA* for that period.

Disciplinary Action Details

Section 4

For each individual that is the subject of a notification under this Form, please provide the details requested below, in so far as applicable.

A	B	C	D	E	F	G	H	I	J	K	L	M
Title	Surname	Forename(s)	IRN <i>(See note 1)</i>	Date of Birth <i>(See note 1)</i>	National Insurance Number <i>(See note 1)</i>	Passport Number <i>(See note 1)</i>	Nationality <i>(See note 1)</i>	Job Title / Position And Department / Division	Has the person, at any time during the reporting period, been (a) certified to perform an FCA specified significant harm function? If yes, please specify which one(s) or (b) a standard non-executive director? <i>(see note 2)</i>	Please identify the relevant conduct rule(s) that have been breached which form the basis of the disciplinary action taken <i>Refer to Conduct Rules</i>	Please provide more information in relation to the conduct rule(s) breached. Please also state here whether the firm is updating a previous notification or is making a new notification. <i>Free text description (2000 characters only. Anything greater than this please provide an attachment.)</i> <i>(See note 3)</i>	Please provide information as to the disciplinary action taken: <ul style="list-style-type: none">• issuing of a formal written warning• suspension or dismissal of the person• reduction or recovery of any of the person's remuneration <i>Free text description (2000 characters only. Anything greater than this please provide an attachment.)</i> <i>(See note 4)</i>

Note 1:
(a) If an Individual reference Number (IRN) is available for a person about whom a notification is being made, please complete column D but do not complete columns E, F, G or H.
(b) If an IRN is not available for a person about whom a notification is being made, but that person has a national insurance number, please complete columns E and F but do not complete columns G or H.
(c) If neither an IRN nor a national insurance number is available for a person about whom a notification is being made, please complete columns E, G and H.

Note 2: If the answer is Yes, please state which of the listed functions the person performed. The term "standard non-executive director" is defined in the Glossary.

Note 3: If the firm is updating a previous notification, please confirm this in this column but include the details in column M (see note 3).

Note 4:
(a) If the person about whom the notification is being made is appealing against the firm's decision, please include details here.
(b) If the firm is updating a previous notification, please include the details in this column. This includes (1) any appeal made by the subject of the notification subsequent to a previous notification or (2) the outcome of any appeal previously notified.
(c) The firm should specify which of the listed types of disciplinary action it has taken.

Declaration

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive. Even if you believe information has been provided to us before (whether as part of another notification or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this notification. If there is any doubt about the relevance of information, it should be included.

The firm confirms that the information provided is accurate and complete to the best of the firm's knowledge. The firm will notify the *FCA* if there is a material change to the information provided.

The firm authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate to verify information that it considers relevant to this notification.

The firm understands that the *FCA* and/or *PRA* may require it to provide further information or documents at any time.

For the purpose of complying with the Data Protection Act 1998, personal data about an individual that is the subject of a notification under this Form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for other purposes without the permission of the firm.

In addition to other regulatory responsibilities, *firms* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it or they would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm.

By signing below, the person submitting this form on behalf of the firm confirms that this form is accurate and complete to the best of his or her knowledge and he or she has read and understood the notes to this form.

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date

Application number
(for FCA use only)



Conversion Notification Form (Form K) Solvency II²⁷ and large non-directive firms²⁸

FCA Handbook Reference: [XXXX]

If a firm intends that any individual will not perform any *controlled function* that they would be eligible to take up through conversion (including those functions where information is not required to be submitted in this form, as set out above) it should submit a Form C (notice of ceasing to perform *controlled functions*) accordingly.

Name of *firm*

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

²⁷ Including EEA and Third Country branches but excluding Insurance Special Purpose Vehicles

²⁸ Please see the *FCA Handbook Glossary* for the definitions of *large non-directive insurer* and *small non-directive insurer*.

Contact Details**Section 1**

Contact for this notification

1.01 Title	
1.02 First Name	
1.03 Surname	
1.04 Job Title	
1.05 Business address	
1.06 Post code	
1.07 Phone number	
1.08 Email address	
1.09 Mobile No	

Conversion Notification

Section 2

2.01 The table below provides a breakdown of possible applicable *senior management functions* by firm type. Please tick all of the *senior management functions* which have been allocated in this conversion notification. Only those *senior management functions* potentially applicable to the firm types below are listed.

Function	Description of a <i>Senior Management Function</i>	Allocated
SMF 3	Executive Director	<input type="checkbox"/>
SMF13	Chairman of the Nomination Committee	<input type="checkbox"/>
SMF15	Chairman of With Profits Committee	<input type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>
SMF18	Other overall responsibility function	<input type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)	
SMF22	Other local responsibility function	
SMF23b	Conduct Risk Oversight Function (Lloyd's)	<input type="checkbox"/>

2.02 Provide details of each currently approved person who will, perform a senior management function following the commencement date in accordance with the Bank of England and Financial Services Act 2016 and section [XXXX] of the FCA Handbook, and provide details of which *senior management functions* are to be carried out by each such approved person. **If this is an update to a previous conversion notification please complete section 3.**

Function	Description of a <i>Senior Management Function</i>	Name of person to whom allocation of senior management function is proposed	Current controlled function(s) held	IRN
SMF 3	Executive Director			
SMF13	Chairman of the Nomination Committee			
SMF15	Chairman of With Profits Committee			

Form H – Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms

Function	Description of a <i>Senior Management Function</i>	Name of person to whom allocation of senior management function is proposed	Current controlled function(s) held	IRN
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other overall responsibility function			
SMF23b	Conduct Risk Oversight Function (Lloyd's)			

2.03 If you have submitted any applications for approval of individuals to perform one or more *significant influence functions* that are currently subject to determination by the FCA and any of these individuals will perform a *senior management function* following commencement date in accordance with the Bank of England and Financial Services Act 2016, and the [XXXX], provide details below of which senior management functions are to be carried out by each such approved person.

Function	Description of a <i>Senior Management Function</i>	Name of person to whom allocation of senior management function is proposed	Controlled functions applied for	IRN application reference or
SMF 3	Executive Director			
SMF13	Chairman of the Nomination Committee			
SMF15	Chairman of With Profits Committee			
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other overall responsibility function			
SMF23b	Conduct Risk Oversight Function (Lloyd's)			

Update Notification**Section 3**

3.00 If you need to update a previous conversion notification, please provide details of updates to the *firm's* Conversion Notification Form below.

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Senior Management Function(s)</i>
Details of change and reasons for such change.	

IRN	Name of individual
<i>Controlled Function</i>	<i>Proposed Senior Management Function(s)</i>
Details of change and reasons for such change.	

Statements of Responsibilities and Management Responsibilities Map Section 4

- 4.00 Please attach a Statement of Responsibilities for each individual identified in this form as being converted to perform one or more *senior management functions*.
Please also attach the Firm's Management Responsibilities Map

- 4.01 How many additional sheets are being submitted?

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**”. The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for conversion to a *senior management function* to cause the information contained in this Form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA’s Code of Conduct (COCON)*.

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

For the purpose of complying with the Data Protection Act 1998, the personal data provided in this Form will be used by the *FCA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant. In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of his/her knowledge, and that each Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing in performing his/her proposed senior management functions.

Name of the *applicant*

Name of *person* signing on behalf of the *applicant*

Position

Signature

Date

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

Index of Forms

10C Annex 3D Form A: Application to perform senior management functions

Long form A - Solo-regulated firms (including EEA and third country)

Short form A - Solo-regulated firms (including EEA and third country)

10C Annex 7D Form E: Internal transfer of an approved person

Form E – Internal transfer of a person performing a controlled function for solo-regulated firms (including EEA and third country)

10C Annex 10D Statement of responsibilities

Statement of responsibilities for solo-regulated SMCR firms

TP 10 10.23.1R Form K: Conversion Notification Form

Conversion Notification Form – FCA Solo Regulated Firms

Application number
(for FCA use only)

The *FCA* has produced notes which will assist both the applicant firm and the *candidate* in answering the questions in this form. Please read the notes, which are available on the *FCA*'s website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex2D.html>

Both the applicant and the *candidate* will be treated by the *FCA* as having taken these notes into consideration when completing this form.

Long Form A – Solo-regulated firms (including EEA and third country)

Application to perform controlled functions including senior management functions

FCA Handbook Reference: SUP 10C Annex 3D

[Commencement Date]

Name of *candidate*
(to be completed by applicant firm)

Name of applicant *firm*
(as entered in 2.01)

Firm reference number
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

1.01 a	<i>Candidate</i> Individual Reference Number (IRN)	
b	OR name of previous regulatory body	
c	AND previous reference number (if applicable)	
1.02	Title (e.g. Mr, Mrs, Ms)	
1.03	Surname	
1.04	ALL forenames	
1.05	Name commonly known by	
1.06	Date of birth (dd/mm/yyyy)	
1.07	National Insurance number	
1.08	Previous name	
1.09	Date of name change	
1.10 a	Nationality	
b	Passport number (if National Insurance number not available)	
1.11	Place of birth	
1.12	Phone number	
1.13	Email address	



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

1.14 a Private address

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To

1.15 a Previous address 2

b

Postcode

c

Dates resident at this address
(mm/yyyy)

From

To



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

2.01 Name of *firm* making the application

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA* contact at the *firm* in relation to this application?

B

Position

C

Phone number

D

E-mail



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

Arrangement and Senior Management Functions Section 3A

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative* then please complete section 3B.

3A.01

Nature of the arrangement between the candidate and the applicant firm.

<i>a</i>	Employee	<input type="checkbox"/>
<i>b</i>	Group employee	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	Partner	<input type="checkbox"/>
<i>f</i>	Other	<input type="checkbox"/>
	Give details	

Proposed date of appointment

Length of appointment (if applicable)

3A.02

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please leave the boxes below blank and go to question **3A.04**

Function	Description of Senior Management Function	Tick (if applicable)					
		Core firms				Enhanced firms	Effective Date
		Limited scope firms	UK core firm	EEA firms	Third country		
SMF 1	Chief Executive	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 2	Chief Finance					<input type="checkbox"/>	
SMF 3	Executive Director	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF 4	Chief Risk					<input type="checkbox"/>	
SMF 5	Head of Internal Audit					<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager					<input type="checkbox"/>	
SMF 9	Chair of the Governing Body	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF10	Chair of the Risk Committee					<input type="checkbox"/>	
SMF11	Chair of the Audit Committee					<input type="checkbox"/>	
SMF12	Chair of the Remuneration Committee					<input type="checkbox"/>	
SMF13	Chair of the Nomination Committee					<input type="checkbox"/>	
SMF14	Senior Independent Director					<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF17	Money Laundering Reporting Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
SMF18	Other overall responsibility function					<input type="checkbox"/>	
SMF19	Head of Third Country Branch				<input type="checkbox"/>		
SMF21	EEA Branch Senior Manager			<input type="checkbox"/>			
SMF24	Chief Operations					<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF29	Limited scope function (limited scope firms only)	<input type="checkbox"/>					

3A.03 Job title

Insurance Distribution

Will the *candidate* be responsible for insurance distribution at the firm?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

Mortgage Credit Directive

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the firm?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.[†]

	Firm Reference Number	Name of firm	Senior Management Function	Job title	Responsible for insurance distribution?	Responsible for MCD credit intermediation?	Effective date
a							
b							
c							
d							
e							



I have supplied further info related to this page in S

Arrangements and controlled functions – Appointed Representatives

Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 3A.

3B.01	Nature of the arrangement between the candidate and the applicant.	<div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div>	
		a	<div style="display: flex; justify-content: space-between;"> Appointed representative/tied agent – customer function <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> AR firm name and reference number <div style="background-color: #cccccc; width: 100%; height: 20px;"></div> </div>
		b	<div style="display: flex; justify-content: space-between;"> Appointed representative/tied agent – governing function <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> AR firm name and reference number <div style="background-color: #cccccc; width: 100%; height: 20px;"></div> </div>
		c	<div style="display: flex; justify-content: space-between;"> Other <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Give details <div style="background-color: #cccccc; width: 100%; height: 20px;"></div> </div>
3B.02	For applications from a single <i>firm</i> , please tick the boxes that correspond to the <i>controlled functions</i> to be performed. If the <i>controlled functions</i> are to be performed for more than one <i>firm</i> , please go to question 3B.05 .		
a	Significant influence functions	<div style="display: flex; justify-content: space-between;"> <div>CF 1</div> <div>Director function <input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>CF 3</div> <div>Chief executive function <input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>CF 4</div> <div>Partner function <input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>CF 5</div> <div>Director of an unincorporated association function <input type="checkbox"/></div> </div>	
b	Customer function	<div style="display: flex; justify-content: space-between;"> <div>CF 30</div> <div>Customer function <input type="checkbox"/></div> </div> <div style="background-color: #cccccc; width: 100%; height: 100px; margin-top: 5px;"></div>	
3B.03	Effective date of <i>controlled functions</i> indicated above	<div style="background-color: #cccccc; width: 100%; height: 40px;"></div>	
3B.04	Job title Please refer to notes on the requirements for submitting a CV	<div style="background-color: #cccccc; width: 100%; height: 40px;"></div>	



I have supplied further information related to this page in Section 6[†]

YES ☐

NO ☐

3B.05 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.[†]

	Firm Reference Number	Name of <i>firm</i>	<i>Controlled function</i>	Job title	Effective date
a					
b					
c					
d					
e					



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Employment history in the past 5 years

Section 4

N.B.: ALL gaps must be accounted for

4.01

Employment details (1)

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"> <tr> <td><i>a</i></td> <td>Employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If c or d is ticked, please give details	<input type="text"/>																					
c	Name of <i>employer</i>	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body																			
				<input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																			
				<input type="text"/>																			
i	Position held	<input type="text"/>																					
j	Responsibilities	<input type="text"/>																					
k	Reason for leaving:	<table border="0"> <tr> <td><i>a</i></td> <td>Resignation</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td><input type="checkbox"/></td> </tr> </table>				<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																					
<i>b</i>	Redundancy	<input type="checkbox"/>																					
<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					

Specify

4.02 Employment details (2)

a	Period (mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>																		
b	Nature of employment	<table border="0"><tr><td><i>a</i></td><td>Employed</td><td><input type="checkbox"/></td></tr><tr><td><i>b</i></td><td>Self-employed</td><td><input type="checkbox"/></td></tr><tr><td><i>c</i></td><td>Not employed</td><td><input type="checkbox"/></td></tr><tr><td><i>d</i></td><td>Full-time education</td><td><input type="checkbox"/></td></tr></table>				<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																					
<i>b</i>	Self-employed	<input type="checkbox"/>																					
<i>c</i>	Not employed	<input type="checkbox"/>																					
<i>d</i>	Full-time education	<input type="checkbox"/>																					
	If <i>c</i> or <i>d</i> is ticked, please give details	<input type="text"/>																					
c	Name of <i>employer</i>	<input type="text"/>																					
d	Nature of business	<input type="text"/>																					
e	Previous / other names of employer	<input type="text"/>																					
f	Last known address of employer	<input type="text"/>																					
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body <input type="text"/>																			
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ? <input type="text"/>																			
i	Position held	<input type="text"/>																					
j	Responsibilities	<input type="text"/>																					
k	Reason for leaving:	<table border="0"><tr><td><i>a</i></td><td>Resignation</td><td><input type="checkbox"/></td></tr><tr><td><i>b</i></td><td>Redundancy</td><td><input type="checkbox"/></td></tr><tr><td><i>c</i></td><td>Retirement</td><td><input type="checkbox"/></td></tr><tr><td><i>d</i></td><td>Termination/dismissal</td><td><input type="checkbox"/></td></tr><tr><td><i>e</i></td><td>End of contract</td><td><input type="checkbox"/></td></tr><tr><td><i>f</i></td><td>Other</td><td><input type="checkbox"/></td></tr></table>				<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																					
<i>b</i>	Redundancy	<input type="checkbox"/>																					
<i>c</i>	Retirement	<input type="checkbox"/>																					
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																					
<i>e</i>	End of contract	<input type="checkbox"/>																					
<i>f</i>	Other	<input type="checkbox"/>																					
	If 'other', please specify	<input type="text"/>																					



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

5.01 Criminal Proceedings

When answering the questions in this section the *candidate* should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *candidate* is subject to the law of Scotland or Northern Ireland, the *candidate* must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

If any question has been answered 'yes' in Section 5, further details should be provided in Section 6

If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included in Section 6

5.01.1a	Has the <i>candidate</i> ever been convicted of any criminal offence (whether spent or not and whether or not in the <i>United Kingdom</i>):	YES <input type="checkbox"/> NO <input type="checkbox"/>
vii.	involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or	
viii.	relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i> , insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i> , market manipulations or <i>insider dealing</i> ?	
B	Is the <i>candidate</i> currently the subject of any criminal proceedings, whether in the UK or elsewhere?	YES <input type="checkbox"/> NO <input type="checkbox"/>
C	Has the <i>candidate</i> ever been given a caution in relation to any criminal offence?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.2	Has the <i>candidate</i> any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.3	Is the candidate the subject of any ongoing criminal investigation?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.4	Has the <i>candidate</i> been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation? In answering question 5.01.4, you should include all matters even where the candidate was not the subject of the investigation.	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

5.01.5 Has any firm at which the *candidate* holds or has held a position of influence ever:
(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

A	Been convicted of any criminal offence?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
B	Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C	Been the subject of any criminal proceeding which has not resulted in a conviction?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
D	Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 6 YES ☐ NO ☐

5.02 Civil Proceedings

5.02.1

Has the *candidate*, **ever** been the subject of a judgement debt or award against the *candidate*? (whether satisfied or not?)

YES

☐

NO

☐

Please give a full explanation of the events in questions.

The candidate should include all County Court Judgement(s) (CCJs) made against the *candidate*, whether satisfied or not); and

i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and

ii) the total number of all judgement debts, awards or CCJs ordered.

5.02.2

Has the *candidate* ever been party to any civil proceedings which resulted in any order against the *candidate* (other than a judgement debt or award referred to in 5.02.1 above)? (the *candidate* should include, for example, injunctions and employment tribunal proceedings.)

YES

☐

NO

☐

5.02.3

Is the *candidate* aware of:

A

Any proceedings that have begun, or anyone's intention to begin proceedings against the *candidate*, for a CCJ or another judgement debt?

YES

☐

NO

☐

B

More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?

YES

☐

NO

☐

YES

☐

NO

☐

5.02.4

Does the *candidate* have any **current** judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?

YES

☐

NO

☐

5.02.5

Has the *candidate* **ever** failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?

YES

☐

NO

☐

I have supplied further information related to this page in Section 6

YES

☐

NO

☐

5.02.6	Has the <i>candidate</i> ever:	
A	Filed for the <i>candidate</i> 's own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
B	Been adjudged bankrupt?	YES <input type="checkbox"/> NO <input type="checkbox"/>
C	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/> NO <input type="checkbox"/>
D	Made any arrangements with the <i>candidate</i> 's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
E	Had assets sequestrated?	YES <input type="checkbox"/> NO <input type="checkbox"/>
F	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.7	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past (whether or not in the UK or overseas)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.8	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.9	Is the <i>candidate</i> currently:	
A	Party to any civil proceedings (including those covered in 5.02.7 above)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
B	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? (<i>Candidate</i> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.02.10	During the period over which the <i>candidate</i> has held a position of influence and/or in the 10 years after this, has any firm at which the <i>candidate</i> holds or has held a position of influence ever been:	YES <input type="checkbox"/> NO <input type="checkbox"/>
A	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/> NO <input type="checkbox"/>
B	The subject of a judgement debt or award against the firm? (<i>Candidate</i> should include all CCJs made against the firm, whether satisfied or not.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
C	Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information
related to this page in Section 6

YES ☐ NO ☐

5.02.11 Is any firm at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

A a party to civil proceedings; and/or?

YES ☐ NO ☐

B aware of anyone’s intention to begin civil proceedings against them?

YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the UK or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES ☐ NO ☐



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

5.03 Business and Employment Matters

5.03.1 Has the *candidate* **ever** been:

A Disqualified from acting as a director or similar position (one where the *candidate* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES ☐

NO ☐

B The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *candidate*)?

YES ☐

NO ☐

C The subject of any investigation which has led or might lead to disciplinary proceedings?

YES ☐

NO ☐

D Notified of any potential proceedings of a disciplinary nature against the *candidate*?

YES ☐

NO ☐

E The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)

YES ☐

NO ☐

5.03.2 Has the *candidate* **ever** been refused entry to, or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES ☐

NO ☐

5.03.3 Does the *candidate* have any material written complaints made against the *candidate* by the *candidate's* clients or former clients in the last five years which the *candidate* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES ☐

NO ☐



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

5.04 Regulatory Matters

5.04.1

In relation to activities regulated by the *FCA* or any other regulatory body (see the guidance notes on section 5), has:

- the *candidate*, or
- any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, **ever** –

A	Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
B	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>candidate</i> or the firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
D	Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the <i>candidate</i> or the firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
E	Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
F	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
G	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
H	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
I	Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
J	Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
K	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

5.04.2

In relation to activities regulated by the *FCA* or any other regulatory body, has the *candidate* or any firm at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate's* association with the firm ever:

A	Been found to have carried on activities for which authorisation or registration by the <i>FCA</i> or any other regulatory body is required without the requisite authorisations?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
B	Been investigated for the possible carrying on of activities requiring authorisation or registration by the <i>FCA</i> or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
C	Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the <i>FCA</i> or any other regulatory body) without the requisite approval?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
D	Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the <i>FCA</i> or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
E	Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the <i>FCA</i> of the identity of a person acting in a position of influence over its electronic money or payment services business?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
F	Been the subject of a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

5.05 Other Matters

5.05.1 Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

YES ☐ NO ☐

5.05.2 Is the *candidate* or the *firm* aware of any other information relevant to this notification that the FCA might reasonably expect from the *candidate*?

YES ☐ NO ☐

5.05.3 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA*?

Please note that a *firm* is required to request the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R)

YES ☐ NO ☐

If yes, please enter date the check was undertaken

Date (dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.



I have supplied further information related to this page in Section 6

YES ☐ NO ☐

5.05.4 Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA*?
If No, please provide details why the reference or references has/have not been obtained.

YES ☐ NO ☐

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22). "Employer" has an extended meaning for these purposes.

6.01 Please provide full details of:

- n) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- o) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- p) how the appointment was agreed including details of any discussions at governing body level (where applicable);
- q) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and

If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the *Fitness and Propriety* of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5)

6.02

Question	Information

6.03 Firms must also provide the following supporting documents required with this form (please tick)

	Statement of Responsibilities
	<i>Candidate's</i> Curriculum Vitae (C.V)
	Role(s) description
	Organisational chart
	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).
6.04	In addition, enhanced scope SMCR firms must also provide:-
	A copy of the firm's management responsibilities map (SYSC 25.1 SYSC 4.6 and SUP 10C.9.10G)
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G)

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the *FCA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The *candidate* authorises the *FCA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

Where applicable, the *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

The *candidate* agrees that the *FCA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

The *candidate* confirms that he or she understands the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s COCON..

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and *approved persons* have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration: ☐

7.01 Name of *candidate*

7.02 Signature

Date

Declaration of *Firm*

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and *approved persons* have a responsibility to disclose to the *FCA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA handbook* that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any Non MiFID business.

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON*.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *Firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the Applicant:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the *FCA*, will be sent to each of those firms at the same time as submitting the form to the *FCA*.

7.03 Name of the *firm* submitting the application

7.04 Name of *person* signing on behalf of the *Applicant*

7.05 Job title

7.06 Signature

Date

Application number
(for FCA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex2D.html>

Both the applicant *firm* and the candidate will be treated by the FCA as having taken these notes into consideration when completing this form.

Short Form A – Solo-regulated firms (including EEA and third country)

Application to perform controlled functions including *senior management functions*

FCA Handbook Reference: SUP 10C Annex 3D

[Commencement Date]

Name of *candidate*
(to be completed by applicant firm)

Name of applicant *firm*
(as entered in 2.01)

Firm reference number
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Personal identification details**Section 1**

1.01 a *Candidate* Individual Reference Number (IRN)

b OR name of previous regulatory body

c AND previous reference number (if applicable)

1.02 Title
(e.g. Mr, Mrs, Ms)

1.03 Surname

1.04 ALL forenames

1.05 Name commonly known by

1.06 Date of birth
(dd/mm/yyyy)

1.07 National Insurance number

1.08 Previous name

1.09 Date of name change

1.10 a Nationality

b Passport number
(if National Insurance number not available)

1.11 Place of birth

1.12 Phone number

1.13 Email address



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

1.14 a Private address

b

Postcode

c Dates resident at this address (mm/yyyy)

From

To

 PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b

Postcode

c Dates resident at this address (mm/yyyy)

From

To

1.16 a Previous address 2

b

Postcode

c Dates resident at this address (mm/yyyy)

From

To



I have supplied further information related to this page in Section 6 YES ☐ NO ☐

2.01	Name of <i>firm</i> making the application	
2.02	Firm Reference Number (FRN)	
2.03 a	Who should the <i>FCA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Phone number	
d	E-mail	



I have supplied further information
related to this page in Section 6

YES ☐

NO ☐

Arrangement and Senior Management Functions Section 3A

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative* then please complete section 3B.

3A.01	Nature of the arrangement between the candidate and the applicant firm.	a	Employee	<input type="checkbox"/>
		b	Group employee	<input type="checkbox"/>
		Name of group		
		c	Contract for services	<input type="checkbox"/>
		d	Partner	<input type="checkbox"/>
		e	Other	<input type="checkbox"/>
		Give details		
	Proposed date of appointment			
	Length of appointment (if applicable)			

3A.02 For applications from a single firm, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one firm, please go to question **3A.04**

Function	Description of Senior Management Function	Tick (if applicable)				Enhanced firms	Effective Date
		Core firms					
		Limited scope firms	UK core firm	EEA firms	Third country		
SMF 1	Chief Executive	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 2	Chief Finance					<input type="checkbox"/>	
SMF 3	Executive Director	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF 4	Chief Risk					<input type="checkbox"/>	
SMF 5	Head of Internal Audit					<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager					<input type="checkbox"/>	
SMF 9	Chair of the Governing Body	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF10	Chair of the Risk Committee					<input type="checkbox"/>	
SMF11	Chair of the Audit Committee					<input type="checkbox"/>	
SMF12	Chair of the Remuneration Committee					<input type="checkbox"/>	
SMF13	Chair of the Nomination Committee					<input type="checkbox"/>	
SMF14	Senior Independent Director					<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF17	Money Laundering Reporting Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
SMF18	Other overall responsibility function					<input type="checkbox"/>	
SMF19	Head of Third Country Branch				<input type="checkbox"/>		
SMF21	EEA Branch Senior Manager			<input type="checkbox"/>			
SMF24	Chief Operations					<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF29	Limited scope function (limited scope firms only)	<input type="checkbox"/>					

3A.03 Job title

Insurance distribution

Will the candidate be responsible for Insurance distribution at the firm?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

Mortgage Credit Directive

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the firm?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Complete this section only if the application is on behalf of more than one *firm*.
List all *firms* within the *group* (including the applicant *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.[†]

	Firm Reference Number	Name of <i>firm</i>	Senior Management Function	Job title	Responsible for insurance distribution	Responsible for MCD credit intermediation?	Effective date
a							
b							
c							
d							
e							



I have supplied further information related to this page in Section 6 YES ☐ NO ☐

Arrangements and controlled functions – Appointed Representatives

Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 3A.

3B.01	Nature of the arrangement between the candidate and the applicant.	<hr/> <hr/>	
a	Appointed representative/tied agent – customer function	<input type="checkbox"/>	
	AR firm name and reference number		
b	Appointed representative/tied agent – governing function	<input type="checkbox"/>	
	AR firm name and reference number		
c	Other	<input type="checkbox"/>	
	Give details		
3B.02	For applications from a single <i>firm</i> , please tick the boxes that correspond to the <i>controlled functions</i> to be performed. If the <i>controlled functions</i> are to be performed for more than one <i>firm</i> , please go to question 3B.05.		
a	Significant influence functions	CF 1 Director function <input type="checkbox"/> <input type="checkbox"/> CF 3 Chief executive function <input type="checkbox"/> CF 4 Partner function <input type="checkbox"/> CF 5 Director of an unincorporated association function <input type="checkbox"/> <input type="checkbox"/>	
b	Customer function	CF 30 Customer function <input type="checkbox"/>	
3B.03	Effective date of <i>controlled functions</i> indicated above		
3B.04	Job title Please refer to notes on the requirements for submitting a CV		



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

3B.05 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	<i>Controlled function</i>	Job title	Effective date
a					
b					
c					
d					
e					



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* of the revised detail.

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA of the revised detail.

5.1

Has the *firm* undertaken a criminal records check in accordance with the requirements of the FCA?

Please note that a *firm* is required to request the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc.) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R).²⁹

If yes, please enter date the check was undertaken.

Date (dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details in section 6.

YES ☐NO ☐

5.2

Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the FCA

If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22) "Employer" has an extended meaning for these purposes.

References are not required if the candidate has been employed by the same firm or group for 6 years or more.

YES ☐NO ☐

I have supplied further information related to this page in Section 6

YES ☐NO ☐

²⁹ The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

6.01 Please provide full details of:

- a) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- b) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
- d) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and

6.02 e) if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the *Fitness and Propriety* of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5)

Question**Information****6.03** For applications for *senior management functions* firms must also provide the following supporting documents with this form (please tick):

	Statement of Responsibilities
	Candidate's Curriculum Vitae (C.V)
	Role(s) description
	Organisational chart
	A description or copy of the candidate's Skills Gap Analysis.
	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

6.04 In addition for applications for *senior management functions*, enhanced scope SMCR firms must also provide (please tick):-

	A copy of the firm's management responsibilities map (SYSC 25.1 SYSC 4.6 and SUP 10C.9.10G)
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G)

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* / information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The *candidate* will notify the *FCA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The *candidate* authorises the *FCA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

Where applicable, the *candidate* agrees that they may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

The *candidate* agrees that the *FCA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this form will be used by the *FCA* to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

The *candidate* confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA's COCON*.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and *candidates/approved persons* have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration: ☐

7.01 Name of *candidate*

7.02 Signature

Date

Declaration of *Firm*

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and candidates/approved persons have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA handbook* that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON*.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *Firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the Applicant *firm*:

I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this form, as submitted to the *FCA*, will be sent to each of those firms at the same time as submitting the form to the *FCA*.

7.03 Name of the *firm* submitting the application

7.04 Name of *person* signing on behalf of the *firm*

7.05 Job title

7.06 Signature

Date

Application number
(for FCA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA as having taken these notes into consideration when completing this form.

Form E

Internal transfer of a person performing a controlled function for solo-regulated firms (including EEA and third country)

FCA Handbook Reference: SUP 10C Annex 7D

[Commencement Date]

Name of *candidate*
(to be completed by applicant *firm*)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Personal identification details

Section 1

1.01 Individual Reference Number (IRN)

1.02 Title
(e.g. Mr, Mrs, Ms)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.08 Phone number

1.09 Email address

Firm identification details

Section 2

2.01 Name of applicant *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA* contact at the applicant *firm*
in relation to this application?

b Position

c Phone number

d E-mail



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

- 3.01** List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	FRN	Name of <i>firm</i>	Senior Management function	Effective date
a				
b				
c				
d				
e				



I have supplied further information
related to this page in Section 7

YES ☐

NO ☐

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative* then please complete section 4B.

4A.01

Nature of the
arrangement
between the
candidate and the
applicant.

a Employee

☐

b Group employee

☐

Name of group

c Contract for services

☐

d Partner

☐

e Other

☐

Give details

Proposed date of appointment

Length of appointment (if applicable)

4A.02

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed.

If the *senior management functions* are to be performed for more than one *firm*, please go to question 4.04

Function	Description of Senior Management function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive		
SMF 2	Chief Finance		
SMF 3	Executive Director		
SMF 4	Chief Risk r		
SMF 5	Head of Internal Audit		
SMF 7	Group Entity Senior Manager		
SMF 9	Chair of the governing body		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nomination Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting Officer (MLRO)		
SMF18	Other overall responsibility function		
SMF19	Head of Overseas Branch		
SMF21	EEA Branch Senior Manager		
SMF24	Chief Operations		
SMF27	Partner		
SMF29	Limited scope function (limited scope firms only)		

4A.03 Job title

4A.04 Insurance distribution

Will the *candidate* be responsible for Insurance distribution at the *firm*?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function)

4A.05 Mortgage Credit Directive

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*?

YES

☐

NO

☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

4A.06 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA*?

Please note that a *firm* is required under PRA rules to request and, under FCA rules, to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R)

If yes, please enter date the criminal records check was undertaken

Date

(dd/mm/yyyy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 5.



I have supplied further information
related to this page in Section 5

YES

☐

NO

☐

4A.04 List all *firms* within the *group* (including the *firm* entered in 2.01) for which the applicant requires approval and the requested *senior management function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	Senior Management <i>function</i>	Job title (mandatory)	Effective date
a					
b					
c					
d					
e					

4A.05 Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA*. If No, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22). “Employer” has an extended meaning for these purposes.

YES ☐

NO ☐



I have supplied further information related to this page in Section 6

YES ☐

NO ☐

Controlled functions – Appointed Representatives

Section 4B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function* then please complete section 4A.

4B.01	Nature of the arrangement between the candidate and the applicant.	<hr/> <hr/>	
		<i>a</i>	Appointed representative/tied agent – customer function <input type="checkbox"/> AR firm name and reference number <div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
		<i>b</i>	Appointed representative/tied agent – governing function <input type="checkbox"/> AR firm name and reference number <div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
		<i>c</i>	Other <input type="checkbox"/> Give details <div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
4B.02	For applications from a single <i>firm</i> , please tick the boxes that correspond to the <i>controlled functions</i> to be performed. If the <i>controlled functions</i> are to be performed for more than one <i>firm</i> , please go to question 3B.05.		
<i>a</i>	Significant influence functions	CF 1 Director function <input type="checkbox"/> <input type="checkbox"/> CF 3 Chief executive function <input type="checkbox"/> CF 4 Partner function <input type="checkbox"/> CF 5 Director of an unincorporated association function <input type="checkbox"/> <input type="checkbox"/>	
<i>b</i>	Customer function	CF 30 Customer function <input type="checkbox"/>	
4B.03	Effective date of <i>controlled functions</i> indicated above		
4B.04	Job title Please refer to notes on the requirements for submitting a CV		

4B.05 Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	Firm Reference Number	Name of <i>firm</i>	Controlled <i>function</i>	Job title	Effective date
a					
b					
c					
d					
e					



I have supplied further information
related to this page in Section 6

YES

☐

NO

☐

Supplementary information for Senior Management Functions

Section 5

5.01 Please provide full details of:

- why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- how the appointment was agreed including details of any discussions at governing body level (where applicable);

5.02 If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here.

5.03 Firms must also provide the following supporting documents required with this form (please tick)

	Statement of Responsibilities
	<i>Candidate's</i> Curriculum Vitae (C.V)
	Role(s) description
	Organisational chart
	A description or copy of the candidate's Skills Gap Analysis.

	A description or copy of the candidate's Induction programme
	A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

5.04 In addition, an enhanced scope SMCR firm must provide:-

	A copy of the firm's <i>management responsibilities map</i> (SYSC 25.1 4.5 and SYSC 4.6,-where applicable., and Allocation of Responsibilities in the <i>PRA Rulebook</i>)
	A summary of any handover material (as referred to in SYSC 25.9.4R to SYSC 25.9.8G and SUP 10C.10.13G and Senior Management Functions in the <i>PRA Rulebook</i>³⁰) This requirement does not apply to all firms.

Declaration of *Candidate*

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (section 398 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the firm and/or individuals.

The *candidate* confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in the Statement of Responsibilities.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the *FCA* to discharge their statutory functions FSMA and other relevant legislation, and will not be disclosed for any other purpose without the permission of the *candidate*.

With reference to the above, the *FCA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the *FCA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

b) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*’s Conduct Rules (COCON).

d) I confirm that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that I will be responsible for managing. I confirm that I have accepted all the responsibilities set out in this Statement of Responsibilities.

Tick here to confirm you have read and understood this declaration: ☐

6.01 *Candidate*’s full name

6.02 Signature

Date

Declaration of Firm

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of FSMA). *SUP* 15.6.1R and *SUP* 15.6.4R of the *FCA* Handbook require a *firm* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and to notify the *FCA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the firm and/or individuals.

It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and by reference to the criteria in FIT in the FCA Handbook that the candidate is a fit and proper person to perform the senior management functions(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES ☐ NO ☐

If the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the *candidate* and has given due consideration to the information contained in that certificate in determining that *candidate* to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5.

In signing this form on behalf of the firm:

a) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

b) I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 4.04. I also confirm that a copy of this form, as submitted to the FCA, will be sent to each of those *firms* at the same time as submitting the form to the FCA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the FCA's Conduct Rules (COCON.

d) I confirm that that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the candidate will be responsible for managing.

6.03 Name of the *firm* submitting the application

6.04 Name of *person* signing on behalf of the *firm*

6.05 Job title

6.06 Signature

Date

Application number or IRN
(for FCA use only)

Senior Managers Regime:

Statement of responsibilities for solo-regulated SMCR firms

This form applies to solo-regulated SMCR firms. It does not apply to dual regulated SMCR firms or appointed representatives.

This is a statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For candidates for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application.

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Form J notification or a Form I application or variation.

FCA Handbook Reference: SUP 10C, SYSC 25, SYSC 24 and SYSC 27.

[XXXXXX]

Name of *individual*
(to be completed by *firm*)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Personal identifications details**Section 1****1.01** Individual Reference Number (IRN)**1.02** Title
(e.g. Mr, Mrs, Ms)**1.03** Surname**1.04** ALL forenames**1.05** Date of birth (dd/mm/yyyy)**1.06** National Insurance number**Firm identification details****Section 2****2.01** Name of *firm***2.02** *Firm* Reference Number (FRN)**2.03 a** Who should the *FCA* contact at the *firm* in
relation to this *statement of responsibilities*?**b** Position**c** Telephone**e** E-mailI have supplied further information
related to this page in Section 4YES ☐ NO ☐

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *senior management function* and how they fit in with the *firm's* overall governance and management arrangements. If the firm is an *enhanced scope SM&CR firm*, the *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*.

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The FCA considers that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, FCA would not usually expect the description of each responsibility to exceed 300 words.

A *statement of responsibilities* must be a self-contained document. There should be one statement per *senior manager* per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one *statement of responsibilities* is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A statement of responsibilities must not cross refer to other documents, attachments or links.

If the FCA considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers. This section is not applicable to limited scope firms or EEA branches.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm. This section applies to *enhanced scope SM&CR firms* only.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their FCA senior management function(s) role. This section applies to all firms.

3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this *statement of responsibilities*:

Please note that where this is a revised *statement of responsibilities*, i.e. since the granting of the application, there has been a significant change in the aspects of the firm's affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *candidate* or *senior manager* is to perform and the effective date the *candidate* or *senior manager* commenced or will commence the performance of the functions.

Senior	Description of Senior Management Function	Tick SMF applied for or held	
--------	---	------------------------------	--

managem ent Function		Core firms				Enhanced firms	Effective Date
		Limited scope firms	UK core firm	EEA	Third country		
SMF 1	Chief Executive	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 2	Chief Finance					<input type="checkbox"/>	
SMF 3	Executive Director	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF 4	Chief Risk Officer					<input type="checkbox"/>	
SMF 5	Head of Internal Audit					<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager					<input type="checkbox"/>	
SMF 9	Chair of the Governing Body	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF10	Chair of the Risk Committee					<input type="checkbox"/>	
SMF11	Chair of the Audit Committee					<input type="checkbox"/>	
SMF12	Chair of the Remuneration Committee					<input type="checkbox"/>	
SMF13	Chair of the Nomination Committee					<input type="checkbox"/>	
SMF14	Senior Independent Director					<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF17	Money Laundering Reporting Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
SMF18	Other overall responsibility function					<input type="checkbox"/>	
SMF19	Head of Overseas Branch				<input type="checkbox"/>		
SMF21	EEA Branch Senior Manager			<input type="checkbox"/>			
SMF24	Chief Operations					<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
SMF29	Limited scope function (limited scope firms only)	<input type="checkbox"/>					

This *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.2 Prescribed Responsibilities

This section deals with those prescribed responsibilities to be allocated to one or more *senior managers*. The allocation of responsibilities under a *statement of responsibilities* should not reduce or alter the scope of any applicable prescribed responsibilities. Limited scope firms and EEA branches are not required to assign prescribed responsibilities and should leave this section blank.

If the responsibilities that the *candidate* or *senior manager* is to carry out as described in the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(SUP 10C.11)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to the *candidate* or senior manager if any, and whether or not they are shared. Different prescribed responsibilities apply to different types of firm as indicated in the table below.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

Ref	Prescribed Responsibility (Applicable to <i>UK Core SMCR firms</i>)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
a	Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	Yes / No	Yes / No
b	Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	Yes / No	Yes / No
b-1	Responsibility for the firm's obligations in relation to individual conduct rules for: (a) training; and (b) reporting	Yes / No	Yes / No
d	Overall responsibility for the firm's policies and procedures for countering the risk that the <i>firm</i> might be used to further <i>financial crime</i>	Yes / No	Yes / No
z	Responsibility for the firm's compliance with CASS	Yes / No	Yes / No
dd	Responsibility for ensuring the <i>firm's governing body</i> is informed of its legal and regulatory obligations.	Yes / No	Yes / No

Ref	Prescribed Responsibility (These should be applied by <i>enhanced scope SMCR firms</i> only, in addition to the prescribed responsibilities for core firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
c	Compliance with the rules relating to the firm's Responsibilities Map	Yes / No	Yes / No
j	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the internal audit function, in accordance with the internal audit requirements for SMCR firms.	Yes / No	Yes / No
k	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of;	Yes / No	Yes / No

Ref	Prescribed Responsibility (These should be applied by <i>enhanced scope SMCR firms</i> only, in addition to the prescribed responsibilities for core firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
	the compliance function in accordance with the compliance requirements for SMCR firms.		
l	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the risk function, in accordance with the risk control requirements for SMCR firms.	Yes / No	Yes / No
j-3	Responsibility for taking reasonable steps to ensure that every person involved in the performance of the firm's internal audit function is independent from the persons who perform external audit, including: (a) supervision and management of the work of outsourced internal auditors; and (b) management of potential conflicts of interest between the provision of external audit and internal audit services.	Yes / No	Yes / No
t	Responsibility for the development and maintenance of the <i>firm's</i> business model by the <i>governing body</i> .	Yes / No	Yes / No
s	Responsibility for: (a) managing the firm's internal stress tests; and (b) ensuring the accuracy and timeliness of information provided to the FCA and other regulatory bodies for the purposes of stress testing.	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to non-EEA branches)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
a	Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to non-EEA branches)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
b	Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	Yes / No	Yes / No
b-1	Responsibility for the <i>firm's</i> obligations in relation to individual conduct rules for: (a) training; and (b) reporting	Yes / No	Yes / No
d	Responsibility for the <i>firm's</i> policies and procedures for countering the risk that the <i>firm</i> might be used to further <i>financial crime</i>	Yes / No	Yes / No
z	Responsibility for the <i>firm's</i> compliance with CASS	Yes / No	Yes / No
aa	Responsibility for the management of the <i>firm's</i> risk management processes in the UK	Yes / No	Yes / No
ff	Responsibility for the <i>firm's</i> compliance with the UK <i>regulatory system</i> applicable to the <i>firm</i>	Yes / No	Yes / No
ee	Responsibility for the escalation of correspondence from the <i>PRA</i> , <i>FCA</i> and other regulators in respect of the <i>firm</i> to the <i>governing body</i> and/or the <i>management body</i> , or where appropriate, of the <i>parent undertaking</i> or <i>holding company</i> of the <i>firm's group</i> .	Yes / No	Yes / No

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) with whom the candidate or *senior manager* is or will be sharing this prescribed responsibility. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

3.3 Overall Responsibility

This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm. This section only applies to *enhanced scope SMCR firms*. If you are not an enhanced firm, you should leave this section blank.

3.3.1 Overall Responsibility

By overall responsibility we mean the ultimate responsibility (under the *governing body*) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the *governing body* about that function and putting matters for decision about that function to the *governing body* of the firm.

(SYSC 24)

If the *individual* has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the *individual* does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4 below.

A *firm* may wish to refer to SYSC 25 Annex 1G (replicated in Annex A of this *statement of responsibilities*) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the firm. Please note that the *FCA* does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a *firm* does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 4.7.8R.

Please provide a title for this overall responsibility	Please provide further details of this overall responsibility.	Is this overall responsibility shared? If 'Yes' please provide, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information
related to this page in Section 4

YES

☐

NO

☐

3.4 Other Responsibilities

- 3.4.1 Please set out below any additional responsibility not otherwise recorded in this statement, for which a *candidate* or *senior manager* is to be responsible as part of their *FCA senior management function(s)*. For core and limited scope firms, these may include responsibilities for managing aspects of the business. For enhanced firms they could be responsibilities outside the normal course of business such as those linked to high profile projects or initiatives which are not documented as Overall Responsibilities. This section applies to all *firms*.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming *senior managers* work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) the *candidate* or *senior manager* will be sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Please provide a title for this other responsibility	Please provide further details of this other responsibility	Is this other responsibility shared? If 'Yes' please provide ,the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information
related to this page in Section 4

YES ☐

NO ☐

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES ☐NO ☐

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

SYSC 25 **Examples of the business activities and functions of an SMCR firm**
Annex 1G

Business areas and management functions	Explanation
(1) Payment services	<p>This means:</p> <p>(1) <i>payment services</i>;</p> <p>(2) issuing and administering other means of payment (for example, cheques and bankers' drafts);</p> <p>(3) issuing <i>electronic money</i>; and</p> <p>(4) current accounts.</p>
(2) Settlement	<p>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9).</p> <p>It also includes clearing and settlement of any transactions described in row (10).</p>
(3) Investment management	<p>This has the same meaning as <i>managing investments</i> with the following adjustments:</p> <p>(a) it covers all types of assets; and</p> <p>(b) the exclusions in the <i>Regulated Activities Order</i> do not apply.</p> <p>It also covers fund management.</p>
(4) Financial or investment advice	This includes <i>advising on investments</i> .
(5) Mortgage advice	This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.
(6) Corporate investments	This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.
(7) Wholesale sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i>.</p> <p>It does not include the activities in (1).</p>
(8) Retail sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i>.</p> <p>It includes savings accounts. It does not include the activities in (1).</p>
(9) Trading for clients	This means <i>dealing in investments as agent</i> and <i>execution of orders on behalf of clients</i> but the list of products includes money market instruments and foreign exchange.

Business areas and management functions	Explanation
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1(8)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	<p>Origination and syndication include:</p> <p>(1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;</p> <p>(2) sub-participation; and</p> <p>(3) any transaction described in the <i>Glossary</i> definition of <i>originator</i>.</p> <p>Underwriting includes underwriting that is not on a firm commitment basis.</p> <p>A commitment or <i>investment</i> includes an economic interest in some or all of it.</p> <p>This activity also includes the provision of services relating to such transactions.</p>
(13) Retail lending decisions	<p>Deciding whether, and on what terms, to lend to <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(14) Wholesale lending decisions	<p>Deciding whether, and on what terms, to lend to <i>persons</i> who are not <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons</i> who are not <i>retail customers</i>
(16) Design and manufacture of products intended for <i>retail customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i>
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests
(19) Customer complaints	This includes the <i>firm's</i> compliance with <i>DISP</i> .

Business areas and management functions	Explanation
handling	<p>It also includes:</p> <p>(1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i>;</p> <p>(2) activities that take place outside the <i>UK</i>; and</p> <p>(3) activities that are not subject to any ombudsman service.</p>
<p>(20) Collection and recovering amounts owed to a <i>firm</i> by its customers</p> <p>Dealing with customers in arrears</p>	<p>“Customer” means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA’s Handbook</i>. The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i>.</p>
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>
(22) The <i>firm’s</i> information technology	
(23) Business continuity planning	This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R
(24) Human resources	This includes recruitment, training and competence and performance monitoring
(25) Incentive schemes for the <i>firm’s</i> staff	This is not limited to schemes based on sales.
(26) <i>Providing information in relation to a specified benchmark</i>	
(27) <i>Administering a specified benchmark</i>	
(29) Administration of insurance	This means the activity described in SYSC 27.7.6R(1)(k) (examples of what the significant management <i>FCA-specified significant harm function</i> can cover).
<u>(30) The <i>firm’s</i> information technology</u>	<u>This includes cybersecurity.</u>
<u>(31) Business continuity planning</u>	<p><u>If SYSC 4.1.6R and SYSC 4.1.7R (Business continuity) apply to the firm, this includes the systems and policies used to comply with those rules.</u></p> <p><u>It includes operational continuity, resilience and strategy.</u></p>

Business areas and management functions	Explanation
<u>(32) Outsourcing, procurement and vendor management</u> <u>Management of services shared with other <i>group</i> members</u>	
<u>(33) Internal operations</u>	
<p>Note (1): The purpose of this annex is explained in SYSC 25.7 (Guidance about SYSC 25 Annex 1 G) and SYSC 26.11.2G.</p>	
<p>Note (2): A <i>firm</i> does not have to use the split of activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, it may adapt it to suit its management arrangements better.</p> <p>For example, a <i>firm</i> may find the split of activities into <i>retail</i> and wholesale activities unsuitable. If so, the <i>firm</i> might:</p> <p>(a) treat <i>retail</i> and wholesale activities together; or</p> <p>(b) use its own definition of retail and wholesale activities.</p>	

Application number
(for FCA use only)

Conversion Notification Form – FCA Solo Regulated Firms (Form K)

FCA Handbook Reference: [SUP TP 10.23.1R]

Date: [commencement 2019]

Name of *firm*

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Contact Details**Section 1**

Contact for this notification

Title	
First Name	
Surname	
Job Title	
Business address	
Post code	
Phone number	
Email address	
Mobile No	

Conversion Notification

Section 2

This section should only be completed by **Enhanced Scope SMCR firms** (for CF2 to SMF9 conversion for **Core Firms**, see 2.02)

2.01 The table below provides a breakdown of possible applicable *senior management functions* for **enhanced regime firms** only. Please tick all of the *senior management functions* which have been allocated in this conversion notification. Only those *senior management functions* potentially applicable to enhanced firms are listed.

Core regime firms should use the table in 2.02 if applying for conversion where auto-conversion has not occurred.

Function	Description of Senior Management Function	Allocated?
SMF 1	Chief Executive	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>
SMF 4	Chief Risk Officer	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>
SMF 9	Chair of the Governing Body	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>
SMF13	Chair of the Nominations Committee	<input type="checkbox"/>
SMF14	Senior Independent Director	<input type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>
SMF24	Chief Operations	<input type="checkbox"/>
SMF27	Partner	<input type="checkbox"/>

2.02 *Individuals* at Core SMCR firms will be automatically converted to new mapped Senior Management Functions, where applicable. The only exception is in the case of a firm's Chair (see below).

Under the Approved Persons Regime (APR) we do not specifically approve firm's Chair (individuals are approved under a CF2 – Non-Executive Director function). It is not possible to automatically convert such individuals to the new SMF. As such, firms should use this form to notify us that a CF2 will be performing the Chair role under the

SMCR. Failure to do so will mean that the *individual* will not be approved to perform the SMF9 role at Commencement.

Core firms should only use this form where an existing CF2 (Non-Executive Director) under APR will be performing the SMF9 (Chair of the Governing Body) role at the firm.

Function	Description of Senior Management Function	UK core SMCR firm	Effective Date
SMF 9	Chair of the Governing Body	<input type="checkbox"/>	

2.03 Provide details of each currently approved person who will perform a senior management function following the commencement date in accordance with the Bank of England and Financial Services Act 2016 and section [XXXX] of the FCA Handbook, and provide details of which senior management functions are to be carried out by each such approved person. **If this is an update to a previous conversion notification please complete section 3.**

Note that individuals may only be mapped from their existing APR controlled function to an appropriate Senior Management Function (SMF) as set out in Annex [X].

Function	Description of Senior Management Function	Name of person to whom allocation of senior management function is proposed	Current controlled function(s) held	IRN
SMF 1	Chief Executive			
SMF 2	Chief Finance			
SMF 3	Executive Director			
SMF 4	Chief Risk			
SMF 5	Head of Internal Audit			
SMF 7	Group Entity Senior Manager			
SMF 9	Chair of the Governing Body			
SMF10	Chair of the Risk Committee			
SMF11	Chair of the Audit Committee			
SMF12	Chair of the Remuneration Committee			
SMF13	Chair of the Nomination Committee			
SMF14	Senior Independent Director			
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other Overall Responsibility			
SMF24	Chief Operations			
SMF27	Partner			

2.04 If you have submitted any applications for approval of individuals to perform one or more *significant influence functions* that are currently subject to determination by the FCA and any of these individuals will perform a *senior management function* following commencement date in accordance with the Bank of England and Financial Services Act 2016, and the [XXXX], provide details below of which *senior management functions* are to be carried out by each such approved person.

Function	Description of Senior Management Function	Name of person to whom allocation of senior management function is proposed	Controlled functions applied for	IRN or application reference
SMF 1	Chief Executive			
SMF 2	Chief Finance			
SMF 3	Executive Director			
SMF 4	Chief Risk			
SMF 5	Head of Internal Audit			
SMF 7	Group Entity Senior Manager			
SMF 9	Chair of the Governing Body			
SMF10	Chair of the Risk Committee			
SMF11	Chair of the Audit Committee			
SMF12	Chair of the Remuneration Committee			
SMF13	Chair of the Nomination Committee			
SMF14	Senior Independent Director			
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other Overall Responsibility			
SMF24	Chief Operations			
SMF27	Partner			

2.05 If there are one or more individuals currently approved to perform significant influence function CF2 who will remain at the firm in the capacity of a non-executive director following commencement date, and such individuals are not listed above in section 2.01, please list them below.

IRN	Name of individual

2.06 If you have submitted any applications for approval of individuals to significant influence function CF2 under the approved persons regime that are currently subject to determination by the *FCA*, who will remain at the firm in the capacity of a non-executive director following commencement date, and such individuals are not listed above in section 2.02, please list them below.

IRN	Name of individual

Update Notification

Section 3

3.00 If you need to update or correct a previous conversion notification, please provide details of these amendments below.

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)
Details of change and reasons for such change.	

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)
Details of change and reasons for such change.	

Statements of Responsibilities and Management Responsibilities Map Section 4

- 4.00 If submitting this Form as *enhanced scope SMCR firm* please attach a Statement of Responsibilities for each individual identified in this form as being converted to perform one or more *senior management functions*. Please also attach the Firm's Management Responsibilities Map.

A Core regime SMCR firm which is completing this form to convert a CF2 to the Chair senior management function does not need to attach the Statement of Responsibilities for the Chair.

- 4.01 How many additional sheets are being submitted?

Declarations and signatures

Section 5

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**”. The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for conversion to a *senior management function* to cause the information contained in this Form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA’s Code of Conduct (COCON)*.

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

For the purpose of complying with the Data Protection Act 1998, the personal data provided in this Form will be used by the *FCA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant. In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of his/her knowledge, and that each Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing in performing his/her proposed senior management functions.

Name of the *applicant*

Name of *person* signing on behalf of the *applicant*

Position

Signature

Date



Appendix 2

Legal Instrument – Staggered Commencement

[Editor's note: This draft instrument (the Restatement Instrument) is one of two versions of the draft instrument included in this consultation. The other (the Main Instrument) has transitional and other new requirements not included in CP17/25 and 17/26.

The sole purpose of this draft instrument is to show how we propose to change the draft instrument included in CP17/25 and 17/26 to implement the different commencement dates described in this Consultation Paper. We have prepared this version of the draft instrument by treating the amendments proposed in the instrument included in CP17/25 and 17/26 as if they had been made and then amending that text so as to provide for the various commencement dates. That means that text shown as deleted or amended in this draft Restatement Instrument is not being deleted or amended permanently; it will be restored to the version consulted on in CP17/25 and 17/26 when the rules are fully brought into force for FCA solo-regulated firms. All the permanent changes to the instrument consulted on in CP17/25 and 17/26 that we are proposing to make in this consultation are included in the draft Main Instrument included in this Consultation Paper.]

INDIVIDUAL ACCOUNTABILITY (No 2) INSTRUMENT 2018

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
- (1) section 59 (Approval for particular arrangements);
 - (2) section 59AB (Specifying functions as controlled functions: transitional provision);
 - (3) section 60 (Applications for approval);
 - (4) section 60A (Vetting candidates by authorised persons);
 - (5) section 61 (Determination of applications);
 - (6) section 62A (Changes to responsibilities of senior managers);
 - (7) section 63ZA (Variation of senior manager's approval at request of authorised person);
 - (8) section 63ZD (Statement of policy relating to conditional approval and variation);
 - (9) section 63C (Statement of policy);
 - (10) section 63E (Certification of employees by authorised persons);
 - (11) section 63F (Issuing of certificates);
 - (12) section 64A (Rules of conduct);
 - (13) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
 - (14) section 69 (Statement of policy);
 - (15) section 137A (The FCA's general rules);
 - (16) section 137T (General supplementary powers);
 - (17) section 139A (Power of the FCA to give guidance); and
 - (18) section 395 (The FCA's and PRA's procedures).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force as follows:

Annex	Date comes into force
Part 1 of Annex F	<input type="checkbox"/> 2018 [shortly after instrument is made]
Part 1 of Annex C	<input type="checkbox"/> 2018 [three months after instrument is made]
Part 3 of Annex C	<input type="checkbox"/> 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex D	<input type="checkbox"/> 2019 [main commencement date for solo-regulated firms]
Part 2 of Annex E	<input type="checkbox"/> 2019 [main commencement date for solo-regulated firms]
Part 3 of Annex F	<input type="checkbox"/> 2019 [main commencement date for solo-regulated firms]
Part 3 of Annex D	<input type="checkbox"/> 2020 [one year after the main commencement date for solo-regulated firms]
The remainder of this instrument	<input type="checkbox"/> 2018 [main commencement date for insurance firms]

Amendments to the Handbook

- D. The FCA's Handbook of rules and guidance is amended in accordance with paragraphs E, F, G and H of this instrument.
- E. Amendments to the numbering and location of provisions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and Chapter 10C of the Supervision Manual (SUP) are set out in the tables in Annex A.

Except as further amended by paragraphs F and G of this instrument, the provisions in column B of the tables in Annex A otherwise remain in full force and effect.

- F. Cross references throughout the FCA's Handbook to provisions listed in column A of the tables in Annex A of this instrument are amended accordingly, but only where both the existing and revised cross reference is a reference:
- (1) to a chapter;
 - (2) to an annex;
 - (3) to a section; or
 - (4) in a form not including any sub-paragraph numbering or lettering after the letter designating the legal nature of the provision, such as a rule (designated with an "R") or guidance (designated with a "G").
- G. The modules of the FCA's Handbook of rules and guidance listed in column (1) below (as amended, where applicable, by paragraphs E and F of this instrument) are amended or, as the case may be, further amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Glossary of definitions	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
Code of Conduct (COCON)	Annex D
Fit and Proper test for Approved Persons (FIT)	Annex E
Supervision manual (SUP)	Annex F

- H. The Statements of Principle and Code of Practice for Approved Persons (APER) module of the FCA's Handbook of rules and guidance is revoked from [date].
- I. The Fit and Proper test for Approved Persons and Specified significant-harm functions (FIT) module of the FCA's Handbook of rules and guidance is renamed the Fit and Proper test for Employees and Senior Personnel.

Notes

- J. In this instrument, the "notes" (indicated by "*Editor's note:*" or "**Note:**") are intended for the convenience of the reader and do not form part of the legislative text.

Citation

- K. This instrument may be cited as the Individual Accountability (No 2) Instrument 2018.

By order of the Board
[date] 2018

Annex A

Renumbering and deletions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and the Supervision manual (SUP)

[Editor's note: Annex A of the draft instrument included in CP17/25 and CP17/26 is not being consulted on in this consultation. However we propose that it comes into force on the main commencement date for insurance firms.]

Annex B

Amendments to the Glossary of definitions

[Editor's note: Annex B of the draft instrument included in CP17/25 and CP17/26 is not included in this version of the draft instrument. However our proposals for the commencement of Glossary changes are set out in the draft Main Instrument included with this Consultation Paper.]

Annex C

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

Part 1: Comes into force [] 2018 [three months after instrument is made]

[Editor's note: This Part contains the new training prescribed responsibility in SYSC 24 included in the draft instrument published in CP17/25 and 17/26 but amended as shown. The text is based on the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 26 text. However the changes shown will be included in the existing version of SYSC 4.7 before the relevant provisions are moved to a new SYSC 24 (and the headings are updated) as proposed in the draft instrument included in CP17/25 and 17/26.]

In this Part, underlining indicates new text and striking through indicates deleted text.

4.7 Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities

...

4.7.7 R Table: FCA-prescribed senior management responsibilities

Part One (applies to all firms)		
FCA-prescribed senior management responsibility	Explanation	Equivalent PRA-prescribed senior management responsibility
...		
<p>(4) (4B) Responsibility for the <i>firm's</i> obligations in relation to conduct rules for:</p> <p>(a) training; and</p> <p>(b) reporting</p>	<p>(1) The <i>firm's</i> training obligations means its obligations under section 64B of the <i>Act</i> (Rules of conduct: responsibilities of authorised persons).</p> <p>(2) The <i>firm's</i> reporting obligations means its obligations under section 64C of the <i>Act</i> (Requirement for authorised persons to notify regulator of disciplinary action).</p> <p>(3) Conduct rules means the <i>rules</i> in <i>COCON</i> and the corresponding <i>rules</i> made by the <i>PRA</i> under section 64A of the <i>Act</i> (Rules of conduct).</p>	(b-1)
...		

Part 2: Comes into force [] 2018 [main commencement date for insurance firms]

[Editor's note:

(1) We propose to bring into force on the main commencement date for insurers the amendments to SYSC 3 made in CP17/25 and 17/26. The text is not shown.

(2) We propose to bring into force on the main commencement date for insurers the changes to SYSC 22 and the new SYSC 23.1 to SYSC 23.4 as contained in the draft instrument found in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 26 text.

(3) In Part 3 of this Annex, we propose to restore the original CP17/25 and 17/26 text. The amendments to that text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

22.2 Getting, giving and updating references: the main rules

Obligation to obtain references (applicable to SMCR firms)

22.2.1 R (1) If an *SMCR firm* (A) is considering:

- (a) permitting or appointing someone (P) to perform a *controlled function*;
- (b) issuing a certificate under the certification regime for P; or
- ~~(ba) appointing a board director;~~

...

...

22.2.3 R Table: What positions need a reference

Position	When to obtain reference	Comments
...		
(D) Appointing someone to be a non-SMF board director subject to competence requirements.	Before appointment	Only applies to a UK SMCR firm that: (a) is an FCA authorised person; and (b) is not a limited scope core SMCR firm.
...		

...

22.5 Giving references: additional rules and guidance for all firms

...

Criminal record checks

- 22.5.19 G A *firm* giving a reference need not include information from a criminal records check it has carried out under Part V of the Police Act 1997 (Certificates of Criminal records, etc). The recruiting *firm* should carry out a criminal records check itself if necessary. SUP 10C.10.16R requires an *SMCR firm* to carry out such a check when appointing an *SMF manager* ~~or a board director who is not an approved person.~~

...

22 Annex 1R Template for regulatory references given by SMCR firms and disclosure requirements

Part One: Form of template

...

Question B:

Has the individual performed one or more of the following roles in relation to our firm:

- (1) notified non-executive director;
- (2) credit union non-executive director;
- (3) key function holder (other than a controlled function); ~~or~~
- ~~(4) board director.~~

...

23 Senior managers and certification regime: Introduction and classification

23.1 Purpose

- 23.1.1 G The purpose of this chapter is to:
- (1) explain what the senior managers and certification regime is and where to find the main *Handbook* provisions;
 - (2) define which *firms* the regime applies to; and
 - (3) define the different kinds of *SMCR firm*; and
 - ~~(4) require certain *firms* to carry out criminal record checks before appointing certain *board directors*.~~

23.2 Definitions and types of firms

23.2.1 R SYSC 23 Annex 1R (Definition of SMCR firm and different types of SMCR firms) defines:

- (1) what an *SMCR firm* is; and
- (2) what the different types of *SMCR firm* are.

~~23.2.2 G Broadly speaking, firms covered by the senior managers and certification regime that are dual regulated by the FCA and the PRA are divided into two categories:~~

- ~~(1) Banks and deposit takers. They are called *SMCR dual regulated banking sector firms*.~~
- ~~(2) Insurers.~~

~~23.2.3 G Broadly speaking, firms covered by the senior managers and certification regime that are regulated by the FCA are divided into three categories:~~

- ~~(1) Firms regulated by the FCA that do not fall into (2) or (3). They are called *core SMCR firms*. A large number of firms will be in this category.~~
- ~~(2) Certain large firms. These are called *enhanced scope SMCR firms*. Relatively few firms fall into this category.~~
- ~~(3) Firms whose business is limited to certain types. These are called *limited scope core SMCR firms*. A large number of firms will be in this category. The main examples are:~~
 - ~~(a) *limited permission consumer credit firms*;~~
 - ~~(b) *an authorised professional firm whose only regulated activities are non-mainstream regulated activities*;~~
 - ~~(c) internally managed AIFs; and~~
 - ~~(d) firms whose main business is not regulated and whose regulated business is (with limited exceptions) restricted to *insurance distribution activity* in relation to *non-investment insurance contracts*.~~

23.3 Overview of the senior managers and certification regime

23.3.1 G There are three main elements to the regime:

- (1) the senior managers regime;
- (2) the certification regime; and

(3) conduct rules that apply directly to a *firm's* workforce.

23.3.2 G The table in SYSC 23.3.3G gives more details about each of those three elements. ~~The first two columns of the table applies to all *firms*. The third column only covers *firms* that are not regulated by the PRA.~~

23.3.3 G Table: Summary of the senior managers and certification regime

Description of component of the regime	Handbook provisions	Application to solo-regulated firms
The senior managers regime: Parts that apply to all firms		
Pre-approval by the <i>FCA</i> of senior management (the <i>Handbook</i> calls senior management subject to pre-approval <i>SMF managers</i>)	<i>SUP</i> 10C	Applies to all solo-regulated firms
<i>Firm</i> to be satisfied that a <i>person</i> is fit and proper before applying for them to be approved as an <i>SMF manager</i> by the <i>FCA</i> or <i>PRA</i>	This requirement comes from section 60A of the <i>Act</i> . There is <i>guidance</i> on it in <i>SUP</i> 10C.10.14G (Vetting of candidates by the firm)	Applies to all solo-regulated firms
Annual assessment of fitness and propriety by the <i>SMF managers' firms</i>	This requirement comes from section 63(2A) of the <i>Act</i> . There are related notification obligations in <i>SUP</i> 10C.14.18R to <i>SUP</i> 10C.14.25G (Notifications about fitness,	Applies to all solo-regulated firms

	disciplinary action and breaches of COCON).	
A <i>firm</i> should carry out criminal records checks before applying for someone to be approved as an <i>SMF manager</i>	<i>SUP</i> 10C.10.16R (Criminal records checks and verifying fitness and propriety)	Applies to all solo-regulated firms except for a sole trader without employees
A <i>firm</i> should ask for a regulatory reference before appointing someone to be an <i>SMF manager</i> , or to certain other senior management positions, and give one if asked to by another <i>firm</i> doing so	<i>SYSC</i> 22 (Regulatory references)	Applies to all solo-regulated firms
<p><i>Statements of responsibilities</i></p> <p>This is a document that sets out the responsibilities that an <i>SMF manager</i> performs as part of their <i>designated senior management function</i>. It is prepared as part of the <i>firm's</i> application to the <i>FCA</i> or <i>PRA</i> for them to be approved as an <i>SMF manager</i>. It should be updated after approval when there has been any significant change in the responsibilities of the <i>SMF manager</i></p>	<p><i>SUP</i> 10C.11 (Statements of responsibilities).</p> <p>Many of the requirements are in the <i>Act</i> itself but they are summarised in <i>SUP</i> 10C.11.</p> <p><i>SUP</i> 10C.11 also adds some further requirements, particularly about there being one <i>statement of responsibilities</i> per <i>SMF manager</i> per <i>firm</i>.</p>	Applies to all solo-regulated firms
The senior managers regime: Parts that apply to many firms		
A <i>firm</i> should allocate certain specified management	<i>SYSC</i> 24 (Senior managers and	Does not apply to a limited scope

responsibilities among its <i>SMF managers</i> The <i>Handbook</i> calls them <i>FCA-prescribed senior management responsibilities</i>	certification regime: Allocation of prescribed responsibilities)	core SMCR firm Applies to a core SMCR firm and an <i>enhanced scope SMCR firm</i>
A firm should carry out criminal records checks before appointing a board director who is not an SMF manager	<i>SYSC 23.4</i> (Criminal record checks for non-executive directors)	Does not apply to a <i>limited scope core SMCR firm</i> Applies to a core SMCR firm and an <i>enhanced scope SMCR firm</i>
The senior managers regime: Parts that only apply to a limited range of firms		
A firm should maintain a comprehensive and up-to-date <i>document</i> (called the <i>management responsibilities map</i>) that describes its management and governance arrangements	<i>SYSC 25</i> (Senior managers and certification regime: Management responsibilities maps and handover procedures and material)	Does not apply to a <i>limited scope core SMCR firm</i> or a core SMCR firm Applies to an <i>enhanced scope SMCR firm</i>
A firm should ensure that, at all times, one or more of its <i>SMF managers</i> have overall responsibility for each of the activities, business areas and functions of the <i>firm</i>	<i>SYSC 26</i> (Senior managers and certification regime: Overall and local responsibility)	Does not apply to a <i>limited scope core SMCR firm</i> or a core SMCR firm Applies to an <i>enhanced scope SMCR firm</i>
A firm should ensure that a person becoming an	<i>SYSC 25.9</i> (Handover	Does not apply to a

<i>SMF manager</i> has all the information and material that they could reasonably expect to have to perform their responsibilities	procedures and material)	limited scope core SMCR firm or a core SMCR firm Applies to an enhanced scope SMCR firm
The senior managers regime: Parts outside the Handbook		
Duty of responsibility This applies to <i>SMF managers</i> in all types of <i>firm</i> .	This is dealt with in section 66A(5) of the <i>Act</i> . There is <i>guidance</i> on this in <i>DEPP</i> 6.2.9-AG to <i>DEPP</i> 6.2.9-FG.	Applies to all solo-regulated firms
Criminal offence relating to a decision that causes a financial institution to fail. It applies to a <i>UK SMCR dual regulated banking sector firm</i> but does not apply to a <i>credit union</i> . It does not apply to any <i>firm</i> that is not a <i>UK SMCR dual regulated banking sector firm</i> .	This is contained in section 36 of the Financial Services (Banking Reform) Act 2013	Does not apply to any solo-regulated firm
The certification regime		
A <i>firm</i> should not permit an <i>employee</i> to carry out certain functions (<i>FCA-specified significant-harm functions</i>) unless it has issued them with a certificate. The certificate is only valid for a year. The <i>firm</i> will have to renew it if the <i>employee</i> is to carry on performing the	Most of the requirements of this regime are in section 63E (Certification of employees by authorised persons) and 63F (Issuing of certificates) of the <i>Act</i> . <i>SYSC</i> 27	Applies to all solo-regulated firms except for internally managed AIFs

function. <i>A firm</i> may not issue or renew a certificate unless it is satisfied that the <i>person</i> is fit and proper. Certification does not involve pre-approval by the <i>FCA</i> or <i>PRA</i> .	(Senior managers and certification regime: Certification regime) describes the regime and explains which <i>employees</i> are covered.	
<i>A firm</i> should ask for a regulatory reference before appointing someone to perform an <i>FCA-specified significant-harm functions</i> (or a <i>PRA</i> equivalent) and give one if asked to by another <i>firm</i> doing so	SYSC 22 (Regulatory references)	Applies to all solo-regulated firms
Conduct rules (applies to all firms)		
<i>Rules</i> of conduct that apply directly to a <i>firm's</i> workforce other than ancillary staff	COCON	Applies to all solo-regulated firms
<i>A firm</i> should report breaches of <i>COCON</i> to the <i>FCA</i>	SUP 15.11 (Notification of COCON breaches and disciplinary action)	Applies to all solo-regulated firms
<i>A firm</i> should: (a) ensure that all <i>persons</i> subject to <i>COCON</i> are notified of the <i>rules</i> that apply to them; and (b) take all reasonable steps to ensure that they understand how <i>COCON</i> applies to them	These obligations are in section 64B of the Act (Rules of conduct: responsibilities of authorised persons). There is <i>guidance</i> in <i>COCON</i> 2.3 (Firms: Training	Applies to all solo-regulated firms

	and breaches)	
--	---------------	--

...

23.4 Criminal record checks for certain directors

23.4.1 R ~~This section applies to a *UK SMCR firm* that:~~

(1) ~~is an *FCA authorised person*; and~~

(2) ~~is not a *limited scope core SMCR firm*.~~

23.4.2 R ~~A *firm* must (as part of its assessment of the fitness and propriety of any of its *non SMF board directors subject to competence requirements* (P) obtain the fullest information that it is lawfully able to obtain about P under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before P's appointment as a *board director*.~~

23.4.3 G ~~The *guidance* in *SUP 10C.10.17G* to *SUP 10C.10.18G* and *SUP 10C.10.21G* about criminal record checks (criminal record checks for *candidates* to be an *SMF manager*) applies to criminal record checks under this section.~~

23 Definition of SMCR firm and different types of SMCR firms Annex 1

Part One: Flow diagram and other basic provisions

1.1 R The flow diagram in SYSC 23 Annex 1 1.2R, defines:

(1) an *SMCR firm*; and

(2) the different categories of *SMCR firm*.

1.2 R Flow diagram: Types of SMCR firm

[Editor's note:

(1) We propose to bring into force on the main commencement date for insurers Parts 1 to 3 of SYSC 23 Annex 1 as included in the draft instrument in CP17/25 and 17/26 but omit the rest of SYSC 23 Annex 1.

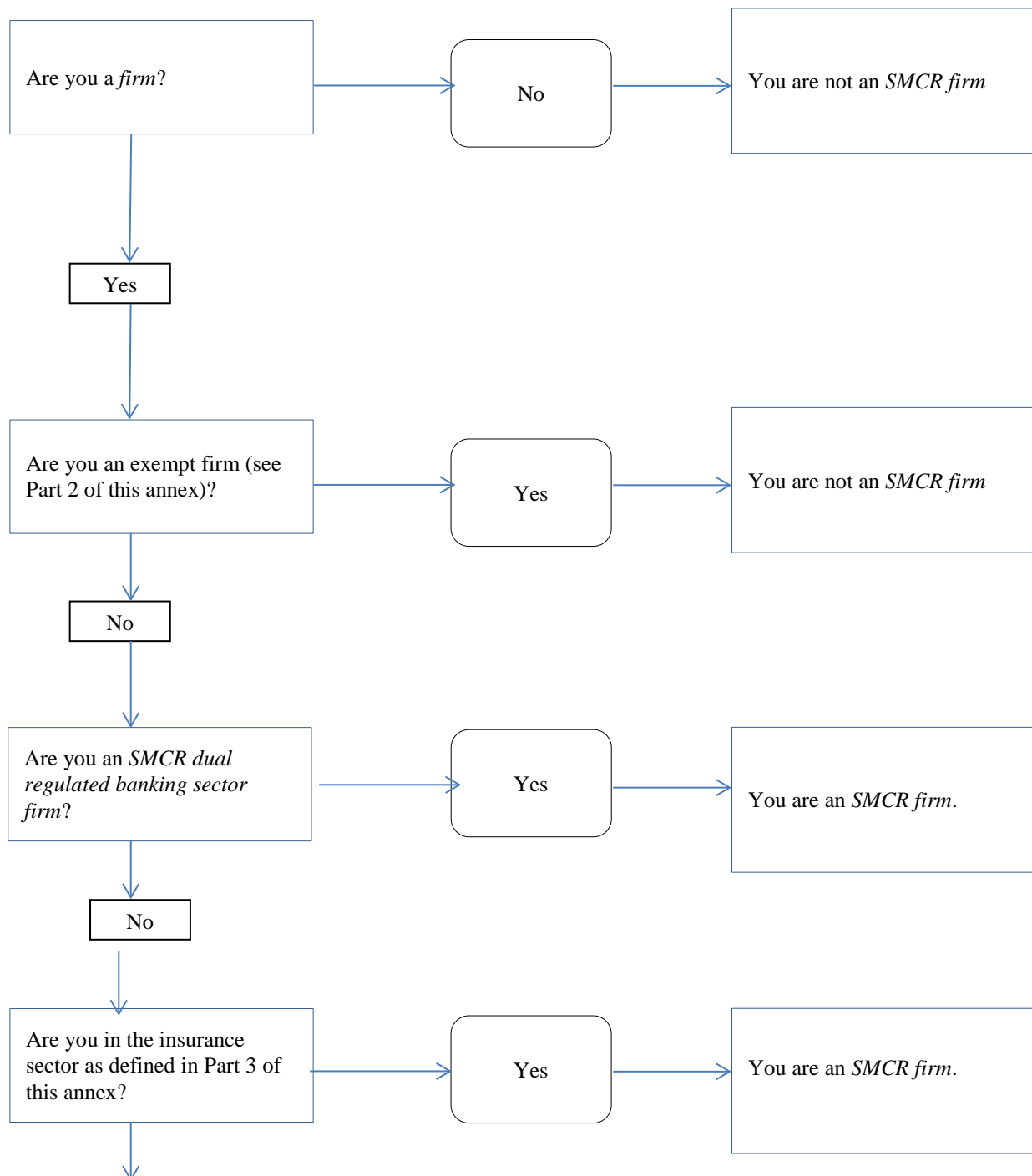
(2) We propose to amend Parts 1 and 2 of SYSC 23 Annex 1 as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 26 text.

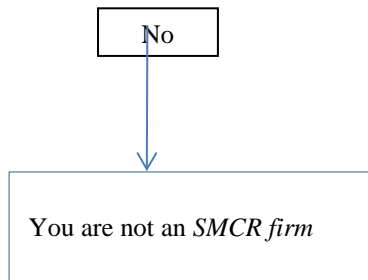
(3) In particular, we propose to bring into force on the main commencement date for insurers an amended version of the flow diagram in SYSC 23 Annex 1 1.2R included in the draft

instrument in CP17/25 and 17/26, as set out below. It is not marked up as against the text included in the draft instrument in CP17/25 and 17/26.

(4) We have not included the text of Part 3 of SYSC 23 Annex 1 or of the parts of SYSC 23 Annex 1 to be omitted.

(5) In Part 3 of this Annex, we propose to restore the original CP17/25 and 26 text. The amendments to that text in this Part of the Annex will therefore only apply for a limited period.]





Amend the following as shown. Underlining indicates new text and strike through indicates deleted text.

- 1.3 R If a *firm* is subject to a *requirement* that it must comply with the *rules* in the *Handbook* applicable to one of the categories of *SMCR firm* set out in this Annex, it is to be treated as falling into that category of *SMCR firm* for all purposes.
- 1.4 G (1) ~~The *FCA* may, on a case by case basis, require a *core SMCR firm* to comply with the requirements that apply to an *enhanced scope SMCR firm* if the *FCA* considers it appropriate to do so to advance one or more of its operational objectives under the *Act*.~~
- (2) ~~The most common example of a *requirement* described in SYSC 23 Annex 1 1.3R is likely to be one of the kind described in (1).~~
- (3) ~~One effect of SYSC 23 Annex 1 1.3R is that if a *firm* is moved from the *core SMCR firm* to the *enhanced scope SMCR firm* category, the *FCA designated senior management functions* that will apply to it are the ones for *enhanced scope SMCR firms*.~~

Part Two: Definition of exempt firm

- 2.1 R This part defines an exempt firm for the purposes of the flow diagram in Part One of this annex.
- 2.2 R An *overseas firm* is an exempt *firm* if it:
- (1) does not have; and
- (2) does not have an *appointed representative* that has;
an establishment in the *United Kingdom*.
- 2.3 R An *incoming EEA firm* that is an *EEA pure reinsurer* is an exempt firm.
- 2.4 R ~~A *UCITS qualifier* is an exempt firm (see section 266 of the *Act*~~

~~(Disapplication of rules)).~~

2.5 R ~~An AIFM qualifier is an exempt firm.~~

...

[*Editor's note:* We propose to bring into force on the main commencement date for insurers the new SYSC 24.1 to SYSC 24.3 as included in the draft instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 26 text as amended by Part 1 of this Annex. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

24 Senior managers and certification regime: Allocation of prescribed responsibilities

24.1 Application

Main application rules

24.1.1 R This chapter applies to an *SMCR firm*, except to the extent that this chapter applies a narrower scope to a particular provision. However, this chapter does not apply to:

~~(1) a limited scope core SMCR firm; or~~

~~(2) an EEA SMCR firm.~~

...

24.2 Allocation of FCA-prescribed senior management responsibilities: Main allocation rules

...

24.2.6 R Table: FCA-prescribed senior management responsibilities

Part One (applies to all firms)		
FCA-prescribed senior management responsibility	Explanation	Reference letter

...		
<p>(4B) (4) Responsibility for the <i>firm's</i> obligations in relation to conduct rules for:</p> <p>(a) training; and</p> <p>(b) reporting</p>	<p>(1) The <i>firm's</i> training obligations means its obligations under section 64B of the <i>Act</i> (Rules of conduct: responsibilities of authorised persons).</p> <p>(2) The <i>firm's</i> reporting obligations means its obligations under section 64C of the <i>Act</i> (Requirement for authorised persons to notify regulator of disciplinary action).</p> <p>(3) Conduct rules means the <i>rules</i> in <i>COCON</i> and the corresponding <i>rules</i> made by the <i>PRA</i> under section 64A of the <i>Act</i> (Rules of conduct).</p>	(b-1)
...		

...

Part Three (only applies to certain solo-regulated firms)		
FCA-prescribed senior management responsibility	Explanation	Reference letter
(1) Responsibility for the development and maintenance of the <i>firm's</i> business model by the governing body.	Business model means the same thing as it does in Schedule 6 to the <i>Act</i> (Threshold Conditions). This responsibility applies even if the business model <i>threshold condition</i> does not apply to it.	(t)
(2) Responsibility for		(dd)

ensuring the <i>firm's governing body</i> is informed of its legal and regulatory obligations.		
--	--	--

Part Four (functions applying in specified situations)		
FCA-prescribed senior management responsibility	Explanation	Reference letter
...		
(3) Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the internal audit function, in accordance the <i>internal audit requirements for SMCR firms</i> .	(1) In the case of a PRA authorised firm, this This responsibility includes responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; a person approved to perform the PRA's Head of Internal Audit <i>designated senior management function</i> for the <i>firm</i> if that function applies to the <i>firm</i>	(i)
...		
(5) Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the risk function, in accordance with the <i>risk control requirements for SMCR firms</i> .	(1) In the case of a PRA authorised firm, this This responsibility includes responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; a person approved to	(i)

	perform the <i>PRA's</i> Chief Risk <i>designated senior management function</i> for the <i>firm</i> if that function applies to the <i>firm</i>	
...		
(8) Responsibility for taking reasonable steps to ensure that every <i>person</i> involved in the performance of the <i>firm's</i> internal audit function is independent from the <i>persons</i> who perform external audit, including: (a) supervision and management of the work of outsourced internal auditors; and (b) management of potential conflicts of interest between the provision of external audit and internal audit services.	This only applies if the <i>firm</i> outsources its internal audit function	(j-3)
(9) Responsibility for: (a) managing the <i>firm's</i> internal stress tests; and (b) ensuring the accuracy and timeliness of information provided to the <i>FCA</i> and other <i>regulatory bodies</i> for the purposes of stress testing.	Stress testing refers to stress testing under SYSC 20 (Reverse stress testing). This responsibility only applies to a <i>firm</i> to which SYSC 20 applies.	(s)
...		
(11) The responsibilities allocated under <i>COLL</i> 6.6.27R or <i>COLL</i>	Only applies to a <i>firm</i> to which the <i>rules</i> in column (1) apply.	(za)

8.5.22R (Allocation of responsibility for compliance to an approved person).		
--	--	--

...

24.3 Who prescribed responsibilities should be allocated to

...

- 24.3.3 G (1) ~~Subject to (2), the~~ The FCA expects that normally a *firm* will allocate the other *FCA-prescribed senior management responsibilities* to an *SMF manager* who performs executive functions for the *firm*.
- (2) ~~The relevant rules in COLL deal with the persons to whom a firm should allocate FCA-prescribed senior management responsibility (za) (COLL value for money assessment and independent director requirements).~~

...

[Editor's note:

(1) We propose to bring into force on the main commencement date for insurers Parts 1, 2 and 3 of SYSC 24 Annex 1 as included in the draft instrument in CP17/25 and 17/26 but omit the rest of SYSC 24 Annex 1.

(2) We propose to amend Part 1 of SYSC 24 Annex 1 as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 26 text.

(3) We have not included the text of Part 2 or 3 of SYSC 24 Annex 1 or of the parts of SYSC 24 Annex 1 to be omitted.

(4) In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

24 Which FCA-prescribed senior management responsibilities apply to which kind of firm

Annex 1

Introduction and exclusions

- 1.1 G This annex sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR firm*.

- 1.2 R In this annex:
- (1) a ✓ means that the *FCA-prescribed senior management responsibility* does apply;
 - (2) a × means that the *FCA-prescribed senior management responsibility* does not apply; and
 - (3) a reference letter refers to the reference letters in the table in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).
- 1.3 G If an *FCA-prescribed senior management responsibility* is not included in the table for a particular class of *firm* that means that *FCA-prescribed senior management responsibility* does not apply to any *firm* in that class.
- 1.4 R ~~The following *FCA-prescribed senior management responsibilities* do not apply to a *full-scope UK AIFM* in relation to its *managing an AIF*:~~
- ~~(1) responsibility (j) (internal audit oversight);~~
 - ~~(2) responsibility (k) (compliance oversight);~~
 - ~~(3) responsibility (l) (risk oversight);~~
 - ~~(4) responsibility (j 3) (independence of outsourced internal audit);~~
 - ~~(5) responsibility (t) (business model); and~~
 - ~~(6) responsibility (dd) (informing governing body of obligations).~~

...

[*Editor's note:* We propose to bring into force on the main commencement date for insurers the new SYSC 25 as included in the draft instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 17/26 text. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates delted text, unless otherwise stated.

25 Senior managers and certification regime: Management responsibilities maps and handover procedures and material

25.1 Application and purpose

Main application rules

25.1.1 R This chapter applies to:

- (1) an *SMCR dual regulated banking sector firm*; and
- ~~(2) an enhanced scope SMCR firm; and~~
- (3) a *Solvency II firm* (including a *large non-directive insurer*) but excluding:
 - (a) an *insurance special purpose vehicle*; and
 - (b) a *firm* in SYSC 23 Annex 1 3.2R (*firms* in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

...

25.3 Management responsibilities maps: Exclusion of non-financial services activities for some firms

25.3.1 R ~~An enhanced scope SMCR firm may prepare its management responsibilities map so that (subject to SYSC 25.3.4R) it only includes its management and governance arrangements to the extent that they cover, support or otherwise relate to its SMCR financial activities.~~

25.3.2 G ~~Support functions that should be covered by a management responsibilities map under SYSC 25.3.1R might include:~~

- ~~(1) human resources;~~
- ~~(2) the firm's information technology; and~~
- ~~(3) compliance and legal services.~~

25.3.3 G (1) ~~A firm may have a non-financial services business in addition to carrying on its SMCR financial activities. Its support services may support both aspects of its business and its management responsibilities map may therefore still need to cover the support services even though they also cover the firm's non-financial services business.~~

(2) ~~Take for example human resources. If the firm's human resources function covers the firm's entire workforce without separating the parts that deal with the firm's financial services and its other business, the management responsibilities map should cover the entire human resources function.~~

(3) ~~On the other hand, the firm may separate the part of its human resources function that deals with those working in its financial~~

~~services business from the part that deals with the other part of its business. In that case the *management responsibilities map* may leave out the part of the human resources function that covers its non-financial services business.~~

- 25.3.4 R ~~If a *firm* uses the exclusion in SYSC 25.3.1R it must include sufficient information about the excluded management and governance arrangements to show how the included management and governance arrangements fit in with the *firm's* management and governance arrangements as a whole.~~

25.4 Guidance about what should be in a management responsibilities map

...

- 25.4.11 G The *executive director function*, the *other local responsibility function*, ~~the *group entity senior manager function*~~, the *partner function* and the *other overall responsibility function* are defined generally and generically and can be performed by several people. Therefore, there is no need to explain why several people perform one of the functions.

...

25.9 Handover procedures and material

...

- 25.9.3 R ~~This section does not apply to a *full scope UK AIFM* in relation to its *managing an AIF*.~~

...

[*Editor's note:* We propose to bring into force on the main commencement date for insurers the new SYSC 26 as included in the draft instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 17/26 text. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

26 Senior managers and certification regime: Overall and local responsibility

26.1 Application

Main application rules

26.1.1 R This chapter applies to:

- (1) an *SMCR dual regulated banking sector firm*;
- (2) ~~an enhanced scope SMCR firm~~; and
- (3) a *Solvency II firm* (including a *large non-directive insurer*) but excluding:
 - (a) an *insurance special purpose vehicle*; and
 - (b) a *firm* in SYSC 23 Annex 1 3.2R (*firms* in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

...

26.4 Exclusions

Exclusions where other requirements apply

...

26.4.2 G SYSC 26.3 (Main rules) does not require a ~~PRA authorised person firm~~ to ensure that *SMF managers* have local or overall responsibility for any activity, business area or management function that is:

...

...

~~Exclusion of non-financial services activities~~

26.4.6 R ~~SYSC 26.3 (Main rules) only requires an enhanced scope SMCR firm to allocate responsibility for activities, business areas and management functions to the extent that they support, form part of or otherwise relate to its SMCR financial activities.~~

26.4.7 G ~~SYSC 25.3.2G and SYSC 25.3.3G (Management responsibilities maps: Exclusion of non-financial services activities for some firms) are relevant to when an enhanced scope SMCR firm may exclude support services from the allocation of responsibilities under this chapter.~~

...

~~Exclusion for AIFMD~~

26.4.11 R ~~A full scope UK AIFM may treat managing an AIF as not being part of its SMCR financial activities for the purposes of this chapter.~~

...

26.10 Group management arrangements and outsourcing

...

- 26.10.3 G (1) This chapter does not cover responsibility for an aspect of a ~~PRA-
authorised person's~~ firm's affairs managed by an individual approved to perform the Group Entity Senior Manager or the Group Entity Senior Insurance Manager *PRA-designated senior management function* (see SYSC 26.4.1R (Exclusions where other requirements apply)).
- (2) Where a responsibility is held by someone approved to perform one of those *PRA-designated senior management functions* for the ~~PRA-
authorised person~~ firm, there is no need to appoint that person under this chapter and apply the arrangements in SYSC 26.10.1G.

...

...

Editor's note: We propose to bring into force on the main commencement date for insurers the new SYSC 27 as included in the draft instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes we are proposing to make to the CP17/25 and 17/26 text. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

27 Senior managers and certification regime: Certification regime**27.1 Application and purpose**

...

Exclusions

- 27.1.3 R ~~This chapter does not apply to a firm that meets the following conditions:~~
- (1) ~~it is an internally managed AIF;~~
 - (2) ~~it is a body corporate; and~~
 - (3) ~~it is not a collective investment scheme.~~

...

27.4 General material about the scope of the certification regime

...

- 27.4.7 G (1) ~~An individual sole trader will not themselves be a certification employee.~~
- (2) ~~However members of a sole trader's staff may be.~~
- (3) ~~Therefore the certification regime does not apply to a sole trader with no employees.~~

...

27.7 Definitions of the FCA-specified significant-harm functions

CASS oversight function

- 27.7.1 R (1) Each of the following is an *FCA-specified significant-harm function*:
- (a) in relation to a *CASS medium firm* and a *CASS large firm* (other than a *CASS large debt management firm*), the function of acting in the capacity of a *person* who is allocated the function in CASS 1A.3.1AR (oversight of operational effectiveness);
 - (b) in relation to a *CASS large debt management firm*, the function of acting in the capacity of a *person* who is allocated the function in CASS 11.3.4R (oversight of operational effectiveness);
 - (c) ~~in relation to a CASS small firm, the function of acting in the capacity of a person who is allocated the function in CASS 1A.3.1R (oversight of operational effectiveness).~~
- (2) A function in (1) is not an *FCA-specified significant-harm function* for that *firm* if it is performed by an *SMF manager* of that *firm*.

...

- 27.7.15 R Table: Definition of material risk taker

Type of SMCR firm	Employees included
(1) A <i>UK SMCR dual regulated banking sector firm</i> <i>A third-country SMCR dual regulated banking sector firm</i>	Each member of the <i>dual-regulated firms Remuneration Code staff</i> of the <i>firm</i> in column (1). This includes any <i>person</i> who meets any of the criteria set out in articles 3 to 5 of Commission Delegated Regulation

	(EU) No 604/2014 (criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile)).
<p>(2) An <i>EEA SMCR dual regulated banking sector firm</i></p> <p>For these purposes sub-paragraphs (i) and (ii) in SYSC 19D.1.1R(1)(d) (application of the dual-regulated firms Remuneration Code) do not apply.</p>	In relation to a <i>firm</i> in column (1), the definition of <i>dual-regulated firms Remuneration Code staff</i> is extended so that it includes <i>employees</i> of this kind of <i>firm</i> in the same way as it includes <i>employees</i> of a <i>third-country SMCR dual regulated banking sector firm</i> .
(3) A <i>firm</i> falling within SYSC 19A.1 (application provisions for the remuneration code for IFPRU investment firms)	Each member of the <i>Remuneration Code staff</i> of the <i>firm</i> in column (1).
<p>(4) A <i>firm</i> that would fall within SYSC 19A.1 if it applied to an <i>incoming EEA firm</i></p> <p>For these purposes sub-paragraphs (i) and (ii) in SYSC 19A.1.1R(1)(d) (application of the Remuneration Code) do not apply.</p>	In relation to a <i>firm</i> in column (1), the definition of <i>Remuneration Code staff</i> is extended so that it includes <i>employees</i> of this kind of <i>firm</i> in the same way as it includes <i>employees</i> of an <i>overseas firm</i> in row (3) of this table.
(5) A <i>firm</i> falling within SYSC 19B.1 (application provisions for the remuneration code for a full-scope UK AIFM)	Each member of the <i>AIFM Remuneration Code staff</i> of the <i>firm</i> in column (1).
(6) An <i>above-threshold non-EEA AIFM</i> or an <i>incoming EEA AIFM</i>	In relation to a <i>firm</i> in column (1), the definition of <i>AIFM Remuneration Code staff</i> is extended so that it includes <i>employees</i> of this kind of <i>firm</i> in the same way as it includes <i>employees</i> of <i>firms</i> in row (5) of this table.
(7) A <i>firm</i> falling within SYSC 19C.1 (application provisions for remuneration code for BIPRU firms)	Each member of the <i>BIPRU Remuneration Code staff</i> of the <i>firm</i> in column (1).
(8) A <i>firm</i> that would fall within SYSC 19C.1 if it applied to an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i>	In relation to a <i>firm</i> in column (1), the definition of <i>BIPRU Remuneration Code staff</i> is extended so that it includes <i>employees</i> of this kind of <i>firm</i> in the same way as it includes

	employees of a third country BIPRU firm in column (1) of row (7) of this table.
(9) A firm falling within SYSC 19E.1 (application provisions for remuneration code for UCITS management companies)	Each member of the UCITS Remuneration Code staff of the firm in column (1).
(10) An EEA UCITS management company	In relation to a firm in column (1), the definition of UCITS Remuneration Code staff is extended so that it includes employees of this kind of firm in the same way as it includes employees of firms in row (9) of this table.
(11) A Solvency II firm	Persons referred to in articles 275.1(c) and (d) of Solvency II Regulation 2015/35 (key functions and staff with a material impact).

Part 3: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[Editor's note: This Part amends the text in Parts 1 and 2 of this Annex to restore it to the version in CP17/25 and 17/26. The amendments required to achieve this are not shown.]

Annex D

Amendments to the Code of Conduct sourcebook (COCON)

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

[*Editor's note:* We propose to bring into force on the main commencement date for insurers the amendments to COCON made in the draft instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made. We only show the changes and additions we are proposing to make to the CP17/25 and 17/26 text. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Application and purpose

1.1 Application

...

To whom does it apply?

1.1.1A R *COCON* applies to the *persons* set out in the table in *COCON* 1.1.2R.

1.1.2 R Table: To whom does COCON apply?

Persons to whom COCON Applies	Comments
...	
(6) Any <i>employee</i> of an <i>SMCR firm</i> not coming within another row of this table, except one listed in column (2) of this table.	<p><u>(A)</u> This row does not apply to an <i>employee</i> of an <i>SMCR firm</i> who only performs functions falling within the scope of the following roles:</p> <p>(a) receptionists;</p> <p>(b) switchboard operators;</p> <p>(c) post room staff;</p> <p>(d) reprographics/print room staff;</p> <p>(e) property/facilities management;</p> <p>(f) events management;</p> <p>(g) security guards;</p>

	<p>(h) invoice processing;</p> <p>(i) audio visual technicians;</p> <p>(j) vending machine staff;</p> <p>(k) medical staff;</p> <p>(l) archive records management;</p> <p>(m) drivers;</p> <p>(n) corporate social responsibility staff;</p> <p>(o) data controllers or processors under the Data Protection Act 1998;</p> <p>(p) cleaners;</p> <p>(q) catering staff;</p> <p>(r) personal assistant or secretary;</p> <p>(s) information technology support (ie, helpdesk); and</p> <p>(t) human resources administrators /processors.</p> <p><u>(B) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is in the insurance sector as defined in Part Three of SYSC 23 Annex 1 (Definition of insurance sector) until [] 2019 [one year after main commencement date for insurance firms].</u></p>
...	

...

4 Specific guidance on individual conduct rules

...

4.2 Specific guidance on senior manager conduct rules

...

- 4.2.16 G The following is a non-exhaustive list of examples of conduct that would be in breach of *rule* SC2.

...

- (8) For a *senior conduct rules staff member* who is responsible for the compliance function, failing to ensure that:

...

- (e) the method of determining the remuneration complies, where applicable, with the *Remuneration Code* or for a *Solvency II firm* or a *small non-directive insurer*, other relevant requirements in relation to remuneration, ~~as well as those remuneration codes applicable to firms as set out in SYSC 19B—19E.~~

...

Part 2: Coming into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* In this Part the text takes into account the text proposed in the draft instrument included in CP17/25 and 17/26 as if it was made as well as the changes proposed in Part 1 of this Annex. We only show the changes and additions we are proposing to make to the CP17/25 and 17/26 text as amended. In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Application and purpose

1.1 Application

...

To whom does it apply?

1.1.1A R *COCON* applies to the *persons* set out in the table in *COCON* 1.1.2R.

1.1.2 R Table: To whom does *COCON* apply?

Persons to whom <i>COCON</i> Applies	Comments
...	
(6) Any <i>employee</i> of an <i>SMCR firm</i> not coming within another row of this table, except one listed in column (2) of this table.	(A) This row does not apply to an <i>employee</i> of an <i>SMCR firm</i> who only performs functions falling within the scope of the following roles:

	<p>(a) receptionists;</p> <p>(b) switchboard operators;</p> <p>(c) post room staff;</p> <p>(d) reprographics/print room staff;</p> <p>(e) property/facilities management;</p> <p>(f) events management;</p> <p>(g) security guards;</p> <p>(h) invoice processing;</p> <p>(i) audio visual technicians;</p> <p>(j) vending machine staff;</p> <p>(k) medical staff;</p> <p>(l) archive records management;</p> <p>(m) drivers;</p> <p>(n) corporate social responsibility staff;</p> <p>(o) data controllers or processors under the Data Protection Act 1998;</p> <p>(p) cleaners;</p> <p>(q) catering staff;</p> <p>(r) personal assistant or secretary;</p> <p>(s) information technology support (ie, helpdesk); and</p> <p>(t) human resources administrators /processors.</p> <p>(B) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is in the insurance sector as defined in Part Three of SYSC 23 Annex 1 (Definition of insurance sector) until [] 2019 [one year after main commencement date for insurance firms].</p> <p><u>(C) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is an <i>FCA-authorised person</i> until [] 2020 [one year after main commencement date for solo-regulated firms].</u></p>
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...	
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...

4 Specific guidance on individual conduct rules

...

4.2 Specific guidance on senior manager conduct rules

...

- 4.2.16 G The following is a non-exhaustive list of examples of conduct that would be in breach of *rule* SC2.

...

- (8) For a *senior conduct rules staff member* who is responsible for the compliance function, failing to ensure that:

...

- (e) the method of determining the remuneration complies, where applicable, with the *Remuneration Code* or for a *Solvency II firm* or a *small non-directive insurer*, other relevant requirements in relation to remuneration, as well as those remuneration codes applicable to firms as set out in SYSC 19B – 19E.

...

Part 3: Comes into force [] 2020 [one year after main commencement date for solo-regulated firms]

[*Editor's note:* In this Part the text takes into account the text proposed in the instrument included in CP17/25 and 17/26 as if it was made as amended in Parts 1 and 2 of this Annex. The purpose is to restore the text to the version in CP17/25 and 17/26.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Application and purpose

1.1 Application

...

To whom does it apply?

1.1.1A R *COCON* applies to the *persons* set out in the table in *COCON* 1.1.2R.

1.1.2 R Table: To whom does *COCON* apply?

Persons to whom <i>COCON</i> Applies	Comments
...	
(6) Any <i>employee</i> of an <i>SMCR firm</i> not coming within another row of this table, except one listed in column (2) of this table.	<p>(A) This row does not apply to an <i>employee</i> of an <i>SMCR firm</i> who only performs functions falling within the scope of the following roles:</p> <p>...</p> <p>(B) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is in the insurance sector as defined in Part Three of SYSC 23 Annex 1 (Definition of insurance sector) until [] 2019 [one year after main commencement date for insurance firms].</p> <p>(C) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is an <i>FCA authorised person</i> until [] 2020 [one year after main commencement date for solo regulated firms].</p>
...	

...

Annex E

Amendments to the ~~Fit and Proper test for Approved Persons and Specified Significant-harm Functions~~ Fit and Proper test for Employees and Senior Personnel sourcebook (FIT)

Part 1: Comes into force [] 2018 [main commencement date for insurance firms]

Editor's note:

(1) We propose to bring into force on the main commencement date for insurers the amendments to FIT made in the instrument in CP17/25 and 17/26 but amended as shown. The text takes into account the text proposed in the instrument included in CP17/25 and 17/26 as if it was made. We only show the changes and additions we are proposing to make to the CP17/25 and 17/26 text.

(2) The draft instrument included in CP17/25 and 17/26 deleted FIT 1.1.3G and the table in FIT 1.1.4G. We propose to keep them in force for the period in which the amendments in this Part are in place. However we propose to amend that table as shown. The text of the table is marked up with underline and strikethrough as against the current Handbook text. We only show the changes and additions we are proposing to make to the current Handbook text.

(3) In Part 2 of this Annex, we propose to restore the original CP text (including the deletion of FIT 1.1.3G and the table in FIT 1.1.4G). The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 General

1.1 Application and purpose

1.1. G *FIT* applies to:

1

(1) ~~an *SMCR firm*~~ a firm (including an *SMCR firm*);

...

(8) ~~a board director as set out in *FIT* 1.1.2(e).~~

1.1. G The purpose of *FIT* is to set out and describe the criteria that:

2

(1) an *SMCR firm* should consider when:

...

- (c) assessing the fitness and propriety of a *person* whom the *firm* is proposing to certify to perform an *FCA specified significant-harm function*; and
- (d) assessing the continuing fitness and propriety of a *person* whom the *firm* has certified to perform an *FCA specified significant-harm function*; and .
- (e) ~~(in the case an *FCA authorised person* that is not a *limited scope core SMCR firm*) assessing the fitness of a *non-SMF board director subject to competence requirements under the competent employees rule*, any directly applicable *EU* legislation or any other requirement of the *regulatory system*.~~

...

1.1. G The table in *FIT* 1.1.4G summarises the situations to which *FIT* applies.
3

1.1. G Table: Situations to which *FIT* applies
4

What <i>FIT</i> applies to	Does it apply to <i>relevant authorised persons SMCR firms</i> ?	Does it apply to <i>firms</i> that are not <i>relevant authorised persons SMCR firms</i> ?	Comment
(1) A <i>firm</i> assessing the fitness and propriety of a <i>candidate</i> whom the <i>firm</i> is proposing to put forward for approval	Yes	No	However, the answer to Question 11 in <i>SUP</i> 10A Annex 1 (Frequently asked questions) says that the <i>FCA</i> 's approval process is not a substitute for the checks that a <i>firm</i> should be carrying out on its prospective recruits. <i>FIT</i> may be a useful guide to matters that a <i>firm</i> that is not a <i>relevant authorised person</i> <u>an SMCR firm</u> should take into account.
(2) A <i>firm</i> assessing the continuing fitness and propriety of an <i>approved person</i>	Yes	No	However, a <i>firm</i> should employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them (<i>SYSC</i> 5.1). <i>FIT</i> may be a useful guide to matters which a <i>firm</i> should take into account if

			it is not a relevant authorised person <u>an SMCR firm</u> .
...			

1.2 Introduction

- 1.2.-1 G Under section 60A(1) of the *Act*, before a ~~firm~~ an SMCR firm may make an application for the *FCA*'s approval of a *controlled function* the *firm* must be satisfied that the *person* for whom the application is made is a fit and proper *person* to perform that function.

...

- 1.2.1A G Under section 63F of the *Act*, a ~~firm~~ an SMCR firm may issue a certificate to a *person* to perform a *specified significant-harm function* only if it is satisfied that the *person* is a fit and proper *person* to perform that function.

- 1.2.1B G Under sections 60A and 63F of the *Act*, in assessing whether a *person* is a fit and proper person to perform an *FCA designated senior management function* or an *FCA specified significant-harm function*, a ~~firm~~ an SMCR firm must have particular regard to whether that *person*:

- (1) has obtained a qualification; or
- (2) has undergone, or is undergoing, training; or
- (3) possesses a level of competence; or
- (4) has the personal characteristics;

required by general *rules* made by the *FCA*

...

1.3 Assessing fitness and propriety

...

- 1.3.2A G ~~A firm~~ An SMCR firm assessing the fitness and propriety of *staff being assessed under FIT* should consider:

- (1) the nature, scale and complexity of its business, the nature and range of financial services and activities undertaken in the course of that business; and
- (2) whether the *candidate* or *person* has the knowledge, skills and experience to perform the specific role that the *candidate* or *person* is

intended to perform.

- 1.3.2B G ~~A firm~~ An SMCR firm is reminded that, in assessing a *candidate* for a position within the *management body* of the *firm*, SYSC 4.3A.3R(3) requires the *firm* to ensure that the management body, as a collective, possesses adequate knowledge, skills and experience to understand the *firm's* activities.
- 1.3.3 G The criteria listed in *FIT 2.1* to *FIT 2.3* are *guidance* and will be applied in general terms when the *FCA* is determining a *person's* fitness and propriety. It would be impossible to produce a definitive list of all the matters which would be relevant to a particular determination. ~~A firm~~ An SMCR firm assessing the fitness and propriety of *staff being assessed under FIT* should be guided by substantially the same criteria in *FIT 2.1* to *FIT 2.3* (to the extent applicable to the *firm*), recognising that this is not intended to be a definitive list of matters to be considered.
- 1.3.4 G If a matter comes to the *FCA's* attention which suggests that the *person* might not be fit and proper, the *FCA* will take into account how relevant and how important it is. In the same way, if a matter comes to the attention of a ~~firm~~ an SMCR firm which suggests that any *staff being assessed under FIT* might not be fit and proper, the *firm* should take into account how relevant and how important that matter is.
- 1.3.4A G ~~A firm~~ An SMCR firm assessing the continuing fitness and propriety of an *approved person* is required to notify the *FCA* under section 63(2A) of the *Act* if it forms the opinion that there are grounds on which the *FCA* could withdraw its approval (see *SUP 10C.14.24R*). In discharging its obligation to notify the *FCA*, a ~~firm~~ an SMCR firm should take into account how relevant and how important the matter is that comes to its attention which suggests an *approved person* might not be fit and proper before determining that a notification should be made.
- 1.3.4B G ~~A firm~~ An SMCR firm assessing the continuing fitness and propriety of *staff being assessed under FIT* should assess the role that the individual is actually performing at the time the assessment is done. For this purpose, the assessor(s) should be provided with an up-to-date job description for that individual in advance of the assessment.

...

2 Main assessment criteria

2.1 Honesty, integrity and reputation

- 2.1.1 G In determining a *person's* honesty, integrity and reputation, the *FCA* will have regard to all relevant matters including, but not limited to, those set out in *FIT 2.1.3G* which may have arisen either in the *United Kingdom* or elsewhere. The *FCA* should be informed of these matters (see *SUP 10A.14.17R* and *SUP 10C.14.18R*), but will consider the circumstances only where relevant to the requirements and standards of the *regulatory system*. For example, under *FIT 2.1.3G(1)*, conviction for a criminal offence will not

automatically mean an application will be rejected. The *FCA* treats each candidate's application on a case-by-case basis, taking into account the seriousness of, and circumstances surrounding, the offence, the explanation offered by the convicted *person*, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation.

- 2.1.1A G ~~A firm~~ An SMCR firm determining the honesty, integrity and reputation of *staff being assessed under FIT*, should consider all relevant matters, including those set out in *FIT* 2.1.3G, which may have arisen either in the *United Kingdom* or elsewhere. *Firms* should inform themselves of relevant matters, including checking for convictions for criminal offences (where possible) and contacting previous employers who have employed that *candidate* or *person*. If any *staff being assessed under FIT* has a conviction for a criminal offence, the *firm* should consider the seriousness of and circumstances surrounding the offence, the explanation offered by that *person*, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation.

...

- 2.1.2A G In considering the reputation of *staff being assessed under FIT* 2.1.1AG a ~~firm~~ an SMCR firm should have regard to whether that *person's* reputation might have an adverse impact upon the *firm* for which the function is to be performed and the *person's* responsibilities.

- 2.1.3 G The matters referred to in *FIT* 2.1.1G to which the *FCA* will have regard, and to which a ~~firm~~ an SMCR firm should also have regard, include, but are not limited to:

...

...

2.2 Competence and capability

...

- 2.2.1A G In determining a *person's* competence and capability to perform an *FCA* designated senior management function or an *FCA*-specified significant-harm function, a ~~firm~~ an SMCR firm, in accordance with *FIT* 1.1.2G, should have regard to all relevant matters including but not limited to:

...

...

- 2.2.2A G The *FCA* would expect a ~~firm~~ an SMCR firm determining the competence and capability of *staff being assessed under FIT* to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a *person's* continuing ability to perform

the particular *FCA designated senior management function* or an *FCA-specified significant-harm function* for which the *person* is, or is to be, employed.

2.3 Financial soundness

- 2.3.1 G In determining a *person's* financial soundness, the *FCA* will have regard, and ~~a firm~~ an SMCR firm should also have regard, to any factors including, but not limited to:

...

- 2.3.2 G The *FCA* will not normally require a *candidate* to supply a statement of assets or liabilities. The fact that a *person* may be of limited financial means will not, in itself, affect their suitability to perform a controlled function. The *FCA* would expect ~~a firm~~ an SMCR firm to take a similar view in assessing whether *staff being assessed under FIT*, are fit and proper.

Part 2: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note:* This Part amends the text in Part 1 of this Annex to restore it to the version in CP17/25 and 17/26. The amendments required to achieve this are not shown.]

Annex F

Amendments to the Supervision manual (SUP)

Part 1: Comes into force [] 2018 [shortly after instrument is made]

[Editor's note:

(1) In this Part we include the changes to SUP 10C.13 made in the instrument included in CP17/25 and 17/26. The text from those CPs is shown below, including the underline and strikethrough from that draft instrument.

(2) We also propose to amend certain provisions of SUP 10C.13 as they come into force under this Part. We have repeated the text to be changed, this time showing the amendments we are proposing to make to the CP text. In this case the text takes into account the text proposed in the instrument included in CP17/25 and 17/26 as if it was made. The proposed changes are shown with strikethrough and underlining.

(3) In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text.

Text taken from CP17/25 and 17/26, including the changes made in the draft instrument in those CPs

10C.13 **Variation of conditional and time-limited approvals**

Purpose

10C.13.1 G This section deals with variation of a conditional approval at the:

- (1) request of the *firm*; and
- (2) initiative of the *FCA*.

10C.13.2 G (1) In particular, this section sets out the *FCA*'s policies about varying conditional approvals at the request of a *firm*, as required by section 63ZD of the *Act* (Statement of policy relating to conditional approval and variation).

(2) This section does not deal with the *FCA*'s policies on varying a condition on its own initiative. *DEPP* 8 deals with that.
However this section gives a short description of the *FCA*'s powers to impose such variations.

Variation of a conditional approval at the request of the firm: general

description

- 10C.13.3 G A *firm* may apply to the *FCA* to change a conditional or time-limited approval. The changes for which a *firm* may apply are:
- (1) a variation of the condition;
 - (2) removal of the condition; ~~and~~
 - (3) the imposition of a new condition; or
 - (4) where the approval is time-limited:
 - (a) varying the time limit; or
 - (b) removing the time limit.
- 10C.13.4 G (1) ~~If a *firm* is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2) is a PRA-*authorised person*, there are requirements about whether the *firm* should apply to the *FCA* if the *FCA* imposed that condition, even if the approval was given by or the *PRA*. Paragraphs (2) to (3) summarise these requirements.~~
- (2) If the *firm* is applying for the imposition of a new condition, the *firm* should apply to the *FCA* if the approval to which the application relates was given by the *FCA*.
 - (2A) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2), the *firm* should (subject to (2C)) apply to the *FCA* if the *FCA* imposed that condition, even if the approval was given by the *PRA*.
 - (2B) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(4), the *firm* should subject to (2C)) apply to the *FCA* if the *FCA* imposed that time limit, even if the approval was given by the *PRA*.
 - (2C) Where the time limit or condition has been varied before and the *FCA* was the last to vary it, the *firm* should apply to the *FCA*. This applies whether the variation was made on the application of the *firm* or on the initiative of the *FCA* or the *PRA*.
 - (3) In other cases, the application should be to the *PRA*.
- 10C.13.5 G The ~~power right~~ to apply for a variation does not ~~apply to~~ include the right to apply for a time limitation where the current approval has effect for an unlimited period.
- 10C.13.5A G The procedures described in this section for the variation of an approval at the request of a *firm* do not apply where the condition or time limit

has effect by virtue of section 66 of the Act (Disciplinary powers).

...

- 10C.13.24 G The *FCA* may vary an approval by:
- (1) imposing a condition;
 - (2) varying a condition;
 - (3) removing a condition; ~~or~~
 - (4) limiting the period for which the approval is to have effect; or
 - (5) removing or varying a time limit on an approval.

...

Text from CP17/25 and 17/26 to be amended

- 10C.13.4 G (1) ~~If the *firm* applying for a change described in SUP 10C.13.3G is a *PRA-authorized person*, there~~ There are requirements about whether the *firm* should apply to the *FCA* or the *PRA*. Paragraphs (2) to (3) summarise these requirements.

Part 2: Comes into force [] 2018 [main commencement date for insurance firms]

[*Editor's note:*

(1) We propose to bring into force on the main commencement date for insurers the changes to SUP 10C.1 to SUP 10C.16 made in the instrument included in CP17/25 and 17/26 (except for those in Part 1 of this Annex) but amended as shown. The text takes into account the text proposed in the instrument included in CP17/25 and 17/26 as if it was made. We only show the changes and additions we are proposing to make to the CP17/25 and 17/26 text.

(2) In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text.

10C.4 Specification of functions

...

- 10C.4.3 R Table of FCA-designated senior management functions for SMCR firms

Type	SMF	Description of FCA controlled function
<i>FCA governing functions</i>	SMF 1	Chief executive function
	SMF 3	Executive director function
	SMF 7	Group entity senior manager function
	SMF 9	Chairman function
	SMF 10	Chairman of the risk committee function
	SMF 11	Chairman of the audit committee function
	SMF 12	Chairman of the remuneration committee function
	SMF 13	Chairman of the nomination committee function
	SMF 14	Senior independent director function
	SMF 15	Chairman of the with-profits committee function
	SMF 19	Head of third country branch function
	SMF 27	Partner function
<i>FCA required functions</i>	SMF 16	Compliance oversight function
	SMF 17	Money laundering reporting function
	SMF 18	Other overall responsibility function
	SMF 21	EEA branch senior manager function
	SMF 29	Limited scope function
	SMF 23b	Conduct risk oversight (Lloyd's) function
	SMF22	Other local responsibility function
Systems and controls	SMF 2	Chief finance officer function
	SMF 4	Chief risk officer function

functions	SMF 5	<i>Head of internal audit function</i>
	SMF 24	<i>Chief operations function</i>

...

10C.4A FCA governing functions: General

Sole traders

- 10C.4A.1 G (1) An individual *sole trader* themselves will not need approval to perform any of the *governing functions*. Therefore the *governing functions* do not apply to a *sole trader* with no employees.
- (2) It is possible, although perhaps not likely in practice, that the *governing functions* could apply to staff working for the *sole trader*.
- (3) In particular, it is possible for the *sole trader* to give sufficient authority to a staff member that the staff member meets the *Glossary* definition of a *director*.
- (4) This might happen, for example, if the *sole trader's* business is so large that the *sole trader* sets up a *governing body* to run it.

...

10C.5 FCA governing functions: Executive

...

Chief executive function (SMF1)

- 10C.5.12 R The *chief executive function* is the function of acting in the capacity of a *chief executive* of a *firm*.
- 10C.5.13 G This function is having the responsibility, alone or jointly with one or more others, under the immediate authority of the *governing body* for the conduct of the whole of the business (or relevant activities) of the *firm*.
- 10C.5.14 G (1) A person performing the *chief executive function* may be a member of the *governing body* but need not be.
- (2) If the chairman of the *governing body* is also the *chief executive*, they will be discharging this function.
- (3) If the responsibility is divided between more than one person but not shared, there is no person exercising the *chief executive*

function.

- (4) But if that responsibility is discharged jointly by more than one *person*, each of those *persons* will be performing the *chief executive function*.

Head of third country branch function (SMF 19)

- 10C.5.15 R (1) This *rule* applies to a *non-UK SMCR firm* but not to an *EEA SMCR firm*.
- (2) The *head of third country branch function* is the function of having responsibility alone or jointly with others, for the conduct of all activities of the *United Kingdom branch* of a *firm* which are subject to the *UK regulatory system*.

...

Partner function: When partners and members do not require approval

- 10C.5.18 R (1) This *rule* applies to a *firm* to which the *partner function* applies.
- (2) If the principal purpose of the *firm* is to carry on one or more *regulated activities*, each *person* in SUP 10C.5.16R to SUP 10C.5.17R (a “partner”) performs the *partner function*.
- (3) If the principal purpose of the *firm* is other than to carry on *regulated activities*:
- (a) a partner performs the *partner function* to the extent only that they have responsibility for a *regulated activity*; and
- (b) a partner in a *firm* will be taken to have responsibility for each *regulated activity* except where the *firm* has apportioned responsibility to another partner or group of partners.
- 10C.5.19 G (1) The effect of SUP 10C Annex 1 2.4R is that *regulated activity* in SUP 10C.5.18R is to be taken as not including an activity that is a *non-mainstream regulated activity*.
- (2) Therefore, a partner whose only *regulated activities* are incidental to their professional services, in a *firm* whose principal purpose is to carry on other than *regulated activities*, need not be an *FCA approved person*.
- (3) What amounts to the principal purpose of the *firm* is a matter of fact in each case having regard to all the circumstances, including the activities of the *firm* as a whole.
- (4) Any *regulated activities* which such a partner carries on are not

~~within the description of the *partner function*.~~

...

10C.5A FCA governing functions: Oversight

...

Chairman function (SMF9)

- 10C.5A.5 R ~~The *chairman function* is the function of having responsibility for chairing, and overseeing the performance of the role of, the *governing body* of the *firm*.~~

Chairman of the risk committee function (SMF10)

- 10C.5A.6 R ~~The *chairman of the risk committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the risk management systems, policies and procedures of the *firm*, including where applicable to the *firm*, a committee established in accordance with the *risk control requirements for SMCR firms*.~~
- 10C.5A.7 G ~~The *chairman of the risk committee function* applies even if the *firm*:~~
- ~~(1) is not obliged to have a committee of the type described in SUP 10C.5A.6R; or~~
 - ~~(2) is not subject to any requirements of the *regulatory system* dealing with risk management systems, policies and procedures.~~

Chairman of the audit committee function (SMF11)

- 10C.5A.8 R ~~The *chairman of the audit committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the internal audit system of the *firm* including where applicable to the *firm*, a committee established in accordance with the *internal audit requirements for SMCR firms*.~~
- 10C.5A.9 G ~~The *chairman of the audit committee function* applies even if the *firm*:~~
- ~~(1) is not obliged to have a committee of the type described in SUP 10C.5A.8R; or~~
 - ~~(2) is not subject to any requirements of the *regulatory system* dealing with internal audit.~~

Chairman of the remuneration committee function (SMF12)

- 10C.5A.10 R ~~The *chairman of the remuneration committee function* is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the design and the~~

implementation of the *remuneration* policies of a *firm*, including where applicable to the *firm*, a committee established in accordance with:

- (1) ~~SYSC 19A.3.12R (Remuneration Principle 4: Governance);~~
- (2) ~~SYSC 19B.1.9R (AIFM Remuneration Principle 3: Governance);~~
- (3) ~~SYSC 19C.3.12 R (Remuneration Principle 4: Governance);~~
- (4) ~~SYSC 19D.3.12R (Remuneration Principle 4: Governance);~~
- (5) ~~SYSC 19E.2.9R (UCITS Remuneration Principle 3: Governance).~~

- 10C.5A.11 G The *chairman of the remuneration committee function* applies even if the *firm*:
- (1) is not obliged to have a committee of the type described in *SUP 10C.5A.10R*; or
 - (2) is not subject to any requirements of the *regulatory system* dealing with *remuneration* policies.

...

Senior independent director function (SMF14)

- 10C.5A.14 R The *senior independent director function* is the function of performing the role of a senior independent director, and having particular responsibility for leading the assessment of the performance of the person performing the *chairman function*.

...

10C.5B FCA governing functions: Group entities

Group entity senior manager function (SMF7)

- 10C.5B.1 R
- (1) The *group entity senior manager function* is the function of having a significant influence on the management or conduct of one or more aspects of the affairs of a *firm* in relation to its *regulated activities*.
 - (2) This *controlled function* does not include having such influence in the course of performance of another *designated senior management function* for that *firm*.
 - (3) This *controlled function* only applies if it is performed by:
 - (a) a *person* employed by; or

~~(b) an officer of:~~

~~any of the following:~~

~~(c) a parent undertaking or holding company of the firm; or~~

~~(d) another undertaking which is a member of the firm's group.~~

Basis on which group entity senior manager function is included

- 10C.5B.2 G (1) This provision explains the basis on which the *group entity senior manager function* is included as a *controlled function*.
- (2) The basic position is set out in SUP 10C.3.9G. As is the case with all *controlled functions*, the definition of the *group entity senior manager function* is subject to the overriding provisions in SUP 10C.3.6R, which sets out the requirements of section 59(1) and (2) of the Act.
- (3) This means that unless the *firm* has an *arrangement* permitting the performance of these roles by the *persons* concerned, these *persons* will not be performing the *group entity senior manager function*.
- (4) Therefore, the *FCA* accepts that there will be cases in which a *person* performing the role described in SUP 10C.5B.1R will not require approval.
- (5) However where there is such an *arrangement* the function may apply.

When the group entity senior manager function applies

- 10C.5B.3 G (1) Individuals in the management of a group in which a *firm* is a subsidiary do not automatically come within the *group entity senior manager function* even though their job relates to the *firm*.
- (2) The *FCA* does not aim or expect to approve individuals to perform this function for every *firm* to which the function potentially applies under SUP 10C Annex 1 (What functions apply to what type of firm) just because the *firm* is part of a group.
- (3) The *FCA* would not consider it to be unusual for there to be no one performing the *group entity senior manager function* for a *firm* that is a subsidiary in a group.
- 10C.5B.4 G Whether someone performs the *group entity senior manager function* should be assessed on a case by case basis. The factors to be taken into

account include:

- (1) ~~the organisational structures of the group and the *firm*;~~
- (2) ~~the split of key responsibilities between the group and *firm* boards and senior management; and~~
- (3) ~~whether *SMF managers* based in the *firm* have an appropriate level of authority within the group to ensure that the *firm* complies with the requirements of the *regulatory system*.~~

- 10C.5B.5 G (1) ~~An individual based elsewhere in a group whose responsibilities in relation to a subsidiary in the group that is a *firm* are limited to developing the group's overall strategy is unlikely to be performing the *group entity senior manager function*.~~
- (2) ~~The function is more likely to apply to individuals who are directly responsible for implementing the group's strategy in the *firm*.~~
- (3) ~~Therefore, if an individual based elsewhere in the group:~~
- (a) ~~is directly responsible for taking decisions about how the *firm* should conduct its *regulated activities*; and~~
 - (b) ~~has not delegated this responsibility to an *SMF manager* based in the *firm*;~~
- ~~it is likely that they will require approval to perform the *group entity senior manager function* (or, as described in SUP 10C.5B.6G, another *designated senior management function*).~~
- (4) ~~If however the *firm's governing body* has sufficient discretion in how it applies and responds to proposals coming from group committees or individuals based in parent entities, approval would generally not be required. In this case the individual will be carrying on a group-level function rather than performing a function on behalf of the *firm*.~~
- (5) ~~So, where:~~
- (a) ~~a *firm* has in place the required *SMF managers* based in the *firm*; and~~
 - (b) ~~those *SMF managers* are effective and have sufficient control over the *firm*;~~
- ~~the *FCA* would not routinely expect the *firm* to have *persons* performing the *group entity senior manager function* in place.~~

- 10C.5B.6 G (1) ~~SUP 10C.5B.1R(2) means that an individual who is approved to perform another *designated senior management function* for a~~

~~firm will often not need to be approved to perform the group entity senior manager function for that firm as well.~~

- (2) ~~So for example if the individual has responsibility for the firm's finances they may be performing the chief finance officer function. If that is the case the individual will not be performing the group entity senior manager function.~~
- (3) ~~Similarly an individual who is approved to perform another designated senior management function for the firm may have influence that comes from holding that post in matters falling outside the core duties of that post. For example a chief finance officer of a firm will have important input into decisions that fall outside the core financial control function. That influence does not mean that they are performing the group entity senior manager function.~~

10C.5B.7 G ~~The group entity senior manager function is potentially relevant:~~

- (1) ~~whether the individual is located in or outside the United Kingdom; and~~
- (2) ~~whether the group is headquartered in the United Kingdom or overseas.~~

10C.5B.8 G (1) ~~The parent of a subsidiary firm cannot itself perform the group entity senior manager function.~~

(2) ~~A shareholder in the parent will also not perform this function unless the shareholder is also a director, officer or employee of the parent and is exerting significant influence over the firm through that role.~~

10C.6 FCA-required functions

Compliance oversight function (SMF16)

10C.6.1 R The *compliance oversight function* is the function of acting in the capacity of a person who is allocated the function in:

...

- (4) SYSC 6.1.4CR; or
- (5) SYSC 3.2.8R; ~~or~~ or
- (6) ~~(for a full scope UK AIFM) article 61(3)(b) of the AIFMD level 2 regulation.~~

...

~~Limited scope function (SMF29)~~

- 10C.6.4 R The *limited scope function* is the function of acting in the capacity of a *person* responsible for the apportionment function and/or the oversight function set out in SYSC 4.4.5R.
- 10C.6.5 G The fact that there is a *person* performing the *limited scope function*, and who has responsibility for activities subject to regulation by the *FCA*, may have a bearing on whether a manager who is based overseas will be performing an *FCA controlled function*. It is a factor to take into account when assessing the likely influence of the overseas manager.

...

10C.6A Systems and controls functions: Finance, risk and internal audit~~Introduction~~

- 10C.6A.1 G The *FCA designated senior management functions* in this section apply even if the *firm*:
- (1) is not required by the *regulatory system* to allocate any of these roles to someone; or
 - (2) is not subject to any requirements of the *regulatory system* dealing with the management of the matters referred to in SUP 10C.6A.3R to SUP 10C.6A.6R.

~~Seniority~~

- 10C.6A.2 G The *FCA* expects a *firm* to ensure that a person performing a function in this section for a *firm* has sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

~~Chief finance officer function (SMF2)~~

- 10C.6A.3 R The *chief finance officer function* is the function of having responsibility for management of the financial resources of the *firm*, including reporting directly to the *governing body* of the *firm* in relation to its financial affairs.

~~Chief risk officer function (SMF4)~~

- 10C.6A.4 R The *chief risk officer function* is the function of having responsibility for overall management of the risk controls of a *firm*, including:
- (1) the setting and managing of the *firm's* risk exposures; and
 - (2) reporting directly to the *governing body* of the *firm* in relation to its risk management arrangements.

- 10A.6A.5 G (1) ~~Risk controls systems include ones designed to deal with the kinds of matters in the *risk control requirements for SMCR firms*.~~
- (2) ~~However SUP 10C.6A.4R applies even if the provisions in (1) do not apply to the *firm*.~~

~~Head of internal audit function (SMF5)~~

- 10C.6A.6 R ~~The *head of internal audit function* is the function of having responsibility for management of the internal audit function of the *firm*, including reporting directly to the *governing body* of the *firm* on the internal audit function.~~
- 10A.6A.7 G (1) ~~Internal audit covers the kinds of matters in the *internal audit requirements for SMCR firms*.~~
- (2) ~~However SUP 10C.6A.6R applies even if the provisions in (1) do not apply to the *firm*.~~

10C.6B Systems and controls functions: Other

~~The chief operations function (SMF24)~~

- 10C.6B.1 R ~~The *chief operations function* is the function of having overall responsibility for managing all or substantially all the internal operations or technology of the *firm* or of a part of the *firm*.~~
- 10C.6B.2 G (1) ~~In SUP 10C.6B.1R technology refers principally to the *firm's* information and communications technology (ICT) systems and services.~~
- (2) ~~Those services include but may not be necessarily limited to the mechanisms and networks that support the operations of a *firm*, including data entry, data storage, data processing and reporting services, but also monitoring, business and decision support services.~~
- 10C.6B.3 G ~~The table in SUP 10C.6B.4G gives examples of how the *chief operations function* applies.~~
- 10C.6B.4 G ~~Table: Examples of how the chief operations function applies~~

Example	Comments
(1) <i>Firm A</i> has the following three individuals: – Chief Operating Officer	The COO is the only person performing the <i>chief operations function</i> .

<p>(COO);</p> <p>– Chief Information & Technology Officer (CITO);</p> <p>– Head of Human Resources (Head of HR).</p> <p>The Head of HR and the CITO report to the COO.</p>	
<p>(2) <i>Firm A</i> has the following two individuals:</p> <p>– Chief Operating Officer (COO);</p> <p>– Chief Information and Technology Officer (CITO).</p> <p>The COO and CITO are equally senior. Both have separate reporting lines to the Board and the CEO.</p> <p>Overall responsibility for information technology is shared between the COO and CITO.</p> <p>The COO has overall responsibility for all other internal operations.</p>	<p>Both individuals perform the <i>chief operations function</i>.</p>
<p>(3) <i>Firm A</i> has two business lines (broking and advice). It has the following three individuals:</p> <p>– a Chief Operating Officer responsible for the internal operations of the broking business (other than technology)</p> <p>– a Chief Information and Technology Officer for the broking business</p> <p>– an individual who combines the roles of Chief Operating Officer and Chief Information and Technology Officer for the advice business.</p> <p>The individuals are equally senior.</p>	<p>All three individuals perform the <i>chief operations function</i>.</p>

<p>(4) Firm A splits overall responsibility for its internal operations between various individuals. A separate individual is responsible for human resources, business continuity, procurement and outsourcing, buildings and the remaining parts of internal operations. Firm A also has a Chief Information & Technology Officer (CITO) with responsibility for all the firm's technology.</p> <p>Each individual is equally senior.</p>	<p>The CITO performs the <i>chief operations function</i>.</p> <p>None of the others perform the <i>chief operations function</i>. This is because none of them has responsibility for the firm's internal operations as a whole or for all the internal operations of a part of the business. Firm A has divided the responsibility based on function rather than business line.</p> <p>However those others may be performing the <i>other overall responsibility function</i>.</p>
---	--

Seniority

- 10C.6B.5 G ~~The FCA expects a firm to ensure that a person performing a function in this section for a firm has sufficient expertise and authority to perform that function effectively. A director or senior manager would meet this expectation.~~

10C.7 Other overall responsibility function (SMF18)

...

- 10C.7.1-1 G The effect of SUP 10C.7.1-2R is that this section only applies to one of the following types of UK SMCR firm:
- (1) an SMCR dual regulated banking sector firm; and
 - ~~(2) an enhanced scope SMCR firm; and~~
 - (3) a Solvency II firm (including a large non-directive insurer) but excluding an insurance special purpose vehicle and certain firms in run-off.

Definition

- 10C.7.1 R A person performs the *other overall responsibility function* in relation to a firm if that person:
- (1) is performing:

...

- (e) ~~(if the *firm* has allocated such a function to someone)~~
~~the function of having overall responsibility for any of~~
~~the activities, business areas and management functions~~
~~of the *firm* excluded from SYSC 26.3 (Main rules) by~~
~~SYSC 26.4.11R (Exclusion for AIFMD); and~~

...

...

10C.8 The other local responsibility function (SMF22) and EEA branch senior manager functions (SMF21)

...

10C.8.3 G Table: Examples of how the other local responsibility function applies

Example	Comments
(1) 'A' is allocated local responsibility for one of a <i>branch's</i> main business lines. A is also appointed to perform a <i>PRA-designated senior management function</i> for the same <i>branch</i> . The <i>firm</i> is a <i>PRA-authorised person</i>.	...
...	
(3) A small branch undertakes two business lines (wholesale lending and corporate investments). 'A' is head of wholesale lending and is also an executive director of the branch. 'B' is head of corporate investments and does not sit on the branch management committee but reports to it on corporate investments. The branch allocates local responsibility for these functions to A and B. Neither A nor B performs any other <i>FCA-designated senior management function</i> or (if the <i>firm</i> is a <i>PRA-authorised person</i>) <i>PRA-designated senior</i>	...

<i>management function.</i>	
(4) A <i>branch</i> does not have a Head of Internal Audit. 'P' is allocated local responsibility for internal audit in relation to that <i>branch</i> .	P needs approval to perform the <i>other local responsibility function</i> . However, if P has already been approved to perform another <i>FCA-designated senior management function</i> or (if the firm is a PRA authorised person) <i>PRA-designated senior management function</i> , then P will not be performing the <i>other local responsibility function</i> .
...	

...

10C.9 Minimising overlap with the PRA approved persons regime

Application

~~10C.9.1-1 G This section only applies to a PRA authorised person.~~

...

10C.10 Application for approval and withdrawing an application for approval

...

Criminal records checks and verifying fitness and properness

- 10C.10.16 R (1) A *firm* must (as part of its assessment of whether a *candidate* is a fit and proper person to perform an *FCA-designated senior management function* and to verify the information contained in the application to carry out the *FCA-designated senior management function*) obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application.
- (2) ~~This rule does not apply to a firm that is a sole trader if the candidate is the sole trader themselves.~~

...

10C.11 Statements of responsibilities

...

What this section covers

10C.11.2 G ...

- (2) However, ~~in the case of a PRA authorised person,~~ where applications and notifications relate both to *FCA-designated senior management functions* and to *PRA* ones, the regulators' requirements are consistent with each other.

...

Revised statements of responsibilities: Meaning of significant change

10C.11.6 G (1) This paragraph sets out non-exhaustive examples of potential changes which, in the *FCA's* view, may be significant and thus require the submission of a revised *statement of responsibilities*.

- (2) A variation of the *FCA-approved SMF manager's* approval, either at the *firm's* request or at the *FCA's* or ~~(in the case of a PRA authorised person),~~ *PRA's* initiative, resulting in the imposition, variation or removal of a condition or time limit, may involve a significant change.

- (3) Fulfilling or failing to fulfil a condition on approval may involve a significant change.

- (4) The addition, re-allocation or removal of any of the following (or part of one):

(a) an *FCA-prescribed senior management responsibility*;

(b) ~~(in the case of a PRA authorised person),~~ a *PRA-prescribed senior management responsibility*; or

...

...

Revised statements of responsibilities: Procedure

10C.11.7 D ...

- (3) ~~In the case of a PRA authorised person, where~~ Where the change to be notified to the *FCA* under section 62A of the *Act* is part of an arrangement under which:

...

...

10C.11.14 G ...

- (2) ~~(In the case of a PRA authorised person), the~~ The document in (1) should cover *PRA-designated senior management functions*

as well as *FCA-designated senior management functions*.

...

...

Submitting statements of responsibilities: examples of how the requirements work

- 10C.11.18 G The table in *SUP* 10C.11.19G gives examples of how the requirements in this section for submitting *statements of responsibilities* (combined; ~~in the case of a PRA authorised person~~, with the corresponding *PRA* requirements) work in different cases.
- 10C.11.19 G Table: Examples of how the requirements for submitting statements of responsibilities work

Example	Comments
...	
<p>(3) A <i>firm</i> applies for approval for A to perform an <i>FCA-designated senior management function</i> and a <i>PRA-designated senior management function</i>.</p> <p>The arrangements in <i>SUP</i> 10C.9 for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate applications to the <i>FCA</i> and <i>PRA</i>.</p> <p>The firm is a PRA authorised person.</p>	...
...	
<p>(5) A has approval to perform the <i>executive director function</i>. Later, A is to be appointed to perform the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. This will also result in substantial changes to A's duties as an executive director.</p> <p>The firm is a PRA authorised person.</p>	...
...	
<p>(8) A has approval to perform the <i>executive director function</i> and the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. The</p>	...

Example	Comments
<p>arrangements in <i>SUP 10C.9</i> for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate <i>FCA</i> and <i>PRA</i> approvals.</p> <p>The approval to perform the <i>PRA</i>'s chief risk officer <i>designated senior management function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A's job as an executive director.</p> <p>The <i>firm</i> is a <i>PRA</i> authorised person.</p>	
<p>(9) A has approval to perform the <i>executive director function</i> and the <i>money laundering function</i> for the same <i>firm</i>.</p> <p>Sometime later, A is to give up the <i>money laundering function</i> and take up the <i>PRA</i>'s chief risk officer <i>designated senior management function</i>. This will involve major changes to A's role as executive director.</p> <p>The <i>firm</i> is a <i>PRA</i> authorised person.</p>	...
...	
<p>(11) A has approval to perform the <i>executive director function</i> and the <i>PRA</i>'s chief risk officer <i>designated senior management function</i> for the same <i>firm</i>. Later, A gives up his role as chief risk officer.</p> <p>The <i>firm</i> is a <i>PRA</i> authorised person.</p>	...
...	
<p>(14) A has approval to perform the <i>executive director function</i>. Later, A's business unit grows in size and so the <i>firm</i> needs to apply for A to be approved to perform the <i>PRA</i>'s Head of Key Business Area <i>designated senior management function</i>. However, A's responsibilities do not change.</p> <p>The <i>firm</i> is a <i>PRA</i> authorised person.</p>	
...	

...

10C.11.21 G (1) A complete set of current *statement of responsibilities* means all *statements of responsibilities* that the *firm* has provided to the *FCA* or ~~(in the case of a *PRA authorised person*)~~, *PRA* as revised under section 62A of the *Act*.

...

...

10C.11.24 G (1) A *statement of responsibilities* (including its attachment sheet for additional information) should:

...

- (c) only contain material about the matters that this chapter, the corresponding *PRA* requirements ~~(in the case of a *PRA authorised person*)~~, and the *Act* say should be included in it.

...

...

10C.11.26 G ...

- (2) For instance, these include:

- (a) the responsibilities that go with the *FCA required functions*; and
- (b) the *FCA-prescribed senior management responsibilities*; and ~~(in the case of a *PRA authorised person*)~~ the *PRA-prescribed senior management responsibilities*.

...

...

10C.11.28 G (1) A *statement of responsibilities* of an *SMF manager* should include details about any:

- (a) *FCA-prescribed senior management responsibilities* and ~~(in the case of a *PRA authorised person*)~~ *PRA-prescribed senior management responsibilities* allocated to the *SMF manager*;
- (b) ~~(in the case of a *PRA authorised person*)~~ functions that are included in a *PRA controlled function* under the arrangements described in *SUP 10C.9* (Minimising

overlap with the PRA approved persons regime);

...

...

...

10C.12 Conditional and time-limited approvals

Purpose

10C.12.1 G ...

- (3) ~~(In the case of a PRA authorised person) the~~ The policies described in SUP 10C.12 also apply when the FCA is considering whether to give its consent to an application made to the PRA for approval.

...

10C.14 Changes to an FCA-approved person's details

Moving within a firm

10C.14.1 G ...

- (4) Similarly ~~(in the case of a PRA authorised person)~~, a firm must get the FCA's approval if an individual is to start performing an FCA-designated senior management function in relation to that firm when they already have the PRA's approval to perform a PRA-designated senior management function in relation to that firm.

...

10C.14.22 R ...

- (5A) ~~(in the case of a PRA authorised person)~~ under the PRA's requirements corresponding to (4) or (5), if those requirements apply; or

...

...

10C.16 References and accurate information

References

10C.16.1 R (1) SYSC 22 (Regulatory references) says that if a firm (A):

- (a) is considering appointing a *person* (P) to perform any *controlled function* or certain other functions;
- (b) requests a reference from a *firm* (B) that is P's current or former *employer*; and
- (c) indicates to B the purpose of the request;

B should, as soon as reasonably practicable, give a reference to A.

- (2) This applies even if A is a *firm* to which SUP 10A (FCA Approved Persons) applies rather than this chapter.

...

[Editor's note:

(1) We propose to bring into force on the main commencement date for insurers Parts 1 to 4 of SUP 10C Annex 1 as included in the draft instrument in CP17/25 and 17/26 but omit the rest of SUP 10C Annex 1.

(2) We propose to amend Parts 1 and 2 of SUP 10C Annex 1 as shown. The text takes into account the text proposed in the instrument included in CP17/25 and 17/26 as if it was made. We only show the changes and additions we are proposing to make to the CP17/25 and 17/26 text.

(3) We have not included the text of Part 3 or 4 of SUP 10C Annex 1 or of the parts of SUP 10C Annex 1 to be omitted.

(4) In Part 3 of this Annex, we propose to restore the original CP text. The amendments to the CP text in this Part of the Annex will therefore only apply for a limited period.]

In this Part, underlining indicates new text and striking through indicates deleted text.

10C What functions apply to what type of firm Annex 1

Introduction

...

- 1.3 G (1) ...
- (3) Another reason would be if the *rules* defining the *FCA controlled function* refer to a *rule* elsewhere in the *Handbook* and that *rule* only applies to certain types of *firm*. ~~For example, SYSC 1 Annex 1 (Detailed application of SYSC) and SYSC 4.4~~

~~(Apportionment of responsibilities) cut back the application of the *limited scope function*.~~

...

...

Exclusions

- 2.1 R ~~None of the *FCA controlled functions* apply to a *not for profit debt advice body*.~~
- 2.2 R ...
- 2.3 R ~~None of the *FCA controlled functions* apply to an *internally managed AIF* which is a *body corporate* and not a *collective investment scheme*.~~
- 2.4 R (1) ~~This chapter, except in respect of the *FCA required functions*, does not apply to an *authorised professional firm* in respect of its *non-mainstream regulated activities*, subject to (2).~~
- (2) ~~Where the *authorised professional firm* has appointed *FCA-approved persons* to perform the *FCA governing functions* with equivalent responsibilities for the *firm's non-mainstream regulated activities* and other *regulated activities*, for the *firm's non-mainstream regulated activities* this chapter applies with respect to the *FCA governing functions* and the *FCA required functions* only.~~

[*Editor's note*: We propose to bring into force on the main commencement date for insurers the amendments to SUP 15.11 as set out in CP17/25 and 17/26 in this Part. The text is not shown in this instrument.]

Part 3: Comes into force [] 2019 [main commencement date for solo-regulated firms]

[*Editor's note*: This Part amends the text in Parts 1 and 2 of this Annex to restore it to the version in CP17/25 and 17/26. The amendments required to achieve this are not shown.]



Appendix 3

Legal Instrument – Changes to Non-Handbook Forms

Non-Handbook forms

Section	Form Name
RDR Forms	Retail investment advisor competence notification submission form
Application for Part 4A Permission	Core details form
	Consumer credit full permission form
	Consumer credit limited permission
	Checklist and declaration: Home finance providers
	Checklist and declaration: Insurers
	Checklist and declaration
	Banks
	Insurance companies supplement
	Supplement for Lloyds Managing agents
	Checklist and declaration: wholesale
	Supplement for firms selling home finance and non-investment insurance contracts
	Supplement for firms selling investments and home finance
	Supplement for firms selling investments and non-investment insurance contracts
	Supplement for firms – Home finance brokers
	Supplement for firms selling non-investments insurance contracts
	Supplement for firms selling investments, home finance and non-investment insurance contracts
	Supplement for firms selling investments

	Supplement for Securities and Futures firms (complex)
	Supplement for Securities and Futures firms (non-complex)
	Supplement for home finance providers and/or administrators
	Supplement for advisers and arrangers of wholesale funds
	Supplement for investment managers
	MiFID Annex
	Consumer credit permission – retail and wholesale + consumer credit
Variation of Permission	Investment business
	Home finance and general insurance distribution activities
	Insurance business, banking (accepting deposits), electronic money, Lloyds market and funeral plan providers
	Full-scope AIFMs
	Small authorised UK AIFMs
	Exemption granted from using CONNECT

Retail Investment Adviser – Competence Notification Submission Form



This form must be sent back to: RIAnotifications@fca.org.uk

Firm details				
Firm details		Firm Reference Number (FRN)		
Person making notification				
Name		Individual Reference Number (IRN) (where applicable)		
Position in firm				
Contact telephone number				
Contact email address				
Retail Investment Adviser				
Name		Individual Reference Number (IRN) (where applicable)		
		or, if Retail Investment Adviser has no IRN:		
		Date of birth		
		National Insurance (NI) Number		
		or, if Retail Investment Adviser has no NI number:		
		Passport number		
		Nationality		
Nature of notification		Number of events	Date(s) occurred	Date(s) closed
(1)	a retail investment adviser, who has been assessed as competent for the purposes of TC 2.1.1R, is no longer considered competent for the purposes of TC 2.1.1R;			
(2)	a retail investment adviser has failed to attain an appropriate qualification within the time limit prescribed by TC 2.2A.1R(1);			
(3)	a retail investment adviser at an SMCR firm has failed to comply with COCON, or has failed to comply with a statement of principle if carrying out their controlled function at an appointed representative.			
(4)	a retail investment adviser has performed an activity in TC Appendix 1 before having demonstrated the necessary competence for the purposes of TC 2.1.1R and without appropriate supervision.			
Please provide full information relating to the breach(es) highlighted above				
Please provide information about any steps that you have taken or intend to take to rectify the position or prevent any future potential occurrence:				

Application for Authorisation

Core details form

Full name of applicant firm

Important information you should read before completing this form

We require all applicant firms to provide these core details as part of their application for authorisation (known as Part 4A permission).

Please keep a copy of the forms you complete and the supporting documents that you include with this application pack for your future reference.

The notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398A of the FSMA regardless of the status of your application.

Terms in this application pack

In this application pack we use the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the applicant firm' refers to the firm applying for authorisation;
- 'we', 'us' or 'our' refers to the appropriate regulator;
- 'the FCA' refers to the Financial Conduct Authority;
- 'the PRA' refers to the Prudential Regulation Authority; and
- FSMA refers to the Financial Services and Markets Act 2000.

Purpose of this pack

We will only authorise a firm if we are satisfied that it meets conditions known as the threshold conditions (COND 2.2). The information in this pack is required to enable us to assess whether the applicant firm satisfies the threshold conditions.

Contents of this form

1	Contact details and timings for this application	4	3	Personnel	13
2	About the applicant firm	6	4	Systems and controls	14

Filling in the form using Connect

1 If you are using your computer to complete the form:

- use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- save all the parts of the form you have completed and attach to your application.

2 If you think a Question is not relevant to you, write 'not applicable' and explain why.

3 If you leave a Question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

4 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

5 Ensure you have:

- completed this core details form;
- completed one supplement;
- completed any appendices necessary;
- completed the checklist form;
- attached any supporting documents; and
- paid the application fee via Connect:

When you are required to attach supporting documents (e.g. business plan, structure chart and financial information) to your application, failure to do so will mean your application will not be progressed and you will be prevented from being able to submit your application through Connect.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Filling in the form using the paper application forms on the FCA website

1 If you are using your computer to complete the form:

- use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- print out all the parts of the form you have completed and sign the declaration in the 'checklist and declaration' form.

2 If you are filling in the form by hand:-

- use black ink;
- write clearly; and
- sign the declaration in the 'checklist and declaration' form.

3 If you think a Question is not relevant to you, write 'not applicable' and explain why.

4 If you leave a Question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

6 Post the application consisting of:

- this core details form;
- one supplement;
- any appendices you need to complete;
- the checklist and declaration form;
- supporting documents; and
- the application fee to either the FCA or PRA at:

For Solo Regulated Firms:-

**Permissions Department
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS**

For Dual Regulated Firms:-

**The Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA**

1

Contact details and timings for this application

We need this information in case we need to contact you when assessing this application.

Are you using Connect to complete this application?

- ☐ Yes ▶ Continue to Question 1.2
☐ No ▶ Continue to Question 1.1

Contact for this application**1.1 Contact details of the person we will get in touch with about this application.**

This must be someone who works for the applicant firm, and not a professional adviser.

Title			
First names			
Surname			
Job title			
Business address			
Postcode			
Phone number (including STD code)			
Mobile number (optional)			
Fax number (including STD code)			
Email address			

Details of professional advisers**1.2 Have you used a professional adviser to help with this application?**

- ☐ No ▶ Continue to Question 1.6
☐ Yes ▶ You must fill in the rest of this section

1.3 Name of professional adviser's firm

--

1.4 Name and contact details of professional adviser

Title	
First names	
Surname	
Business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

1.5 Do you want us to copy all correspondence to the professional adviser?

- ☐ No
☐ Yes

1.6 If the applicant firm becomes authorised will it use a professional adviser (the adviser listed above or another one)?

- ☐ No
☐ Yes

Timings for this application**1.7 Does the applicant firm have any timing factors that it would like us to consider?**

We cannot guarantee to authorise an applicant firm by a specific date but we will try to take into account any timings below when assessing your application.

--

2

About the applicant firm

We need to know general information about the applicant firm so we can process this application as efficiently as possible. We also need the applicant firm's details for the Financial Services Register, which is our public record of authorised firms:

www.fsa.gov.uk/register/home.do

Information for the Financial Services Register**2.1 Principal place of business of applicant firm**

Principal place of business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

2.2 Is the applicant firm an incorporated company?

- ☐ No ▶ Continue to Question 2.3.
- ☐ Yes ▶ Is the registered office address the same as the principal place of business?
- ☐ Yes ▶ Continue to Question 2.3
- ☐ No ▶ Give details below

Registered office address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

2.3 Does the applicant firm have a head office?

- ☐ No ▶ Continue to Question 2.4
☐ Yes, it is the same as address given in Question 2.1
☐ Yes, it is the same as address given in Question 2.2
☐ Yes, it is different from the address in Question 2.1 and 2.2, give details below

Head office address	
Postcode	

2.4 Does the applicant firm have a website address?

- ☐ No ▶ Continue to Question 2.5
☐ Yes ▶ Give address below
☐ Being developed ▶ Give address (if known) and launch date below

--

2.5 Contact person's details for the Financial Services Register

This individual must perform a senior management function for the applicant firm.

This individual will be displayed as the complaints contact on the Financial Services Register.

If the applicant firm is a sole trader intending to carry on business in mortgages and/or non-investment insurance contracts, these should be the sole trader's details.

- ☐ Tick if same as 1.1

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

About the legal status of the applicant firm

2.6 What type of firm is the applicant firm?

- ☐ Sole trader ▶ Continue to Question 2.12
☐ Private limited company
☐ Partnership (other than limited partnership or limited liability partnership)
☐ Limited liability partnership
☐ Public limited company
☐ Limited partnership
☐ Unincorporated association
☐ UK branch of a non-EEA firm
☐ Other ▶ you must detail below the legal status of the applicant firm

2.7 Date of incorporation or formation (dd/mm/yyyy)

 / /

2.8 Where was the applicant firm incorporated or formed?

- ☐ England/ Wales
☐ Scotland
☐ Northern Ireland
☐ Outside the UK ▶ Give details below

2.9 Please attach the following:

- Copy of Partnership agreement deeds (if applicable) ☐
 Attached
 Copy of Limited Liability Partnership agreement deeds (if applicable) ☐
 Attached

2.10 Does the applicant firm have a registered number e.g. Companies House number?

- ☐ No ▶ Continue to Question 2.12
☐ Yes ▶ Give details below

2.11 You must confirm that all details given in this section match companies house records

- ☐ Yes
☐ No ▶ Give details below

Financial year end

2.12 Date of the applicant firm's financial year end (dd/mm)

 /

Details of auditor / reporting accountant

2.13 Does the applicant firm have an auditor or reporting accountant?

☐ No ▶ Continue to Question 2.14

☐ Yes ▶ Give details below

Firm name of auditor / reporting	
Contact name	
Address	
Postcode	
Phone number (including STD code)	

Other names

If the name(s) given in 2.14-2.15 contain(s) a word or expression that requires the FCA's approval under the Company, Limited Liability Partnership and Business names (Sensitive Words and Expressions) Regulations 2009, we will consider the proposed name as part of the authorisation process. We will contact you if you meet the criteria.

2.14 Does the applicant firm intend to change the registered name given on the front of this form upon authorisation?

☐ No ▶ Continue to Question 2.15

☐ Yes ▶ Give details below

Name	
------	--

2.15 Does the applicant firm intend to use any trading names as well as the name given on the front of this form?

☐ No ▶ Continue to Question 2.16

☐ Yes ▶ Give details below

Name	
------	--

History of applicant firm

2.16 Has the applicant firm ever been refused – or had revoked – any licence, membership, authorisation, registration or other permission granted by a financial services regulator or government body in the UK or overseas?

☐ No

☐ Yes

2.17 Has the applicant firm ever, after making an application to a regulatory body for:

- a licence;
- authorisation;
- registration;
- notification;
- membership; or
- other permission granted by a regulatory body decided not to proceed with it?

☐ No

☐ Yes

2.18 If the answer to Question 2.16 or 2.17 is yes, please give a full explanation of the events in question below.

Make sure this includes:

- the question number the event refers to;
- the date of the event;
- any amounts involved;
- the outcome; and
- an explanation of the circumstances.

--

Who controls (owns) the applicant firm

2.19 Is the applicant firm a sole trader?

☐ Yes ▶ Continue to Question 2.20

☐ No ▶ You must detail in the boxes below the directors or partners who have shareholding or voting rights in the applicant firm.

Please use a separate sheet of paper if necessary

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Director/Partner 1

Name

State whether director or partner

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Director/Partner 2

Name

State whether director or partner

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Director/Partner 3

Name

State whether director or partner

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Director/Partner 4

Name

State whether director or partner

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Director/Partner 5

Name

State whether director or partner

Percentage of shares or voting rights held in the applicant firm

 %

Percentage of shares or voting rights held in the applicant firm's parent(s)

 %
Money Laundering Regulations 2007**2.20 Will the applicant firm be acting as a Money Service Business or Trust or Company Service Provider?**☐ No ▶ Continue to Question 2.22☐ Yes**2.21 What activities will the applicant firm be conducting?**☐ Bureau de change☐ Money Remitter☐ Cheque Cashier☐ Trust or Company Service Provider**Payment Services Regulations 2009****2.22 Will the applicant firm be acting as a payment institution?**☐ Yes ▶ Please refer to the 'Applying to be a payment institution' section of the website☐ No ▶ Continue to Section 3

3

Personnel

We will ask you for more information on the applicant firm's personnel in the supplement you will complete.

Staff organisational structure chart

The applicant firm must demonstrate that it has an effective management structure and clear reporting lines to senior managers.

3.1 Is the applicant firm a sole trader or a sole director limited company with no employees?

- ☐ Yes ▶ Continue to Question 3.2
- ☐ No ▶ You must provide on a separate sheet of paper a staff organisational structure chart, clearly indicating senior management and decision makers.
- ☐ Please confirm you have attached a staff organisational structure chart.

References

3.2 Are there any individuals proposing to perform senior management functions who would require the appropriate regulator to wait before writing for references?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the name of the individual(s) and a date from which the reference can be sought below. Please note, this may increase the time taken to assess your application.

--

4

Systems and controls

We must be satisfied that the applicant firm has appropriate systems and controls to meet its regulatory obligations.

IT systems

4.1 Will the applicant firm be using off-the-shelf IT systems?

If you are using both off-the-shelf and bespoke IT systems, you must list the off-the-shelf systems in the boxes provided and provide a brief description below of your bespoke systems.

☐ Yes ▶ Give the names of the packages below.

Business transaction recording system	
Accounting system	
Other IT systems, e.g. Word, Excel.	

☐ No ▶ You must provide a brief description of your proposed bespoke systems (this must include details of your IT systems, business transaction recording system and accounting system).

--

4.2 Is the applicant firm already using these systems?

☐ Yes ▶ Continue to Question 4.3.

☐ No ▶ You must state below when you expect them to be installed.

--

Business continuity and disaster recovery

4.3 You must provide a brief description of the business continuity and disaster recovery plans for the business and IT systems. You must include the details of any third party involvement.

Please be aware you may be requested to provide hard copies of disaster recovery plans.

--

4.4 Does the applicant firm have more than one adviser?

☐ Yes ▶ Continue to Question 4.5

☐ No ▶ You must give details below of the applicant firm's locum arrangements, including the Firms reference number of the firm that will be providing the service. Please note the locum arrangements must cover a broad range of permissions that the applicant firm will be authorised for. If the applicant firm is not using a locum please explain what other arrangements you have in place to ensure continuity for your clients in unforeseen circumstances.

Regulatory returns – Gathering Better Regulatory Information Electronically (GABRIEL)

All regulated firms have to supply regular regulatory returns. GABRIEL is the mandatory reporting tool that you must use when completing and submitting the majority of these regulatory returns. To complete your returns you must have access to a personal computer with an internet connection.

4.5 You must confirm that the applicant firm has the ability to complete its regulatory returns via GABRIEL.

☐ Yes

4.6 Do you agree to submit to us, at regular and stated intervals, financial information that can be used to help supervise and assess the firm on an ongoing basis as specified in the Handbook?

☐ Yes

4.7 Do you agree to submit this information using GABRIEL in a timely manner?

☐ Yes

Please continue to your supplement.

Application for Authorisation

Checklist for home finance providers and/or administrators

Full name of applicant firm

This checklist form includes a checklist of documents you need to send us with this application.

Important Information

At the point of authorisation the applicant firm must be ready, willing and organised to start business.

The notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

Documents for this application

You must confirm which sections of the form you have attached. You will also need documents to support this application. You must send some of these with this application; the applicant firm needs to submit other documents as indicated.

The information we need for this application

- 1 This 'application for authorisation' pack consists of the following documents; please tick below to confirm the forms you have completed and enclosed.**

Application documents

Core details	<input type="checkbox"/> Attached
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Supplement for Home Finance Providers and/or administrators	<input type="checkbox"/> Attached
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This checklist	<input type="checkbox"/> Completed
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IT Self Assessment Questionnaire	<input type="checkbox"/> Attached
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Please select the appendices (if any) you have completed and attached below:

Sole trader appendix	<input type="checkbox"/> Attached
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Disclosure of significant events appendix	<input type="checkbox"/> Attached
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Owners and influencers appendix	<input type="checkbox"/> Attached
---------------------------------	-----------------------------------

Complex IT form and documents	<input type="checkbox"/> Attached
-------------------------------	-----------------------------------

Controllers appendices – Standard Notification	Number enclosed
--	-----------------

Controllers appendices – Corporate	Number enclosed
------------------------------------	-----------------

Controllers appendices – Partnership	Number enclosed
--------------------------------------	-----------------

Controllers appendices – Trust	Number enclosed
--------------------------------	-----------------

Controllers appendices – Individual	Number enclosed
-------------------------------------	-----------------

Controllers appendices – Fund manager	Number enclosed
---------------------------------------	-----------------

Add an Appointed Representative form	Number enclosed
--------------------------------------	-----------------

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

2 List of supporting documents

Core Pack

Question	Supporting documents	
2.9	Copy of Partnership agreement deeds	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
2.9	Copy of Limited Liability Partnership Agreement	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3.1	Staff organisational structure chart	<input type="checkbox"/> Attached

Supplement (we have provided question numbers in brackets where possible)

Section	Supporting documents	
1	Regulatory business plan	<input type="checkbox"/> Attached
1.2.3	Market research	<input type="checkbox"/> Attached
	Competitor analysis	<input type="checkbox"/> Attached
	Other evidence	<input type="checkbox"/> Attached
1 (1.3.1)	Structure chart(s) of proposed Board	<input type="checkbox"/> Attached
1 (1.3.2)	Management structure chart	<input type="checkbox"/> Attached
1 (1.4.1)	Organogram	<input type="checkbox"/> Attached
3 (3.2)	Analysis of capital resources requirement	<input type="checkbox"/> Attached
3 (3.3.3)	Quotation for professional indemnity insurance	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
4 (4.1.3)	Form A - Application to perform controlled functions	Number enclosed <input type="text"/>
4 (4.2.1)	Assessment of the board	<input type="checkbox"/> Attached
4 (4.2.2)	Job descriptions for each significant influence controlled functions or a Statement of Responsibilities form for each individual performing a senior management function	<input type="checkbox"/> Attached
4 (4.2.3)	Assessments of individuals	<input type="checkbox"/> Attached
4 (4.2.4)	Terms of reference and membership of board and executive committees	<input type="checkbox"/> Attached
4 (4.2.5)	Details of MI for board	<input type="checkbox"/> Attached

4 (4.2.6)	Explanation of how remuneration of management will be structured.	<input type="checkbox"/> Attached
5 (5.1.1)	Compliance structure and resources	<input type="checkbox"/> Attached
5 (5.1.2)	Compliance procedures manual	<input type="checkbox"/> Attached
5 (5.1.4)	Compliance monitoring programme	<input type="checkbox"/> Attached
5 (5.2.1)	Internal audit structure and resource	<input type="checkbox"/> Attached
	Internal audit methodology	<input type="checkbox"/> Attached
	Internal audit plan	<input type="checkbox"/> Attached
5 (5.4.1)	Financial crime policies	<input type="checkbox"/> Attached
5 (5.5.1)	TCF policy	<input type="checkbox"/> Attached
5 (5.6.1)	Business continuity plan and policy	<input type="checkbox"/> Attached
5 (5.6.2)	Trading book policy	<input type="checkbox"/> Attached
5 (5.7.1)	T&C regime	<input type="checkbox"/> Attached
5 (5.7.2)	Procedures for assessment the competence of staff to advise customer of regulated activities.	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
5 (5.8.1)	Relevant compliance documents (please see table in form)	<input type="checkbox"/> Attached
5 (5.8.2)	For home finance mediation and/or general insurance distribution:- -Illustration -Offer document -Documented procedures	<input type="checkbox"/> Attached <input type="checkbox"/> Attached <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
5 (5.8.4)	For advising and / or arranging lifetime mortgages and/or home reversion plans:- -Documented procedures	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
5 (5.8.5)	For advising and / or arranging regulated sale and rent back agreements:- -Documented procedures	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
6 (6.1.1)	High level overview of outsourcing of operational functions to third parties	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
6 (6.1.2)	Details of external and intra-group outsourcing proposed	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
6 (6.1.3)	Details of oversight responsibilities and arrangements and systems and controls for each outsourced function	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
6 (6.1.4)	Copies of service level agreements and arrangements for each outsourced function	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow

6 (6.2.1)	Overview of intended IT systems	<input type="checkbox"/> Attached
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Owners and Influencers appendix**Question Other supporting documents**

1.1	Structure chart	<input type="checkbox"/> Attached
2.2		<input type="checkbox"/> Not applicable
3.2		
1.2	A Copy of the latest accounts of any controller that is a body corporate, partnership or trust	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Other documents**3 Please list any other documents you have provided.****4 Please provide any comments on supporting documents if necessary.****Other information****5 If there is anything else you would like to tell us about this application please give details below.**

Amendments to consumer credit forms

Consumer credit Limited Permission

Page 21

the background and experience of all the persons performing ~~significant influence controlled~~ senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and

Consumer credit full permission

5.6 will the applicant be carrying out debt management services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the compliance oversight function ~~(CF10)~~ (SMF16)

5.7 Will the applicant firm be carrying out credit repair services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the compliance oversight function ~~(CF10)~~ (SMF16)

Page 19

the background and experience of all the persons performing ~~significant influence controlled~~ senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and



Application for Authorisation

Checklist and declaration – insurers

Full name of applicant firm

This checklist and declaration form includes:

- details about the application fee;
- a checklist of documents you need to send us with this application;
- documents that you need to make available for us to inspect; and
- the declaration.

The Notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

Contents of this form

1 Application fee	2
2 Documents for this application	3
3 Declaration	7

1

Application fee

You must send a cheque for the appropriate application fee in full with this application pack, otherwise the application will not be processed.

How much is my application fee?

1.1 The application fee for Insurers is £25,000.

You must pay the full application fee by cheque. **It is not refundable** (even if the applicant firm decides to withdraw its application).

How to pay

- 1 Make the cheque payable to the Financial Conduct Authority. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for authorisation' on the back of the cheque.
- 4 Send the cheque with the application pack to PRA Authorisations, Central Supervisory Support, Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA.

2

Documents for this application

You must confirm which sections of the form you have attached. You will also need documents to support this application. You must send some of these with this application; the applicant firm needs to make other documents available for inspection upon request.

The information we need for this application

2.1 This 'application for authorisation' pack consists of the following documents; please tick below to confirm the forms you have completed and enclosed.

Application documents**Compulsory documents**

Core details	<input type="checkbox"/> Attached
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Insurers supplement	<input type="checkbox"/> Attached
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This checklist and declaration	<input type="checkbox"/> Completed
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A cheque for the application fee in full (see section 1 of this form)	<input type="checkbox"/> Attached
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Other application documents

Please select the appendices (if any) you have completed and attached below:

Disclosure of significant events appendix	<input type="checkbox"/> Attached
---	-----------------------------------

Owners and influencers appendix	<input type="checkbox"/> Attached
---------------------------------	-----------------------------------

Controllers appendices – Standard Notification	Number enclosed	<input type="text"/>
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Controllers appendices – Corporate	Number enclosed	<input type="text"/>
------------------------------------	-----------------	----------------------

Controllers appendices – Partnership	Number enclosed	<input type="text"/>
--------------------------------------	-----------------	----------------------

Controllers appendices – Trust	Number enclosed	<input type="text"/>
--------------------------------	-----------------	----------------------

Controllers appendices – Individual	Number enclosed	<input type="text"/>
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Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

2.2 List of supporting documents

Compulsory supporting documents

Core Pack

Question	Supporting documents	
3.1	Staff organisational structure chart	<input type="checkbox"/> Attached

Supplement (we have provided question numbers in brackets where possible)

Section	Supporting documents	
1	Regulatory business plan	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1	Complex IT Systems form	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Financial Projections for 3 or 5 years on three bases; real, optimistic and pessimistic	<input type="checkbox"/> Attached
3	An Individual Capital Assessment (ICA)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A statement detailing the technical bases in which the actuarial function holder proposes to employ for each class of business when calculating reserves.	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A projection of the present value of future profits of new business by product line for each year's new business	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A statement of the applicant firm's intended risk appetite expressed in terms of the margins it intends to hold over the Pillar 1 and Pillar 2 requirements.	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A certificate provided by the actuarial function holder	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Description of the types of assets used for the capital resources requirement	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A description of the applicant firms proposed investment strategy	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Credit rating report	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	GCR & GCRR Calculations	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

4	Form A - Application to perform controlled functions including senior management functions and a Statement of Responsibilities	Number enclosed	<div></div>
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Other supporting documents to be provided depending on the answers to the applicable questions

Other supporting documents	
Companies House form SH01 (limited companies only)	<div><input type="checkbox"/> Attached</div> <div><input type="checkbox"/> Not applicable</div> <div><input type="checkbox"/> Share capital to be issued subject to in principle authorisation</div>

Owners and Influencers appendix

Question	Other supporting documents	
1.1	Structure chart	<input type="checkbox"/> Attached
2.2		<input type="checkbox"/> Not applicable
3.2		
1.2	A Copy of the latest accounts of any controller that is a body corporate, partnership or trust	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Disclosure of significant events appendix

Section	Other supporting documents	
1.17	Most recent annual or management accounts	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Compulsory self-certified supporting documents

By signing the form you will certify that these documents have been prepared to an appropriate standard and can be made available for immediate inspection by us.

Please note that we carry out checks to ensure applicant firms are complying with our requirements.

If these documents are not available immediately, it may take longer to assess your application.

2.3 List of self-certified documents

Please tick to confirm that the document is created and available for inspection. If the document does not apply to the applicant firm, please tick 'Not applicable'.

Core Pack

Question	Self certified documents	
4.3	Full business continuity procedures (BCP)	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable

Business Supplement

Question	Self certified documents	
5 (5.1)	Documented compliance procedures	<input type="checkbox"/> Created and available for inspection
5 (5.2)	Compliance monitoring programme	<input type="checkbox"/> Created and available for inspection

Other documents

2.4 Please list any other documents you have provided.

2.5 Please provide any comments on supporting documents if necessary.

--

Other information

2.6 If there is anything else you would like to tell us about this application please give details below.

--

3 Declaration

Declaration

It is a criminal offence to – knowingly or recklessly – give us information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify us immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant firm's suitability to be authorised.

- D1** I am authorised to make this application for authorisation on behalf of the applicant firm named on the front of this form.
- D2** I attach the documents listed in 2.2 – List of supporting documents – and I have taken all reasonable steps to ensure they are correct.
- D3** I confirm that the documents listed in 2.3 – List of self-certified documents – have been prepared to an appropriate standard and are available for immediate inspection by the PRA and FCA
- D4** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.
- D5** I authorise the PRA and FCA to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.
- D6** I understand that the PRA and FCA may require the applicant firm to provide further information or documents at any time after I have sent this application and before the applicant firm has been authorised.

Who must sign the declaration?

This declaration must be signed by two directors of the applicant firm.

Signature one		Signature two	
Name			
Position			
Signature			
Date	dd/mm/yy	dd/mm/yy	

Application for Authorisation

Checklist

Full name of applicant firm

This checklist form includes:

- a checklist of documents you need to send us with this application; and
- documents that you need to make available for us to inspect.

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Documents for this application

You must confirm which sections of the form you have attached. You will also need documents to support this application. You must send some of these with this application; the applicant firm needs to make other documents available for inspection.

The information we need for this application

- 1 This 'application for authorisation' pack consists of the following documents; please tick below to confirm the forms you have completed and enclosed.**

Application documents	
Compulsory documents	
Core details	<input type="checkbox"/> Attached
Please write the supplement name you have completed and attached below:	<input type="checkbox"/> Attached
IT Self Assessment Questionnaire	<input type="checkbox"/> Attached
Checklist	<input type="checkbox"/> Completed
Other application documents	
Please select the appendices (if any) you have completed and attached below:	
Sole trader appendix (only to be completed if you have not been asked to complete a Form A)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
Disclosure of significant events appendix	<input type="checkbox"/> Attached
Owners and influencers appendix	<input type="checkbox"/> Attached
Controllers appendices – Standard Notification	Number enclosed <input type="text"/>
Controllers appendices – Corporate	Number enclosed <input type="text"/>
Controllers appendices – Partnership	Number enclosed <input type="text"/>
Controllers appendices – Trust	Number enclosed <input type="text"/>
Controllers appendices – Individual	Number enclosed <input type="text"/>
Controllers appendices – Fund manager	Number enclosed <input type="text"/>
Add an Appointed Representative form	Number enclosed <input type="text"/>

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

2 List of supporting documents

Compulsory supporting documents

Core Pack

Question	Supporting documents	
3.1	Staff organisational structure chart	<input type="checkbox"/> Attached

Supplement (we have provided question numbers in brackets where possible)

Section	Supporting documents	
1 (1.1)	Regulatory business plan	<input type="checkbox"/> Attached
1 (1.1)	Copies of relevant qualifications/examinations (for Investment and Mortgage firms)	<input type="checkbox"/> Attached
2	Permission profile (only if you have completed a blank permission profile)	<input type="checkbox"/> Attached <input type="checkbox"/> Standard permission profile applicable
3	Quotation for professional indemnity insurance	<input type="checkbox"/> Attached
3	An opening balance sheet	<input type="checkbox"/> Attached
3	A forecast closing balance sheet	<input type="checkbox"/> Attached
3	A monthly cash flow forecast	<input type="checkbox"/> Attached
3	A monthly profit and loss forecast	<input type="checkbox"/> Attached
4	Form A - Application to perform controlled functions and a statement of responsibilities	Number enclosed <input type="text"/>
5 (5.2)	Compliance monitoring programme	<input type="checkbox"/> Attached

Other supporting documents to be provided depending on the answers to the applicable questions

Core Pack

Section	Other supporting documents	
2.9	Copy of Partnership agreement deeds	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
2.9	Copy of Limited Liability Partnership Agreement	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Supplement (we have provided question numbers in brackets where possible)

Section	Other supporting documents	
3	Companies House form SH01 (limited companies only that have had an increase in share capital or change in share ownership)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Statement of personal and business assets and liabilities (partnerships and sole traders)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Proof of capital, such as the members' capital agreement (Limited Liability Partnerships only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A copy of the latest end of year accounts and up-to-date management accounts (if previously traded)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Owners and Influencers appendix

Question	Other supporting documents	
1.1	Structure chart	<input type="checkbox"/> Attached
2.2		<input type="checkbox"/> Not applicable
3.2		
1.2	A Copy of the latest accounts of any controller that is a body corporate, partnership or trust	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Compulsory self-certified supporting documents

By signing the form you will certify that these documents have been prepared to an appropriate standard and can be made available for immediate inspection by us.

Please note that we carry out checks to ensure applicant firms are complying with our requirements.

If these documents are not available immediately, it may take longer to assess your application.

3 List of self-certified documents

Please tick to confirm that the document is created and ready for us to inspect. If the document does not apply to the applicant firm, please tick 'Not applicable'.

Core Pack

Question	Self certified documents	
4.3	Full business continuity procedures (BCP)	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable

Supplement (we have provided question numbers in brackets where possible)

Section	Self certified documents	
1	Any agreements or terms of reference agreed with any third party providing compliance or other services to the applicant firm	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Will be ready <input type="checkbox"/> Not applicable
3	Subordinated loan agreement	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Documented compliance procedures	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Compliant personal account dealings	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Compliant training and competence procedures	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Initial disclosure document	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Combined initial disclosure document	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Procedures for conflicts of Interest	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable
5 (5.1)	Compliant terms of business	<input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable

Other documents

4 Please list any other documents you have provided.

5 Please provide any comments on supporting documents if necessary.

--

Other information

- 6 If there is anything else you would like to tell us about this application please give details below.**

--



Application for authorisation

Application form for banks

Full name of applicant firm

Before completing the application form for banks, you should review the banking authorisations information on the New Bank Start-up Unit's website at www.bankofengland.co.uk/pranbsu/Pages/default.aspx.

The notes that accompany this form will help you to answer our questions and include relevant links to documents and help pages. The notes are on the PRA and FCA websites.

Purpose of this form

We will only authorise a firm if we are satisfied that it meets conditions known as the PRA Threshold Conditions and the FCA Threshold Conditions. The information in this pack is needed to help us to assess whether the applicant firm satisfies the threshold conditions.

There are two application process options for a firm to become a bank – Option A - Authorisation and Option B - Authorisation with Restriction and Mobilisation. These options, together with the pre-application stage that applies in all cases, are more fully described on the New Bank Start-up Unit's website. **Please refer to the section below for the contents of this form and details of what must be submitted for each application option.**

You must answer every question on this form, and attach the documents, that apply to the application option. If a question does not apply then answer 'Not applicable'.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to carry out our statutory functions under FSMA and other relevant legislation and may be disclosed to third parties for that purpose.

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question the applicant firm's suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398 of FSMA regardless of the status of the application.

Terms in this application pack

In this application pack we use the following terms:

- 'you' refers to the persons signing the form on behalf of the applicant firm;
- 'applicant firm' or 'firm' refers to the firm applying for authorisation;
- 'PRA', 'FCA' 'we', 'us' or 'our' refers to the Prudential Regulation Authority and/or the Financial Conduct Authority; and
- 'FSMA' refers to the Financial Services and Markets Act 2000.

Authorisation options and application requirements

Authorisations options covered by this form:

Option A Authorisation – where an applicant firm is able to deliver a complete application with **all** supporting materials demonstrating that they will be ready, willing and able to start their business activities from authorisation.

Option B Authorisation with Restriction and Mobilisation process – where an applicant firm submits a shorter focused application with a view to obtaining authorisation with a business restriction. This restriction will be lifted once the firm has completed mobilisation.

Important note: Statutory deadlines for assessing an application are the same for both Option A and Option B authorisation processes. These are:

- 6 months for a ‘complete’ application – where all the required information and supporting material has been provided in the application to enable the PRA and FCA to make a decision on the application.
- 12 months if the application is incomplete.

Indicate which authorisation option the applicant firm is applying under:

Option A ☐

Option B ☐

Application Requirements:

Form section	Page	Option A	Option B
1. Core details	3	All at application	At application
2. Business plan	11		At application
3. Scope of Permission	13		At application
4. Financial resources, Recovery and Resolution	22		At application
5. Human resources	24		At application for functions that will be in place during Mobilisation. (Updated during Mobilisation)
6. Compliance, Internal Audit & Policies	26		During Mobilisation
7. Infrastructure	28		During Mobilisation or at start of IT build, if earlier
8. Regulatory reporting	30		At application
9. Fees & levies	31		At application
10. Fee, checklist and declaration	37		At application

1

Core details**Why we ask the questions in this section**

We need to know this information to contact you during our assessment, to enable efficient processing of your application and so that we can update the Financial Services Register, the public record of authorised firms.

Contact for this application**1.1 Contact details of the person we will get in touch with about this application.**

This must be someone who works for the applicant firm and not a professional adviser.

Title			
First names			
Surname			
Job title			
Business address			
Postcode			
Country			
Phone number (including STD code)			
Mobile number (optional)			
Fax number (including STD code)			
Email address			

Details of professional advisers**1.2 Have you used a professional adviser to help with this application?**

- ☐ No ▶ Continue to Question 1.5
- ☐ Yes ▶ You must fill in the rest of this section

1.3 Name of professional adviser's firm

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1.4 Name and contact details of professional adviser

Title		
First names		
Surname		
Business address		
Postcode		
Country		
Phone number (including STD code)		
Fax number (including STD code)		
Mobile number (optional)		
Email address		

Information for the Financial Services Register**1.5 Principal place of business of applicant firm**

Principal place of business address		
Postcode		
Country		
Phone number (including STD code)		
Fax number (including STD code)		
Email address		

1.6 Is the applicant firm an incorporated company?

- ☐ No ▶ Continue to Question 1.7
- ☐ Yes ▶ Is the registered office address the same as the principal place of business?
- ☐ Yes ▶ Continue to Question 1.7
- ☐ No ▶ Give details below

Registered office address	
Postcode	
Country	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

1.7 Does the applicant firm have a head office?

- ☐ No ▶ Continue to Question 1.8
- ☐ Yes, it is the same as address given in Question 1.5
- ☐ Yes, it is the same as address given in Question 1.6
- ☐ Yes, it is different from the address in Question 1.5 and 1.6, give details below

Head office address	
Postcode	
Country	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

1.8 Does the applicant firm have a website address?

- ☐ No ▶ Continue to Question 1.9
- ☐ Yes ▶ Give address below
- ☐ Being developed ▶ Give address (if known) and launch date below

--

1.9 Complaints contact person's details for the Financial Services Register

This individual must perform a controlled function for the applicant firm.

☐ Tick if same as 1.1

Title			
First names			
Surname			
Job title			
Business address			
Postcode			
Country			
Phone number (including STD code)			
Fax number (including STD code)			
Email address			

About the legal status of the applicant firm

1.10 What type of firm is the applicant firm?

- ☐ Private limited company
☐ Partnership (other than limited partnership or limited liability partnership)
☐ Limited liability partnership
☐ Public limited company
☐ Limited partnership
☐ UK branch of a non-EEA firm
☐ Other ▶ You must detail below the legal status of the applicant firm

--

1.11 Date of incorporation or formation (dd/mm/yyyy)

		/			/				
--	--	---	--	--	---	--	--	--	--

1.12 Where was the applicant firm incorporated or formed?

- ☐ England/Wales
☐ Scotland
☐ Northern Ireland
☐ Outside the UK ▶ Give details below

--

1.13 Please attach the following:

Copy of Partnership agreement deeds (if applicable)

☐ Attached

Copy of Limited Liability Partnership agreement deeds (if applicable)

☐ Attached

1.14 Does the applicant firm have a registered number e.g. Companies House number?

☐ No ► Continue to Question 1.16

☐ Yes ► Give details below[illegible]

1.15 You must confirm that all details given in this section match Companies House records

☐ Yes☐ No ▶ Give details below

--

1.16 Does the applicant firm have a registered overseas reference number?

☐ No ► Continue to Question 1.17

☐ Yes ▶ Give details below

[illegible]**Financial year end**

1.17 Date of the applicant firm's financial year end (dd/mm)

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 /

--	--

Details of auditor

1.18 Does the applicant firm have an auditor?

☐ No ► Continue to Question 1.19

☐ Yes ▶ Give details below

Firm name of auditor		
Contact name		
Address		
Postcode		
Country		
Phone number (including STD code)		

Other names

If the name(s) given in 1.19 – 1.20 contain(s) a word or expression that requires the FCA's approval under the Company, Limited Liability Partnership and Business Names (Sensitive Words

and Expressions) Regulations 2009, we will consider the proposed name as part of the authorisation process. We will contact you if you meet the criteria.

1.19 Does the applicant firm intend to change the registered name given on the front of this form at authorisation?

☐ No ▶ Continue to Question 1.20

☐ Yes ▶ Give details below

Name	
------	--

1.20 Does the applicant firm intend to use any trading names as well as the name given on the front of this form?

☐ No ▶ Continue to Question 1.21

☐ Yes ▶ Give details below

Name	
------	--

History of applicant firm

1.21 Has the applicant firm ever been refused – or had revoked – any licence, membership, authorisation, registration or other permission granted by a financial services regulator or government body in the UK or overseas?

☐ No

☐ Yes

1.22 Has the applicant firm ever, after making an application to a regulatory body for:

- a licence
 - authorisation
 - registration
 - notification
 - membership, or
 - other permission granted by a regulatory body
- decided not to proceed with it?**

☐ No

☐ Yes

1.23 If the answer to Questions 1.21 or 1.22 is yes, please give a full explanation of the events in question below.

Make sure this includes:

- the question number the event refers to
- the date of the event
- any amounts involved
- the outcome, and
- an explanation of the circumstances.

--

1.24 You must complete the Disclosure of Significant Events appendix if applicable.

☐ Attached

Who controls (owns) the applicant firm?

This section helps us understand who controls/owns the applicant firm i.e. its controllers and the relationships and close links the applicant firm has with other individuals or entities. Often there will be some overlap between the applicant firm's controllers and close links. For example, an individual who owns or controls 10% or more of the voting rights or capital of the applicant firm is both a controller and a close link of that firm.

1.25 Controllers, Close Links and Consolidated Supervision

You must provide a structure chart of the applicant firm's ownership and its close links. Where the applicant firm will be part of a group, please provide a structure chart clearly showing where the applicant firm will sit in the group structure and which entities and/or individuals will directly or indirectly own it.

The structure chart should contain the following information:

- i. Full name of entity or individual controller (including if an entity, its legal status)
- ii. Country of incorporation (for entities other than individuals) or country of origin (for individuals)
- iii. Percentage of the shares or voting rights held in the applicant firm or in its parent entity
- iv. Nature of the relationship between the applicant firm and each close link (for example investor, founder, etc. and the influence they will have on the applicant firm – for example, exert significant influence or vote jointly)
- v. Provide details of any information to suggest that a controller or a close link may prevent our effective supervision of the applicant firm
- vi. Where the applicant firm or its parent is owned by a large number of minority shareholders or members, please list the 20 largest shareholders or members
- vii. Where the applicant firm is part of a group, include all subsidiaries in the group (including dormant subsidiaries). Please indicate any subsidiaries or parent entities which are regulated, the name of the regulator and the nature of the business of each regulated entity in the group. Please complete and attach the 'Classification of groups' form (see GENPRU 3 Annex 3 Guidance Notes for Classification of Groups) if the controller of any firm in the group (as defined in paragraph 5 of schedule 3 of FSMA) is one of the following:
 - o an EEA investment firm, an EEA credit institution,
 - o an EEA insurance undertaking, or
 - o an EEA management company or the parent of any such firm.
- viii. Where the applicant firm is a member of a third-country banking and investment group or financial conglomerate, please provide details of any previously notified equivalence assessments (see GENPRU 3.2.3)/other methods (see GENPRU 3.2.4) under the Financial Groups Directive by any EEA regulator (you must include details of the EEA regulator and date of notification). Please also include details of any group supervision on a consolidated basis by any non-EEA regulator. Include the name of the consolidating supervisor and a brief description of how the consolidating supervisor undertakes group supervision.

Where it is not practical to include all this information on the chart, please provide the details on a separate sheet

- ☐ Group structure chart attached
- ☐ Classification of groups form attached

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

1.26 Controller Forms

Applicant firms must submit with this application the appropriate Controller Forms for each of its controllers. Please also provide a copy of the latest financial statements for each controller if applicable (typically the accounts for the most recent reporting period). These forms can be found by following the link below:

<http://www.fca.org.uk/firms/about-authorisation/getting-authorised/additional-forms>

- ☐ Controller application forms and where applicable, financial statements attached
- ☐ Not applicable – no controllers

Money Laundering Regulations 2007

1.27 Will the applicant firm be acting as a Money Service Business or Trust or Company Service Provider?

- ☐ No ▶ Continue to Section 2
☐ Yes

1.28 What activities will the applicant firm be conducting?

- ☐ Bureau de change
☐ Money Remitter
☐ Cheque Cashier
☐ Trust or Company Service Provider

2

Business plan

Why we ask the questions in this section

We need to know about the business that the applicant firm intends to carry on so we can assess (i) the scope of the permission it will need, and (ii) the adequacy of its resources and its suitability to carry on that business.

You must submit a business plan

Your business plan must include all the areas below. The level of detail you provide should allow a clear understanding of the proposals whilst reflecting the scale and complexity of the applicant's proposed business.

If any of the information you provide is unclear, we will ask you about it.

☐ Business plan attached

2.1 Ownership of the firm

2.1.1 Where applicable, summarise the business of the applicant firm's controllers and related group entities as shown on the group structure chart.

2.1.2 Provide details of the source of the funds that will be injected into the applicant firm to support its proposed business activities.

2.2 Business strategy

2.2.1 Explain the applicant firm's overall strategy including strategic goal and why the applicant firm has been established and has decided to carry on the business for which it is seeking authorisation.

2.3 Business model

2.3.1 Description of proposed business, including:

- 2.3.1.1 Geographical scope of operations and future expansion plans
- 2.3.1.2 Target markets and customer segmentation
- 2.3.1.3 Clients – include types, regulatory classification, sources, client base size
- 2.3.1.4 Products and services
- 2.3.1.5 Delivery channels – branches, internet, postal, agencies, subsidiaries
- 2.3.1.6 Pricing
- 2.3.1.7 Promotion and marketing – initial and future
- 2.3.1.8 Funding profile and diversification
- 2.3.1.9 Details of any planned Trading Book activity

2.3.2 Describe how the proposed business aligns to the Scope of Permission applied for.

2.3.3 Explain the competitive advantage and any unique selling proposition of the business proposals.

2.3.4 Provide details of the market research and competitor analysis undertaken and its outcome.

2.3.5 Give details of whether the applicant firm intends, after authorisation, to submit an application to carry on any regulated activities in another European Economic Area (EEA) state under the Capital Requirements Directive (CRD) by:

- providing cross-border services, and/or
- establishing a branch

2.4 Business model viability

2.4.1 Financial projections (five years).☐ Attached**2.4.2 Explain in detail the initial and long-term viability of the business model.****2.4.3 Provide stress scenarios to show what will be the effect of the key assumptions underpinning the business model and its viability not turning out as planned.****2.5 Financial resources**

High-level summary of financial resources.

2.6 Non-financial resources**2.6.1 Description of human resources (including expected changes over the period of the business plan). Please include an organogram.**☐ Organogram attached**2.6.2 Overview of intended IT systems including details of operating systems, databases and applications that will support the core business processes.****2.6.3 Overview of any outsourced functions to third parties.**

This relates to outsourcing of business functions as well as IT activities. Please include details on external and intra-group outsourcing of both business functions and support to the applicant firm's IT operations. Please detail what will be outsourced and to whom. Please note that IT outsourcing would include using a third-party service provider for data centre operations or utilising a cloud service solution for email.

2.7 Governance arrangements, management structure, responsibilities and controls**2.7.1 Board structure**

Provide a structure chart of the proposed Board. For groups, include whether any Board members are employed by a group entity other than the applicant firm. For firms with overseas links, include whether any Board member is based overseas.

☐ Board structure chart attached**2.7.2 Provide a proposed committee and management structure chart (with reporting lines) and describe how these arrangements will operate in practice, including the experience of the management team in relation to the planned business.**☐ Committee structure chart attached☐ Management structure and reporting lines chart attached**2.7.3 Explain how the 'four eyes' arrangements will be applied.****2.7.4 Give an overview of the intended structure, resources and reporting lines for:**

2.7.4.1 Compliance

2.7.4.2 Internal Audit

2.8 Implementation plan

Provide the applicant firm's implementation plan through to the point when the bank is fully operational.

☐ Attached

3

Scope of Permission required

Why we ask the questions in this section

If we grant authorisation to the applicant firm, we will give it a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on
- for each of those regulated activities, the permitted investment types and the client types
- any limitations that apply to any of those regulated activities
- any requirements on the applicant firm

It is the applicant firm's responsibility to ensure that it applies for the Scope of Permission that will cover all the regulated activities it intends to carry on.

The applicant firm's requested Scope of Permission must correspond with the description of its proposed business in its business plan.

3.1 Accepting deposits

3.1.1 Regulated activity and investment type

You must confirm that the applicant firm is applying for permission to carry on the regulated activity of 'accepting deposits' in relation to the investment type of 'deposit'.

☐ Yes

3.1.2 Client types

You must indicate the types of clients that the firm will accept deposits from:

☐ Retail

☐ Wholesale

3.1.3 Wholesale only limitation

Is the applicant firm applying for the 'wholesale business only' limitation to the regulated activity of accepting deposits?

☐ Yes

☐ No

3.2 Dealing in investments as principal

3.2.1 Is the applicant firm applying for permission to carry on the regulated activity of dealing in investments as principal?

☐ Yes, for own treasury business ▶ Continue to Question 3.2.2

☐ Yes, in relation to clients ▶ Continue to Question 3.3

☐ No ▶ Continue to Question 3.3

3.2.2 Investment types for own treasury business

For own treasury business, as long as article 15 of the Regulated Activities Order (RAO) is fulfilled, permission is not required for the regulated activity of dealing in investments as principal in relation to 'securities' as defined in article 3 of the RAO.

If appropriate, you must tick the types of contractually-based investments for which the applicant firm is applying for permission to deal as principal.

- ☐ Option (excluding a commodity option)
- ☐ Commodity option and option on commodity future
- ☐ Future (excluding a commodity future)
- ☐ Commodity future
- ☐ Contract for differences
- ☐ Spread bet
- ☐ Rolling spot forex
- ☐ Rights to or interests in investments (contractually-based investment)

3.2.3 Client types

You must tick the client type(s) for which the applicant firm is proposing to deal in investments as principal:

- ☐ Eligible counterparty
- ☐ Professional

3.2.4 Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation is attached to the regulated activity of 'dealing in investments as principal' limiting 'investment activity in investments' (security and/or contractually based, as appropriate) to the other investment types granted for this regulated activity.

You must confirm that the applicant firm requests this standard limitation:

- ☐ Yes

3.2.5 Standard limitation – dealing in investments as principal ancillary to accepting deposits

The following standard limitation is attached to the regulated activity of dealing in investments as principal ancillary to a firm's main business of accepting deposits:

'The firm, in carrying out this regulated activity, is limited to entering into transactions in a manner which, if the firm was an unauthorised person, would come within article 16 of the RAO'.

You must confirm that the applicant firm requests this standard limitation:

- ☐ Yes

3.3 Other investment business regulated activities**3.3.1 Is the applicant firm applying for permission to carry on investment business regulated activities for clients, in addition to its proposed main business of accepting deposits from clients?**

- ☐ Yes ▶ Continue to Question 3.3.2
- ☐ No ▶ Continue to Question 3.4

3.3.2 Investment Business Permission Profile Table

If the applicant firm intends, in addition to its proposed main business of accepting deposits, to carry on investment business regulated activities for clients, you must apply for permission for those regulated activities. You must do this by completing the following Investment Business Permission Profile Table.

For each investment business regulated activity the applicant firm is applying for permission to carry on, you must tick the respective investment types and client types for which it is seeking to carry on that regulated activity.

The completed table must correspond with the description of the applicant firm's proposed investment business set out in its business plan.

INVESTMENT BUSINESS PERMISSION PROFILE TABLE

INVESTMENT TYPE	REGULATED ACTIVITY								
	Advising on investments (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Dealing in investments as principal	Managing investments	Safeguarding and administration of assets	Arranging safeguarding and administration of assets	Sending dematerialised instructions
<u>SECURITY</u>									
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government and public security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CONTRACTUALLY-BASED INVESTMENT</u>									
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Contract for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Spread bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rolling spot forex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>CLIENT TYPE</u>									
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.3.3 Standard limitation – investment activity in rights to or interests in investments

A standard limitation is attached to each investment business regulated activity that a firm is authorised to carry on. This limits 'investment activity in rights to or interests in investments' to the other investment types granted for this regulated activity.

You must confirm that the applicant firm requests this standard limitation to each regulated activity for which it is applying for permission in its completed Investment Business Permission Profile Table.

☐ Yes

3.4 Home finance business**3.4.1 Is the applicant firm applying for permission to carry on regulated activities in home finance business?**

☐ Yes ▶ Continue to Question 3.4.2

☐ No ▶ Continue to Question 3.5

3.4.2 Home Finance Business Permission Profile Table.

If the applicant firm, in addition to its proposed main business of accepting deposits, is also proposing to carry on home finance business regulated activities, you must apply for permission for those regulated activities. You must do this by completing the following Home Finance Business Permission Profile Table.

You must also tick the investment type(s) for each home finance business regulated activity the applicant firm is applying for permission to carry on. The customer type for all of these regulated activities is 'Customer'.

The completed table must correspond with the description of the applicant firm's proposed home finance business set out in its business plan.

HOME FINANCE BUSINESS PERMISSION PROFILE TABLE

INVESTMENT TYPE	REGULATED ACTIVITY				
	Entering into	Administering	Advising on	Arranging (bringing about)	Making arrangements with a view to
Regulated mortgage contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home reversion plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home purchase plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulated sale and rent back agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CLIENT TYPE</u>	Customer	Customer	Customer	Customer	Customer

3.5 General insurance business

3.5.1 Is the applicant firm applying for permission to carry on regulated activities in general insurance contracts?

- ☐ Yes ▶ Continue to Question 3.5.2
☐ No ▶ Continue to Question 3.6

3.5.2 General Insurance Business Permission Profile Table

If the applicant firm, in addition to its proposed main business of accepting deposits, is also proposing to carry on general insurance business regulated activities, you must apply for permission for those regulated activities. You must do this by completing the following General Insurance Business Permission Profile Table.

You must also tick the customer type(s) for each general insurance business regulated activity the applicant firm is applying for permission to carry on.

The completed table must correspond with the description of the applicant firm's proposed general insurance business set out in its business plan.

GENERAL INSURANCE BUSINESS PERMISSION PROFILE TABLE

	REGULATED ACTIVITY				
	Advising on investments (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Assisting in the administration and performance of a contract of insurance
<u>INVESTMENT TYPE</u>	Non-investment insurance contract	Non-investment insurance contract	Non-investment insurance contract	Non-investment insurance contract	Non-investment insurance contract
<u>CUSTOMER TYPE</u>					
Retail (non-investment insurance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.6 Consumer Credit

3.6.1 Is the applicant firm applying for permission to carry on regulated consumer credit activities?

- ☐ Yes ▶ Continue to Question 3.6.2
☐ No ▶ Continue to Question 3.7

3.6.2 Consumer credit permissions

- | | |
|--|----------------------------|
| <input type="checkbox"/> Credit Broking | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Operating an electronic system in relation to lending | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Debt Adjusting | ▶ Complete Question 3.6.4 |
| <input type="checkbox"/> Debt Counselling | ▶ Complete Question 3.6.7 |
| <input type="checkbox"/> Debt Collecting | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Debt Administration | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Entering into a regulated credit agreement as lender
(excluding high-cost short-term credit, bill of sale loan agreement and home credit loan agreement) | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated credit agreement
(excluding high-cost short-term credit, bill of sale loan agreement and home credit loan agreement) | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a regulated home credit loan agreement as lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated home credit loan agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into high-cost short-term credit as a lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short-term credit | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a bill of sale loan agreement as a lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a bill of sale loan agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a regulated consumer hire agreement as owner | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated consumer hire agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Providing credit information services | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Providing credit references | ▶ Complete Question 3.6.12 |

Limitations

If the applicant ticks “Yes”, the applicant is applying for the permission to be limited as follows. This permission is limited to activities in relation to existing regulated credit agreements or variations supplements or replacements of such agreements.

3.6.3 Will the applicant be limited to debt purchase activities?

This permission is limited to activities in relation to existing regulated credit agreements or variations supplements or replacements of such agreements

☐ Yes ▶ Complete Q 3.6.12

3.6.4 Will the applicant be limited to debt adjusting with no debt management plans?

Limited to debt adjusting excluding the conclusion or administration of debt management plans. In this limitation “debt management plan” is defined as: “a non-statutory agreement between a customer and one or more of the customer’s lenders, the aim of which is to discharge or liquidate the customer’s debts by making regular payments to a third party which administers the plan and distributes the money to the lenders”.

☐ Yes ▶ Complete Q 3.6.12

3.6.5 Will the applicant be limited to debt adjusting for settlements in relation to vehicle finance?

This permission is limited to debt adjusting which is provided in connection with the whole or partial settlement of credit agreements for vehicle finance.

☐ Yes ▶ Complete Q 3.6.12

3.6.6 Will the applicant be limited to debt adjusting for settlements in relation to the sale of goods?

This permission is limited to debt adjusting which is provided in connection with the whole or partial settlement of credit agreements in relation to the sale of goods.

☐ Yes ▶ Complete Q 3.6.12

3.6.7 Will the applicant be limited to debt counselling with no debt management plans?

This permission is limited to debt counselling excluding giving advice about debt management plans. In this limitation ‘debt management plans’ is defined as: ‘a non-statutory agreement between a customer and one or more of the customer’s lenders the aim of which is to discharge or liquidate the customer’s debts, by making regular payments to a third party which administers the plan and distributes the money to the lenders’.

☐ Yes ▶ Complete Q 3.6.12

3.6.8 Will the applicant be limited to debt counselling in relation to the settlement of vehicle finance?

This permission is limited to debt counselling which is provided in connection with the whole or partial settlement of credit agreements for vehicle finance.

☐ Yes ▶ Complete Q 3.6.12

3.6.9 Will the applicant be limited to debt counselling in relation to settlements for the sales of goods?

This permission is limited to debt counselling which is provided in connection with the whole or partial settlement of credit agreements in relation to the sale of goods.

☐ Yes ▶ Complete Q 3.6.12

3.6.10 Will the applicant be carrying out debt management services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16).

☐ Yes ▶ Complete Q 3.6.12

3.6.11 Will the applicant be carrying out credit repair services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16).

☐ Yes ▶ Complete Q 3.6.12

Requirements

3.6.12 Will the firm be canvassing any regulated borrower-lender-supplier agreements or regulated consumer hire agreements it supplies, or for which it carries out broking activities, off trade premises?

☐ Yes

☐ No ▶ If 'no' the following requirement must be included in the applicant's scope of permission:

Not permitted to canvass off trade premises

The firm is not permitted to canvass regulated borrower-lender-supplier agreements or regulated consumer hire agreements off trade premises.

3.7 Other regulated activities

Is the applicant firm applying for permission to carry on any other regulated activities?

☐ Yes ▶ You must list them with the corresponding investment and client types below

☐ No ▶ Continue to Question 3.8

3.8 Agreeing to carry on a regulated activity

You must confirm that the applicant firm is applying for permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity'.

- ☐ Yes
☐ Not applicable – refer to the Notes

3.9 Other limitations/requirements

A limitation may come about because either you request one or the PRA or FCA decide to impose one. If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on the applicant firm, you must give details here.

--

3.10 Client money/safe custody assets**3.10.1 Is the applicant firm seeking permission to hold client money in relation to investment business?**

- ☐ Yes ▶ You must complete amounts in Question 3.10.4
☐ No

3.10.2 Is the applicant firm seeking permission to control client money in relation to investment business?

- ☐ Yes
☐ No

3.10.3 Will the applicant firm be holding safe custody assets?

- ☐ Yes ▶ You must complete amounts in Question 3.10.4
☐ No

3.10.4 If yes to 3.10.1 or 3.10.3, please state the highest projected amounts for calendar years from authorisation:

	Remainder of calendar year from authorisation £000s	Next full calendar year £000s
Projected highest total amount of client money		
Projected highest total value of safe custody assets		

3.10.5 Is the applicant firm seeking permission to hold and/or control client money in relation to home finance activities or insurance distribution business?

	Hold client monies	Control client monies
Home finance activities	<input type="checkbox"/>	<input type="checkbox"/>
Insurance distribution activities	<input type="checkbox"/>	<input type="checkbox"/>

4

Financial resources, Recovery and Resolution

Why we ask the questions in this section

All authorised firms must satisfy the applicable prudential requirements. We need evidence that the applicant firm will satisfy these requirements and have adequate financial resources at the date of authorisation and on an ongoing basis.

4.1 Capital

4.1.1 You must attach an Individual Capital Adequacy Assessment Process (ICAAP) document.

☐ Attached

4.1.2 You must demonstrate that the applicant firm's capital resources will be sufficient to meet its capital resources requirement both at authorisation and through a severe but plausible stress over five years.

☐ Analysis of capital resources requirement attached

4.1.3 You must provide a copy of the Risk Management Framework, explaining the applicant firm's high-level strategy for identifying and managing risks to its business. Indicate in each case whether the level of risk is perceived as high, medium or low, and outline the strategy for managing that risk.

☐ Risk Management Framework attached

4.1.4 You must attach the following policies to support the ICAAP:

4.1.4.1 Credit/ Lending policy

4.1.4.2 Concentration risk policy

4.1.4.3 Provisioning policy

☐ Attached

4.2 Liquidity

4.2.1 Is the applicant firm applying for any Liquidity Modifications?

☐ No ▶ Continue to Question 4.2.2

☐ Yes ▶ You must select which ones from the list below

☐ Intra-group

☐ Whole firm

Have you completed the Modification application?

☐ Yes ▶ Attached

☐ No ▶ Not applicable

☐ To follow ▶ Give date below

/ /

4.2.2 You must attach an Individual Liquidity Adequacy Assessment (ILAA) unless the applicant firm is applying for a Whole Firm Modification.

☐ Attached

☐ Not applicable

4.2.3 You must demonstrate that the applicant firm's liquidity resources will be adequate to meet its individual liquidity requirements.

☐ Analysis of adequacy of liquid resources requirement attached

4.2.4 You must attach the following policies in support of the ILAA:

4.2.4.1 Liquidity Risk Management Policy

- 4.2.4.2 Funding Concentration/ Diversification Policy
- 4.2.4.3 Collateral Management Policy
- 4.2.4.4 Intra-day Policy
- 4.2.4.5 Trading Book Policy (if applicable)

4.2.5 You must attach Liquidity Reports: forward-looking Liquidity Metric Monitors based on the Balance Sheet at the point of authorisation and the following five projected Balance Sheets at the accounting reference dates following authorisation. These should match with the financial projections in the business plan.

- ☐ Yes ▶ Attached
- ☐ No ▶ Not applicable

4.3 Other related policies

4.3.1 You must attach the Financial Risk Management Policy

The Financial Risk Management Policy should set out the applicant's asset and liability management and how it will manage and mitigate market risks relevant to its model.

- ☐ Attached

4.4 Recovery and Resolution

4.4.1 You must attach a Recovery and Resolution Plan. It must include the following:

- 4.4.1.1 Governance and overview of preparation of the applicant's recovery and resolution plan.
- 4.4.1.2 An explanation of how early warning signs and triggers are integrated within the applicant bank's risk management framework.
- 4.4.1.3 A plan of how the firm is going to implement Single Customer View (if applicable) and consideration of its ability to produce its Single Customer View file.
- 4.4.1.4 Recovery options, their feasibility and estimated impact on the applicant firm's viability (including capital, liquidity, profitability and franchise).
- 4.4.1.5 Service Level Agreements between the applicant firm and any group entities providing services to the applicant (if applicable), or any other outsourcing provider (e.g. provider of a deposit-taking platform) or market infrastructure provider (e.g. clearing counterparties), if applicable.

- ☐ Attached

4.5 Annual statutory accounts

You must attach a copy of the last annual statutory accounts for the applicant firm and relevant firms (e.g. group holding company).

- ☐ Attached
- ☐ Not applicable ▶ New entity

4.6 Bank of England Forms BT and ELS

You must complete and attach a Bank of England Forms BT and ELS based on the projected position 12 months after authorisation.

- ☐ Attached

5

Human resources

Why we ask the questions in this section

The applicant firm must demonstrate that it has fit and proper staff with adequate knowledge, skills and experience at all levels so that it satisfies and will continue to satisfy PRA and FCA threshold conditions.

Senior management functions

- 5.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the box.**

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

Senior management function	Name of individual
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	
SMF	

5.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 5.1.

How many 'Form As' are being sent with this application?	
--	--

5.3 Assessment of the Board

You must provide details of:

- 5.4.1 the applicant firm's assessment of what skills and experience are required collectively by the Board for the business model proposed
- 5.4.2 the gaps identified in the proposed Board against the collective skills and experience assessment
- 5.4.3 the plans to resolve the gaps identified
- 5.4.4 the recruitment process, including such areas as compliance with diversity and equality legislation.

☐ Attached

5.4 Independent non-executive directors

You must provide the applicant firm's assessment of the skills and experience required collectively as a team by the independent non-executive directors to enable them to provide effective challenge to the executive directors. Give details of any gaps identified in the proposed non-executive team together with the plan to fill the gaps.

☐ Attached

5.5 Individuals assessment of competence and capability to perform the role

You must provide this assessment, in relation to the role, for each individual for whom the applicant firm is applying for approval to perform a senior management function.

☐ Attached

5.6 Board (including non-executive) and executive committees, terms of reference and membership

☐ Attached

6

Compliance, Internal Audit and Policies

Why we ask the questions in this section

The applicant firm must demonstrate that it has the appropriate compliance arrangements in place to satisfy its regulatory obligations, and appropriate internal audit arrangements to adequately assess its risk management, systems and controls on an ongoing basis. The applicant firm's policies must be appropriate to its proposed business.

6.1 Compliance arrangements

6.1.1 You must attach the applicant firm's compliance structure and resources.

☐ Attached

6.1.2 You must confirm that the applicant firm has in place a comprehensive compliance procedures manual.

You must include the following:

6.1.2.1 Regulatory regime, applicable Handbooks sourcebooks and compliance oversight

6.1.2.2 Compliance with relevant sourcebooks, for example BCOBS, COBS, MCOB

6.1.2.3 Whistle-blowing

6.1.2.4 Personal account trading

6.1.2.5 Conflicts of interest policy

6.1.2.6 Complaints handling

6.1.2.7 Market abuse policies

You must be ready to provide on request any part of the compliance manual.

☐ Yes, a comprehensive compliance manual is in place

6.1.3 You must attach the applicant firm's compliance monitoring programme for 12 months from authorisation.

☐ Attached

6.2 Training and competence regime

You must attach the applicant firm's Training and Competence regime or arrangements.

☐ Attached

6.3 Internal Audit arrangements

6.3.1 You must attach the applicant firm's Internal Audit (including technology audit) structure and resources.

☐ Attached

6.3.2 You must attach the applicant firm's Internal Audit methodology.

☐ Attached

6.3.3 You must attach the applicant firm's Internal Audit plan for 12 months from authorisation.

☐ Attached

6.4 Policies and procedures

6.4.1 You must attach the following policies:

6.4.1.1 Product governance policy and procedures

6.4.1.2 Responsible lending policy (if applicable)

6.4.1.3 Arrears and repossessions management (if applicable)

☐ Attached

6.4.2 You must attach the applicant firm's Financial Crime policies, including anti-money laundering and anti-fraud, and an overview of the key procedures that they have put in place to counter the risk that it might be used by others to further financial crime. This includes any offence involving: fraud or dishonesty; misconduct in, or misuse of information relating to, financial markets; handling the proceeds of crime; and bribery and corruption offences.

You must include the following as a minimum:

- 6.4.2.1 Steps that the applicant firm will take to prevent it from being used to further fraud.
- 6.4.2.2 Steps that the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their role effectively, with regard to 'know your business' information.
- 6.4.2.3 Anti-money laundering training the applicant firm will provide for its staff.
- 6.4.2.4 Steps that the applicant firm will take to assess its exposure to the risk of being used for money laundering and terrorist financing
- 6.4.2.5 'Know your customer' procedures, including additional due diligence to be undertaken in relation to high risk customers/sources of funds.
- 6.4.2.6 Procedures for monitoring transactions and reporting details of suspicious transactions.
- 6.4.2.7 How the applicant firm will ensure that it complies with anti-terrorist financing requirements.

☐ Attached

6.4.3 You must attach the applicant firm's Treating Customers Fairly (TCF) policy and related management information.

Principle 6 of the Principles for Business states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' Firms must have in place policies and procedures to deliver the six consumer outcomes and demonstrate that it treats its customers fairly. You must include the following:

- 6.4.3.1 What treating customers fairly means to the applicant firm and its customers.
- 6.4.3.2 How the fair treatment of customers has been incorporated into the applicant firm's values and business plan.
- 6.4.3.3 What controls the applicant firm has put in place to ensure it treats its customers fairly.
- 6.4.3.4 How the applicant firm develops the competence and knowledge of its staff.
- 6.4.3.5 How the Board and Senior Management assess compliance with Principle 6 and fulfil their TCF responsibilities.

☐ Attached

6.4.4 You must attach the applicant firm's Business Continuity Plan and policy.

☐ Attached

7

Infrastructure

Why we ask the questions in this section

The applicant firm must have infrastructure appropriate to the scale and complexity of its proposed business. Firms may outsource activities but remain responsible for the operation of proper systems and controls over the activities, and for regulatory compliance. We expect the business of accepting deposits to be heavily dependent upon IT systems, and the risks to the applicant firm's proposed business and customers from any compromise, failure and error of its IT systems will therefore be significant.

7.1 Outsourcing excluding IT outsourcing

7.1.1 You must attach details of proposed external and intra-group outsourcing to support the applicant firm's operations.

You must include the following details:

- 7.1.1.1 Outsource supplier (identifying any link to the applicant firm)
- 7.1.1.2 Supplier location
- 7.1.1.3 Rationale for the outsourcing
- 7.1.1.4 Supplier due diligence and selection process
- 7.1.1.5 Contingency plans in the event the outsourced service provider cannot provide continuity of service.

- ☐ Attached
- ☐ Not applicable

7.1.2 You must attach details of oversight responsibilities and arrangements, systems and controls for each outsourced function necessary to the applicant firm's management and operations.

- ☐ Attached
- ☐ Not applicable

7.1.3 You must attach copies of service level agreements and arrangements for each outsourcing material to the applicant firm's management and operations.

- ☐ Attached
- ☐ Not applicable

7.2 IT systems including IT outsourcing arrangements

7.2.1 You must confirm whether the core IT systems that the applicant firm will use in its business will be:

- ☐ New to the applicant firm or group
- ☐ Existing systems already in use in the applicant firm or group, not requiring material amendment
- ☐ Partly existing systems and partly new systems or materially amended systems

7.2.2 Will the applicant firm's IT systems applications automatically interface with customers/counterparties?

- ☐ Yes
- ☐ No

7.2.3 You must attach a Complex IT form.

- ☐ Attached

☐ No ► exceptional circumstances (refer to Notes) agreed with the PRA Supervisor and the FCA Permissions Department.
You must explain why in the box below.

8

Regulatory reporting

Why we ask the questions in this section

The applicant firm must have infrastructure and processes to accurately meet its obligations for regulatory reporting appropriate to its proposed business to enable the regulators to appropriately supervise the firm.

8.1 Regulatory returns – Gathering Better Regulatory Information Electronically (GABRIEL)

All regulated firms have to supply regular regulatory returns. GABRIEL is the mandatory reporting tool that you must use when completing and submitting the majority of these regulatory returns. To complete your returns you must have access to a personal computer with an internet connection.

8.1.1 You must confirm that the applicant firm has the ability to complete its regulatory returns via GABRIEL.

☐ Yes

8.1.2 Do you agree to submit to us, at regular and stated intervals, financial information that can be used to help supervise and assess the firm on an ongoing basis as specified in the Handbook?

☐ Yes

8.1.3 Do you agree to submit this information using GABRIEL in a timely manner?

☐ Yes

8.2 FINREP Reporting

8.2.1 Will you be required to report FINREP?

☐ Yes

☐ No

9 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual fees for the PRA and the FCA once they are authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

Regulatory fees

9.1 Fee block A.1 – Deposit acceptors

What is the applicant firm's projected average monthly Modified Eligible Liabilities for the first year of authorisation?

Amount	
Confirm amount in words	

9.2 Fee block A.2 – Home finance providers and administrators

How many new mortgages, home purchase plans, home reversion plans and regulated sale and rent back agreements does the applicant firm estimate it will enter into in the first year of authorisation?

Number	
Confirm number in words	

- 9.3** How many mortgages contracts, home purchase plans, home reversion plans and regulated sale and rent back agreements does the applicant firm estimate it will administer, by the end of its first year of authorisation? Please multiply this number by 0.05 for home finance outsourcing firms, and 0.5 for all other firms.

Amount	
Confirm amount in words	

- 9.4** **Fee block A.7 – Portfolio managers**

How much total funds under management does the applicant firm estimate it will have at the end of the first year of authorisation?

Amount	
Confirm amount in words	

- 9.5** **Fee block A.9 – Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes**

How much total gross income does the applicant firm estimate it will receive from the activities relating to fee block A.9 for the first year of authorisation?

Amount	
Confirm amount in words	

- 9.6** **Fee block A.10 – Firm dealing as principal**

How many traders does the firm estimate it will have at the end of its first year of authorisation??

Amount	
Confirm amount in words	

- 9.7** **Fee Block A.13 – Advisers, arrangers, dealers or brokers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

Amount	
Confirm amount in words	

- 9.8** **Fee Block A.14– Corporate finance advisers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

Amount	
Confirm amount in words	

- 9.9** **Fee block A.18 – Home finance providers, advisers and arrangers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business (including home reversion, home purchase and regulated sale and rent back activities)?

Amount	
Confirm amount in words	

9.10 Fee block A.19 – General insurance mediation

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	
Confirm amount in words	

9.11 Fee block A.21 – Firms holding client money or assets, or both

What is the highest value of client money and/or safe custody assets the applicant firm expects to hold during the first year of authorisation?

Client money

Amount	
Confirm amount in words	

Safe custody assets

Amount	
Confirm amount in words	

9.12 Fee block CC.02 – Credit-related regulated activities

How much annual income does the applicant firm estimate for the first year of authorisation in relation to credit related regulated activities? Annual income for credit related regulated activities is defined in FEES 4 Annex 11B R.

Amount	
Confirm amount in words	

The Money Advice Service Levy

The data provided under the Regulatory Fees section above will be used to calculate most of the MAS fees with the exception of the debt advice levies.

9.13 Fee block MA01 – Debt advice levy – Depositors**Unsecured debt**

What is the GBP value of the outstanding loans to individuals in the UK that the applicant firm estimates for the end of the first year of authorisation, excluding bridging loans and loans secured on dwellings and land? This includes all:

- credit card lending
- 'charge card' lending, even if the outstanding balance has to be paid off in full at the end of each charging period: and other loans and advances to individuals that are not bridging loans or secured on dwellings or land

Amount	
Confirm amount in words	

9.14 Fee block MA02 – Debt advice levy – Home finance providers and administrators**Secured debt**

What is the GBP value of all regulated and non-regulated residential loans to individuals – the sum of gross unsecuritised and securitised balances – that the applicant firm estimates for the end of the first year of authorisation?

Amount	
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the Regulatory fees. The Handbooks Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm does not conduct any business with eligible complainants it may apply for Ombudsman Service exemption (see Question 9.31).

9.15 The ombudsman service's industry block I001 – Deposit acceptors, home finance providers and administrators

How many relevant accounts does the applicant firm estimate it will have at the end of the first year of authorisation?

Amount	
Confirm amount in words	

9.16 The ombudsman service's industry block I005 – Portfolio managers

How much relevant funds under management does the applicant firm estimate for the first year of authorisation?

Amount	
Confirm amount in words	

9.17 The ombudsman service's industry block I006 – Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes

How much relevant gross income does the applicant firm estimate for the first year of authorisation?

Amount	
Confirm amount in words	

9.18 The ombudsman service's industry block I007 – Dealers as principal

How many relevant traders does the firm estimate it will have at the end of its first year of authorisation?

Amount	
Confirm amount in words	

9.19 The ombudsman service's industry block I008/I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers? Please exclude income from corporate finance business.

Amount	
Confirm amount in words	

- 9.20 The ombudsman service's industry block I010 – Corporate finance advisers**
How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

Amount	
Confirm amount in words	

- 9.21 The ombudsman service's industry block I016 – Home finance providers, advisers and arrangers**
How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	
Confirm amount in words	

- 9.22 The ombudsman service's industry block I017 – General insurance mediation**
How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	
Confirm amount in words	

Financial Services Compensation Scheme Levy

The FSCS levy only covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be lower than that reported under the Regulatory fees. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant, it may apply for FSCS exemption (see Question 9.28).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

- 9.23 Class SA01 – Deposit**
How much covered deposits does the applicant firm estimate it will have, at the end of the first year of authorisation?

Amount	
Confirm amount in words	

- 9.24 Class SJ01 – Dormant Account Scheme**
How much covered deposits held in the Dormant Account Scheme does the applicant firm estimate it will have, at the end of the first year of authorisation? Please multiply this figure by 0.2.

Amount	
Confirm amount in words	

9.25 Class SB02 – General insurance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

Amount	
Confirm amount in words	

9.26 Class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	
Confirm amount in words	

9.27 Class SD01 – Investment provision

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment provision business?

Amount	
Confirm amount in words	

9.28 Class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment mediation business?

Amount	
Confirm amount in words	

9.29 Class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business? (Home finance providers should refer to the notes in fee block A.18)

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 9.30** You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of Financial Ombudsman Service exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible complainants.

9.31 The Ombudsman Service exemption – if the applicant firm will not carry on business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is Ombudsman Service exempt

10

Fee, checklist & declaration

This checklist and declaration form includes:

- details about the application fee and how to submit the application
- a checklist of documents you need to send us with this application
- the declaration

10.1 Application fee

You must send a cheque for the appropriate application fee in full with this application pack, otherwise the application will not be processed.

You must tick below to confirm that you have paid the appropriate application fee.

☐ £25,000 Complex application for new firms

☐ £12,500 Regulated firms applying for Variation of Permission to add 'accepting deposits'

You must pay the full application fee by cheque. It is not refundable (even if the applicant firm decides to withdraw its application).

How to pay and how to submit the application

- 1 Make the cheque payable to the **Financial Conduct Authority**. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for authorisation' on the back of the cheque.
- 4 Send the cheque with the application pack that should consist of **two** manual copies and two electronic copies (on CD) of the forms and supporting documents to PRA Authorisations, Central Supervisory Support, Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA.

Please note that firms applying for a Variation of Permission to add 'accepting deposits' must make their application through the ONA system and include details that they have manually submitted (as detailed in point 4 above) the relevant material detailed in this application form.

10.2 Documents for this application

You must confirm the documents you have sent in this application.

10.2.1 This 'application for authorisation' pack consists of the following documents. Please tick below to confirm the forms you have completed and enclosed.

Application documents

Compulsory documents

Application form for Banks ☐ Attached

A cheque for the application fee in full (see section 10.1 of this form) ☐ Attached

Other application documents

Please select the appendices (if any) you have completed and attached below:

Controllers appendices – Corporate	Number enclosed	<input type="text"/>
Controllers appendices – Partnership	Number enclosed	<input type="text"/>
Controllers appendices – Individual	Number enclosed	<input type="text"/>
Controllers appendices – Trust	Number enclosed	<input type="text"/>
Add an Appointed Representative form	Number enclosed	<input type="text"/>
Liquidity modification application	Number enclosed	<input type="text"/>

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

10.2.2 List of supporting documents

Question	Supporting documents	
1.13	Copy of Partnership or Limited Liability Partnership agreement deeds	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1.24	Disclosure of significant events appendix	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1.25	Group Structure Chart	<input type="checkbox"/> Attached
1.25	Classification of groups form	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1.26	Controller Forms	<input type="checkbox"/> Attached
1.26	A copy of the latest accounts of any controller that is a body corporate, partnership or trust	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
2	Business plan	<input type="checkbox"/> Attached
2.4	Financial projections	<input type="checkbox"/> Attached

2.6	Organogram	<input type="checkbox"/> Attached
2.7	Board structure chart	<input type="checkbox"/> Attached
2.7	Committee structure chart	<input type="checkbox"/> Attached
2.7	Management structure and reporting lines chart	<input type="checkbox"/> Attached
2.8	Implementation plan	<input type="checkbox"/> Attached
4.1	Individual Capital Adequacy Assessment Process (ICAAP)	<input type="checkbox"/> Attached
4.1	Analysis of capital resources requirement attached	<input type="checkbox"/> Attached
4.1	Risk Management Framework	<input type="checkbox"/> Attached
4.1	Credit/Lending Policy	<input type="checkbox"/> Attached
4.1	Concentration Risk Policy	<input type="checkbox"/> Attached
4.1	Provisioning Policy	<input type="checkbox"/> Attached
4.2	Liquidity Modification application	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
4.2	Individual Liquidity Adequacy Assessment (ILAA)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
4.2	Analysis of adequacy of liquid resources requirement attached	<input type="checkbox"/> Attached
4.2	Liquidity reports	<input type="checkbox"/> Attached
4.2	Liquidity Risk Management Policy	<input type="checkbox"/> Attached
4.2	Funding Concentration/Diversification Policy	<input type="checkbox"/> Attached
4.2	Collateral Management Policy	<input type="checkbox"/> Attached
4.2	Intra-day Policy	<input type="checkbox"/> Attached
4.2	Trading book policy	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
4.3	Financial Risk Management Policy	<input type="checkbox"/> Attached
4.4	Recovery and Resolution Plan	<input type="checkbox"/> Attached
4.5	Last annual statutory accounts	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
4.6	Bank of England forms BT and ELS	<input type="checkbox"/> Attached
5.3	Form A – Application to perform controlled functions including senior management functions	Number enclosed <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>
5.4	Assessment of the Board	<input type="checkbox"/> Attached
5.5	Independent Non-Executive Directors assessment	<input type="checkbox"/> Attached
5.6	Individuals assessment senior management functions	<input type="checkbox"/> Attached
5.7	Details of Board (including non-executive) and Executive Committees, Terms of reference and membership	<input type="checkbox"/> Attached
6.1	Compliance structure and resources	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.1	Compliance monitoring programme	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.2	Training and Competence regime or arrangements	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.3	Internal Audit structure and resources	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.3	Internal Audit methodology	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.3	Internal Audit Plan	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation

6.4	Product governance policy and procedures	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.4	Responsible lending policy (if applicable)	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.4	Arrears and repossessions management (if applicable)	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.4	Financial Crime, including anti-money laundering and anti-fraud policies and overview procedures	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.4	Treating Customers Fairly policy and related management information	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
6.4	Business Continuity Plan and policy	<input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation
7.1	Details of outsourcing excluding IT outsourcing	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation
7.1	Details of oversight responsibilities and arrangements, systems and controls	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation
7.1	Details of service level agreements	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation
7.2	Complex IT form and documents	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation

Other documents

10.2.3 Please list any other documents you have provided.

10.2.4 Please provide any comments on supporting documents if necessary.

--

Other information

10.2.5 If there is anything else you would like to tell us about this application please give details below.

--

10.3 Declaration

It is a criminal offence to – knowingly or recklessly – give us information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify the PRA and FCA immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant firm's suitability to be authorised.

- D1** I am authorised to make this application for authorisation on behalf of the applicant firm named on the front of this form.
- D2** I attach the documents requested and I have taken all reasonable steps to ensure they are correct.
- D3** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.
- D4** I authorise the PRA and FCA to make such enquiries and to seek such further information as they think appropriate to verify the information given on this form.
- D5** I understand that the PRA and FCA may require the applicant firm to provide further information or documents at any time after I have sent this application and before the applicant firm has been authorised.

Who must sign the declaration?

This declaration must be signed by two directors of the applicant firm.

	Signature one	Signature two
Name		
Position		
Signature		
Date	dd/mm/yy	dd/mm/yy



Application for Authorisation

Supplement for insurance companies

Full name of applicant firm

Important information that you should read before completing this form

The notes that accompany this form will help you to answer our questions and explain why we need the information that we request.

Purpose of this form

This supplement collects information that is specific to the type of regulated business that the applicant firm is applying for authorisation to carry on.

You must answer every question. If a question does not apply to the applicant firm, then you must answer it 'Not Applicable'.

Contents of this form

1	Regulatory Business Plan	2
2	Scope of Permission required	6
3	Financial resources	14
4	Personnel	16
5	Compliance arrangements	18
6	Fees and levies	20

1

Regulatory business plan (scheme of operations)

We need to know about the business that the applicant firm intends to carry on so that we can assess (i) the scope of the permission that it will need, and (ii) the adequacy of its resources and its suitability to carry on that business.

Where necessary you must use separate sheets of paper to answer the questions in sections 1.1 to 1.5.

--	--

The level of detail you provide should reflect the scale and complexity of the applicant firm's proposed business.

1.1 Background

1.1.1 Will the applicant firm be:

- ☐ A United Kingdom incorporated company ▶ continue to question 1.1.2
- ☐ A United Kingdom branch of a non-EEA insurer (including Swiss insurer)

1.1.2 What type of insurance business is the applicant firm going to underwrite predominately?

- ☐ General insurance business (including reinsurance)
- ☐ Long-term insurance business (including reinsurance)
- ☐ Reinsurance only

It is the policy of the PRA and FCA not to grant a Part 4A if it would allow a newly established firm to engage in both general and long-term insurance business.

1.1.3 What is the rationale for the application and what is the intended business strategy (and if applicable how does this fit into the group's overall future strategy)?

1.1.4 Firms should include a scheme of operations, containing the content as described in Article 23 of the Solvency II Directive, with or as part of their regulatory business plan. Firms should also provide a copy of their proposed Own Risk and Solvency Assessment (ORSA) report.

1.2 Insurance activities

1.2.1 Describe the insurance activities that the applicant firm is proposing to conduct in the United Kingdom.

1.2.2 Is the applicant firm proposing to underwrite direct motor liability business within the United Kingdom?

- ☐ No ▶ continue to question 1.2.3
- ☐ Yes. Please confirm the following:
- ☐ The applicant firm is content for the **PRA** to share the contents of its application with the Motor Insurers Bureau (MIB).

- ☐ The applicant firm will seek membership of the MIB shortly after receiving authorisation and subsequently provide the **PRA** with proof of MIB membership.
- ☐ The applicant will appoint a claims representative in every country within the European Union before authorisation is granted.

1.2.3 Is the applicant applying for permission to write legal expenses insurance?

- ☐ No ▶ continue to question 1.2.4
- ☐ Yes. Please provide details of the provisions that will be put in place to avoid conflicts of interest in line with Regulation 5 (arrangement for avoiding conflicts of interest) of the Insurance Companies (Legal Expenses Insurance) Regulations 1990.

1.2.4 Will the applicant firm be passporting into the EEA?

- ☐ No ▶ continue to question 1.2.5
- ☐ Yes. Please describe the following:
 - the business that will be transacted
 - how the proposed business will be transacted
 - the geographical spread of the business to be transacted and where the risk is situated
 - any branch/freedom of services notifications

See notes to this supplement for link to passporting notification forms

1.2.5 Describe the proposed sources of the insurance business and provide an analysis of the approximate percentage from each source, split between United Kingdom, other EEA States and elsewhere.

1.2.6 Will the applicant firm be using reinsurance to protect the insurance business it is proposing to underwrite?

- ☐ No ▶ continue to question 1.3
- ☐ Yes ▶ Please provide the following:
 - a full explanation of the proposed reinsurance strategy, including the guiding principles as to reinsurance, how the firm will address reinsurance counterparty risk, and the kind of reinsurance arrangements which the applicant firm proposes to make with ceding undertakings (please notes for further guidance)
 - copies or drafts of reinsurance contracts (new or existing) that will be relied upon at *authorisation*

1.3 Corporate governance and non-financial resources

1.3.1 Please provide full details of the proposed board composition together with a) terms of references for the board and b) job descriptions for each board member.

1.3.2 Please provide a copy of the management responsibilities map as specified in Chapter 5 of the Insurance- Allocation of Responsibilities part of the PRA Rulebook.

1.3.3 Please provide an organogram for the applicant showing all the functions and available resources required to conduct its proposed business.

1.3.4 Describe how each of the applicant firm's underwriters are qualified to underwrite the proposed business.

1.3.5 Are there any associations that exist or will exist between a director or controller of the applicant firm and any person who will undertake material contracts with the applicant firm?

- ☐ No ▶ continue to question 1.3.6
☐ Yes ▶ Please provide details clarifying the relationship

1.3.6 Please provide details of all material outsourcing or sub-contracting arrangements.

- background information on the parties to which functions will be outsourced
- details of which functions will be outsourced
- details of how control over the outsourced functions will be maintained, including those persons at the firm who will be responsible for overseeing such arrangements and how performance will be monitored and controlled
- copies or drafts of all material outsourcing agreements

1.4 Risk management and Internal systems and controls

1.4.1 Describe the responsibilities and reporting lines for the following functions (this should include details of resource allocated as well as procedures and controls that will be implemented, for each function):

- (a) the internal audit function
- (b) actuarial function
- (c) risk management function
- (d) compliance function
- (e) financial reporting

1.4.2 Please provide the composition and the terms of reference for all senior committees which the applicant firm is proposing to establish.

1.4.3 Provide details of the applicant firm's intended risk profile, risk appetite, and risk tolerance limits

1.4.4 How will risks be identified, managed, mitigated and monitored? Potential risks to consider may arise from the following:

- (f) Underwriting
- (g) Claims management
- (h) Reserving
- (i) Investments, including concentration risk
- (j) Counterparties (including disputes or defaults by reinsurers)
- (k) Asset-liability management
- (l) Liquidity

- (m) Operational risk – IT/People
- (n) Outsourcing (including use of coverholders)
- (o) Complaints handling

- 1.4.5** How will the firm regularly assess its ongoing own funds needs to be reasonably confident that it will either continue to meet its regulatory requirements, or be able to take appropriate actions to meet these requirements, following realistic stress events?
- 1.4.6** Provide details of the management information that the applicant firm will provide regularly to the board, key internal committees and key individuals, including information relevant to the risks borne by the firm.
- 1.4.7** Provide details of the plausible recovery actions that could be taken, including in times of general market stress. Include details of the recovery options or exit strategy identified and the triggers and governance that would activate the plan.
- 1.4.8** Provide details of the IT business continuity and the disaster recovery plans the applicant firm will put in place to ensure business continuity.

1.5 Complex IT systems

- 1.5.1** Are the applicant firm's IT systems complex?

- ☐ No
☐ Yes

- 1.5.2** Is the applicant firm's proposed business heavily dependent on its IT systems?

- ☐ No
☐ Yes

- 1.5.3** Will the applicant firm's IT systems automatically interface with customers/counterparties?

- ☐ No
☐ Yes

If you have answered 'Yes' to one or more of questions 1.5.1 to 1.5.3, you must complete the Detailed IT Controls Form.

Please see the notes to this supplement for the link to the appropriate form.

2

Scope of permission required

Why we ask the questions in this section

If we grant authorisation to the applicant firm, we will issue a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on
- for each regulated activity, the investment types (i.e. classes of business) and the client types for which the applicant firm is authorised
- for each regulated activity, any limitations attaching to it and
- any requirements on the applicant firm

It is the applicant firm's responsibility to ensure that the Scope of Permission it applies for will cover all the regulated activities it is seeking to carry on.

The Scope of Permission requested by applicant firm should correspond with the description of its proposed business in Section 1. If it is not clear how it does so, we will ask you about this.

2.1 Insurance business

2.1.1 Regulated activities

You must confirm that the applicant firm is seeking permission to carry on both the regulated activities of:

- ☐ Effecting contracts of insurance; and
- ☐ Carrying out contracts of insurance.

2.1.1a Standard requirement – reinsurance firms only

As a matter of course, a standard requirement is added to firms that engage in reinsurance business only.

If applicable, you must confirm that the applicant firm agrees to this standard requirement:

- ☐ Yes

2.1.2 Investment types

You must indicate in which class(es) of business the applicant firm is seeking to carry on the regulated activities of effecting contracts of insurance and carrying out contracts of insurance:

General insurance contract

- ☐ Accident
- ☐ Sickness
- ☐ Land vehicles
- ☐ Railway rolling stock
- ☐ Aircraft
- ☐ Ships
- ☐ Goods in transit
- ☐ Fire and natural forces
- ☐ Damage to property
- ☐ Motor vehicle liability
- ☐ Aircraft liability
- ☐ Liability of ships

Long-term insurance contract

- ☐ Life and annuity
- ☐ Marriage or the formation of a civil partnership and birth
- ☐ Linked long-term
- ☐ Permanent health
- ☐ Tontines
- ☐ Capital redemption
- ☐ Pension fund management
- ☐ Collective insurance
- ☐ Social insurance

- ☐ General liability
- ☐ Credit
- ☐ Suretyship
- ☐ Miscellaneous financial loss
- ☐ Legal expenses
- ☐ Assistance

2.1.3 Client types

You must indicate how your customers will be categorised, in terms of regulatory classification:

- ☐ Market counterparty
- ☐ Intermediate customers
- ☐ Private customers
- ☐ All

2.2 Ancillary deposit-taking business

As a matter of course, you will also require the regulated activity of 'Accepting Deposits'. Please confirm that you are content for this activity to be included in your Scope of Permission Notice.

- ☐ No ▶ Please provide your rationale for not requiring this regulated activity
- ☐ Yes ▶ continue to question 2.2.1

See notes.

2.2.1 Standard limitation – deposit taking activities (insurance)

As a matter of course, a standard limitation (Limited to accepting deposits in the course of carrying on insurance business for which the firm holds a permission) will be attached to the regulated activity of 'Accepting Deposits'.

You must confirm that the applicant firm agrees to this standard limitation:

- ☐ Yes

2.3 Insurance distribution business

2.3.1 Will the applicant firm be conducting insurance distribution business?

- ☐ No ▶ Continue to question 2.4
- ☐ Yes ▶ Continue to question 2.3.2

2.3.2 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'making arrangements with a view to transactions in investments'?

- ☐ No ▶ Continue to question 2.3.5
- ☐ Yes ▶ Continue to question 2.3.3

2.3.3 Investment types

You must tick the types of investments below

- ☐ Non-investment insurance contracts

2.3.4 Client types

You must tick the client type(s) which relates to your business:

- ☐ Commercial
- ☐ Retail (non-investment insurance)

2.3.5 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'arranging (bringing about) deals in investments'?

- ☐ No ▶ Continue to question 2.3.8
☐ Yes ▶ Continue to question 2.3.6

2.3.6 Investment types

You must tick the types of investments below:

- ☐ Non-investment insurance contracts

2.3.7 Client types

You must tick the client type(s) which relates to your business:

- ☐ Commercial
☐ Retail (non-investment insurance)

2.3.8 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'advising on investments (except on pension transfer and pension opts outs)'?

- ☐ No ▶ Continue to question 2.3.11
☐ Yes ▶ Continue to question 2.3.9

2.3.9 Investment types

You must tick the types of investments below:

- ☐ Non-investment insurance contracts

2.3.10 Client types

You must tick the client type(s) which relates to your business:

- ☐ Commercial
☐ Retail (non-investment insurance)

2.3.11 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'assisting in the administration and performance of a contract of insurance'?

- ☐ No ▶ Continue to question 2.4
☐ Yes ▶ Continue to question 2.3.12

2.3.12 Investment types

You must tick the types of investments below:

- ☐ Non-investment insurance contracts

2.3.13 Client types

You must tick the client type(s) which relates to your business:

- ☐ Commercial
☐ Retail (non-investment insurance)

2.4 Designated Investment Business**2.4.1 Will the applicant firm be conducting designated investment business?**

- ☐ No ▶ Continue to question 2.5
☐ Yes ▶ Continue to question 2.4.2

See notes

2.4.2 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'making arrangements with a view to transactions in investments'?

- ☐ No ▶ Continue to question 2.4.5
☐ Yes ▶ Continue to question 2.4.3

2.4.3 Investment types

You must tick the types of investments below:

<input type="checkbox"/>	Certificates representing certain security	<input type="checkbox"/>	Rights to or interests in investments
<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	Rights to or interests in investments (contractually-based investment)
<input type="checkbox"/>	Commodity option and option on commodity future	<input type="checkbox"/>	Rights to or interests in investments (security)
<input type="checkbox"/>	Contract for differences (excluding a spread bet and a rolling forex contract)	<input type="checkbox"/>	Shares
<input type="checkbox"/>	Funeral plan contracts	<input type="checkbox"/>	Spread Bet
<input type="checkbox"/>	Future (excluding a commodity future and rolling forex contract)	<input type="checkbox"/>	Rolling Spot Forex
<input type="checkbox"/>	Government and Public Security	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	Life Policies	<input type="checkbox"/>	Warrant
<input type="checkbox"/>	Non-investment insurance contracts	<input type="checkbox"/>	Unit
<input type="checkbox"/>	Option (excluding a commodity option)	<input type="checkbox"/>	Personal Pension scheme
<input type="checkbox"/>	Debenture	<input type="checkbox"/>	Alternate Debenture

2.4.4 Client types

You must tick the client type(s) which relates to your business:

<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	Retail (non-investment insurance)
<input type="checkbox"/>	Professional
<input type="checkbox"/>	Eligible counterparty

2.4.5 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'arranging (bringing about) deals in investments'?

- ☐ No ▶ Continue to question 2.4.8
☐ Yes ▶ Continue to question 2.4.6

2.4.6 Investment types**You must tick the types of investments below:**

<input type="checkbox"/>	Certificates representing certain security	<input type="checkbox"/>	Rights to or interests in investments
<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	Rights to or interests in investments (contractually-based investment)
<input type="checkbox"/>	Commodity option and option on commodity future	<input type="checkbox"/>	Rights to or interests in investments (security)
<input type="checkbox"/>	Contract for differences (excluding a spread bet and a rolling forex contract)	<input type="checkbox"/>	Shares
<input type="checkbox"/>	Funeral plan contracts	<input type="checkbox"/>	Spread Bet
<input type="checkbox"/>	Future (excluding a commodity future and rolling forex contract)	<input type="checkbox"/>	Rolling Spot Forex
<input type="checkbox"/>	Government and Public Security	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	Life Policies	<input type="checkbox"/>	Warrant
<input type="checkbox"/>	Non-investment insurance contracts	<input type="checkbox"/>	Unit
<input type="checkbox"/>	Option (excluding a commodity option)	<input type="checkbox"/>	Personal Pension scheme
<input type="checkbox"/>	Debenture	<input type="checkbox"/>	Alternate Debenture

2.4.7 Client types**You must tick the client type(s) which relates to your business:**

<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	Retail (non-investment insurance)
<input type="checkbox"/>	Professional
<input type="checkbox"/>	Eligible counterparty

2.4.8 Regulated activities**Is the applicant firm proposing to carry on the regulated activity of 'advising on investments (except on pension transfer and pension opts outs)'?**

- ☐ No ▶ Continue to question 2.4.11
- ☐ Yes ▶ Continue to question 2.4.9

2.4.9 Investment types**You must tick the types of investments below:**

<input type="checkbox"/>	Certificates representing certain security	<input type="checkbox"/>	Rights to or interests in investments
<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	Rights to or interests in investments (contractually-based investment)
<input type="checkbox"/>	Commodity option and option on commodity future	<input type="checkbox"/>	Rights to or interests in investments (security)
<input type="checkbox"/>	Contract for differences (excluding a spread bet and a rolling forex contract)	<input type="checkbox"/>	Shares
<input type="checkbox"/>	Funeral plan contracts	<input type="checkbox"/>	Spread Bet
<input type="checkbox"/>	Future (excluding a commodity future and rolling forex contract)	<input type="checkbox"/>	Rolling Spot Forex
<input type="checkbox"/>	Government and Public Security	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	Life Policies	<input type="checkbox"/>	Warrant
<input type="checkbox"/>	Non-investment insurance contracts	<input type="checkbox"/>	Unit
<input type="checkbox"/>	Option (excluding a commodity option)	<input type="checkbox"/>	Personal Pension scheme
<input type="checkbox"/>	Debenture	<input type="checkbox"/>	Alternate Debenture

2.4.10 Client types

You must tick the client type(s) which relates to your business:

<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	Retail (non-investment insurance)
<input type="checkbox"/>	Professional
<input type="checkbox"/>	Eligible counterparty

2.4.11 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of ‘dealing in investments as principal’?

- ☐ No ▶ Continue to question 2.5
☐ Yes ▶ Continue to question 2.4.12

2.4.12 Investment types

You must tick the types of investments below:

<input type="checkbox"/>	Certificates representing certain security	<input type="checkbox"/>	Rights to or interests in investments
<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	Rights to or interests in investments (contractually-based investment)
<input type="checkbox"/>	Commodity option and option on commodity future	<input type="checkbox"/>	Rights to or interests in investments (security)
<input type="checkbox"/>	Contract for differences (excluding a spread bet and a rolling forex contract)	<input type="checkbox"/>	Shares
<input type="checkbox"/>	Funeral plan contracts	<input type="checkbox"/>	Spread Bet
<input type="checkbox"/>	Future (excluding a commodity future and rolling forex contract)	<input type="checkbox"/>	Rolling Spot Forex
<input type="checkbox"/>	Government and Public Security	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	Life Policies	<input type="checkbox"/>	Warrant
<input type="checkbox"/>	Non-investment insurance contracts	<input type="checkbox"/>	Unit
<input type="checkbox"/>	Option (excluding a commodity option)	<input type="checkbox"/>	Personal Pension scheme
<input type="checkbox"/>	Debenture	<input type="checkbox"/>	Alternate Debenture

2.4.13 Client types

You must tick the client type(s) which relates to your business:

<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	Retail (non-investment insurance)
<input type="checkbox"/>	Professional
<input type="checkbox"/>	Eligible counterparty

2.4.14 Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in rights to or interests in investments (security and/or contractually based, as appropriate) is attached to each regulated activity for designated investment business that a firm is authorised to carry on.

Please confirm that the applicant firm wants us to attach this limitation to each regulated activity specified in respect of its designated investment business.

☐ Yes

2.5 Agreeing to carry on a regulated activity

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. If the applicant firm is proposing to carry on the regulated activity of 'dealing in investments as principal' and any of the insurance distribution activities then, as a matter of course, it will also carry on this regulated activity (which will be limited to agreeing to carry on only the other regulated activities specified in the applicant firm's Scope of Permission Notice).

You must confirm that the applicant firm requests permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity':

- ☐ Yes ▶ Continue to question 2.5.1
☐ N/A ▶ Continue to question 2.6.1

2.5.1 Standard limitation – Agreeing to carry on a regulated activity

As a matter of course, a standard limitation (The firm can only agree to carry on the regulated activities specified in this Notice) will be attached to the regulated activity of 'Agreeing to carry on a regulated activity'.

You must confirm that the applicant firm agrees to this standard limitation:

- ☐ Yes

2.6 Consumer credit activities

Credit broking

- ☐ No
☐ Yes ▶ see requested requirements for consumer credit below

Debt collecting

- ☐ No
☐ Yes ▶ see requested requirements for consumer credit below

Entering into a regulated credit agreement as lender (excluding high cost short-term credit, bill of sale, loan agreement and home credit loan agreements)

- ☐ No
☐ Yes

Exercising or having the right to exercise the lenders rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale, loan agreement and home credit loan agreements)

- ☐ No
☐ Yes

Requested requirements for consumer credit

Will the firm be canvassing any regulated borrower-lender-supplier agreements or regulated consumer hire agreements it supplies for which it carries out broking activities off trade premises?

- ☐ Yes
☐ No ▶ if 'no' the following requirement must be included in the applicants scope of permission:

Not permitted to canvass off trade premises

☐

The firm is not permitted to canvas regulated borrower-lender-supplier agreements or regulated consumer hire agreements off trade premises

2.7 Any other regulated activities

2.7.1 Will the applicant firm be carrying on any other regulated activity?

- ☐ No ▶ Continue to question 3.1
☐ Yes ▶ Please provide the following:

- the regulated activity the applicant firm is proposing to undertake
- the investment type that the applicant will be dealing in
- the customer type

3

Financial resources

Why we ask the questions in this section

All authorised firms must meet the applicable prudential requirements. We need to be satisfied that the applicant will meet these requirements, both at the date of authorisation and on an ongoing basis.

Please read the notes to the supplement before completing this section.

3.1 Prudential sub-categories

The prudential category for all insurance companies is 'Insurer' and the prudential requirements that will apply to the applicant firm will depend upon its prudential sub-category. Its prudential sub-category will be determined by its Scope of Permission, which will in turn be determined by its proposed business.

3.1.1 Which prudential sub-category applies to the applicant firm?

- ☐ General insurer
☐ Long-term Insurer
☐ Friendly society

3.2 Own funds

The applicant firm must provide details (amount and type) of its proposed source of own funds and in doing so will have to ensure that its source of own funds, to cover each of the Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) going forward, meets the requirements both in terms of eligibility and the limits in relation to its proposed business as prescribed in the Own Funds part of the PRA Rulebook and Chapter IV of the Commission Delegated Regulation (EU) 2015/35 (the 'Delegated Acts').

3.2.1 Applicant firms proposing to underwrite long-term insurance must provide the following:

- Financial projections for three years on three bases:
best estimate, optimistic and pessimistic. ☐ Attached
- A statement showing how the SCR is calculated. ☐ Attached
- A statement detailing the technical bases which the Chief Actuary function holder proposes to employ for each class
of business when calculating technical provisions. ☐ Attached
- A projection of the present value of future profits of new
business by product line for each year's new business. ☐ Attached

A certificate provided by the Chief Actuary Function holder stating that he/she considers: ☐ Attached

(1) The premium rates that will be used by the applicant firm to be suitable for the proposed Regulatory Business Plan.

(2) The financing of the applicant firm to be sufficient to cover the required technical provisions for its total business on optimistic, realistic and pessimistic bases in the first three financial years following authorisation, and to provide the SCR.

(3) And they agree with the information provided in the application form regarding:

(a) the nature of commitments the applicant firm proposes to cover

(b) the guiding principles as to reinsurance, including the applicant firm's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers and

(c) the financial projections for the first three years following *authorisation*

See Notes.

3.2.2 Applicant firms proposing to underwrite general insurance business must provide the following:

Financial projections for three years on three bases, one best estimate and two pessimistic. ☐ Attached

A statement showing how the SCR is calculated. ☐ Attached

Confirmation from the CRO or Chief Actuary that they agree with the information provided in the application form regarding:

(a) the nature of commitments the applicant firm proposes to cover

(b) the guiding principles as to reinsurance, including the applicant firm's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers and

(c) the financial projections for the first three years following *authorisation*

See Notes.

3.2.3 All applicant firms must provide the following:

A description of the types of the financial resources designed to cover the Technical Provisions, SCR and MCR being assets valued in line with rules set out in the Own Funds part of the PRA Rulebook. ☐ Attached

A description of the applicant firm's proposed investment strategy, including any intended use of derivatives. ☐ Attached

Forecasts in underlying currency if foreign currency business is significant and an assessment of exchange risk. ☐ Attached

A statement of the applicant firm's intended risk appetite expressed in terms of the margins it intends to hold over the SCR to cover the eventuality that the financial projections deviate from the original business plan. ☐ Attached

A credit rating report for a) the applicant firm and b) any entity that will be providing material reinsurance cover to the applicant firm. ☐ Attached

If the applicant firm is part of an insurance group then it must provide a copy of the group SCR calculation. ☐ Attached

Note on calculation of SCR: Article 100 of the Solvency II Directive states that the SCR shall be calculated either in line with the standard formula or using an internal model. The appropriateness of the standard formula should be considered in the ORSA. Please discuss any proposal to use an internal model with the PRA before submitting a formal application.

4

Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff of adequate quantity and quality (skills and experience at all levels) to ensure that it meets and will continue to meet threshold conditions.

4.1 Senior management functions

4.1.1 List the names of the individuals who will perform the following senior management functions and also where they are based. An individual may perform more than one senior management function.

Please use a separate sheet of paper if necessary.
If you have used separate sheets of paper then please indicate how many below:

Number of additional sheets	
-----------------------------	--

Name	Senior management functions applied for	Where will the individual be based

4.1.2 Please fill in a 'Form A - Application to perform controlled functions including senior management functions' for each individual who will be performing a senior management function that you have listed in questions 4.1.1, see

How many 'Form A - Application to perform a controlled function' are being sent with this application?

4.1.3 Please provide the name of the individual that will have overall responsibility for insurance distribution.

4.2 Key functions

4.2.1 List the names of the individuals who will be responsible for each identified 'key function' (other than the senior management functions above) at either the firm or the wider group, ie the 'key function holders', and also where they are based. An individual may perform more than one key function.

Please use a separate sheet of paper if necessary.
If you have used separate sheets of paper then please indicate how many below:

Number of additional sheets	
-----------------------------	--

Name	Description of Key Function for which the individual is notified	Where will the individual be based

4.2.2 Please fill in a 'Form M – Notification of non SMF appointment' for each individual who will be responsible for a key function that you have listed in question 4.2.1.

How many 'Form M – Notification of non SMF appointment' forms are you sending in with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

5.1 Compliance procedures

You are not required to send compliance procedures with this application but the applicant firm must be able to produce a copy at any time while the PRA and FCA are assessing the application, or in the future.

The applicant firm must ensure that it establishes and adopts compliance procedures to comply with the relevant rules in the PRA Rulebook and FCA Handbook that applies to the type of business it is proposing to carry on. Each compliance procedure should identify and address the applicant firm's obligations in the PRA Rulebook and FCA Handbook. Please see the notes to the core details form for a brief explanation about the PRA Rulebook and FCA Handbook.

5.1.1 You must confirm the applicant firm has in place documented compliance procedures that relate specifically to the regulated business for which it is seeking permission.

- ☐ Yes
☐ The applicant firm's documented compliance procedures are not in place at the time of submission of this application, but will be in place prior to authorisation.

5.2 Compliance monitoring programme

5.2.1 You must confirm the applicant firm has in place a documented compliance monitoring programme that relates specifically to its compliance procedures manual.

- ☐ Yes
☐ The applicant firm's documented compliance monitoring programme is not in place at the time of submission of this application, but will be in place prior to authorisation.

5.3 Financial crime

General insurers and general insurance brokers are not subject to Anti-Money Laundering (AML) rules, see notes for further details.

5.3.1 Please describe the steps the applicant firm has put in place to counter the risks that it might be used by others to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime). Where relevant, this should include but not be limited to the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of all its clients
- the systems and controls that will be in place to ensure that know your business information (see SYSC 3.2.6) is made available to its MLRO
- the anti-money laundering training the applicant firm will provide for its relevant staff and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring

5.4 Treating Customers Fairly

5.4.1 Principle 6 of the Principles for Business Handbook states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' This includes Treating Customers Fairly (TCF). To help firms understand what treating

customers fairly means in practice, *six outcomes* has been defined which they should deliver to retail consumers. Please briefly describe the steps the applicant firm has put in place to deliver the six consumer outcomes and demonstrate that it treats its customers fairly.

Please include the following:

- What treating customers fairly means to the applicant and its customers.
- How the fair treatment of customers has been incorporated into the applicant firm's values and business plan eg:
 - a) Is it part of the long-term strategy of the firm?
 - b) Are management aware of the TCF requirements?
 - c) Will it be a regular item on the board agenda?
- What controls the applicant firm has put in place to ensure it treats its customers fairly. What management information is collected to allow senior management to assess compliance with TCF requirements.
- How the applicant firm develops the competence and knowledge of its staff.

5.4.2 Can you please confirm that you have the procedures in place to comply with the management information requirements in respect of TCF?

☐ Yes ☐ No

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual fees for the PRA and FCA once they are authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (FOS) and the levy for the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

Regulatory fees

6.1 Fee-block A.3 – Insurers - General

For an insurer – In relation to general insurance business, how much total gross premium income does the firm estimate it will receive for the first year of authorisation?

Amount	
Confirm amount in words	

For an insurer – In relation to general insurance business, how much gross technical liabilities does the firm estimate it will have, as at the end of the first year of authorisation?

Amount	
Confirm amount in words	

For a non-directive friendly society – In relation to general insurance business, what is the estimated value of the firm's contribution income for the first year of authorisation?

Amount	
Confirm amount in words	

For a directive friendly society – In relation to general insurance business, what is the estimated value of the firm's gross premiums written for the first year of authorisation?

Amount	
Confirm amount in words	

6.2 Fee-block A.4 – Insurers - Life

In relation to life insurance business, how much adjusted gross premium income does the firm estimate it will receive for the first year of authorisation?

Number	
Confirm amount in words	

In relation to life insurance business, how much mathematical reserves does the firm estimate it will have, as at the end of the first year of authorisation?

Number	
Confirm amount in words	

Financial Ombudsman Service levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with consumers. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the Regulatory fees. The Handbooks Glossary defines 'Relevant Business' as business done with consumers only. If the applicant firm does not conduct any business with eligible complainants it may apply for Ombudsman Service exemption (see Question 6.8).

6.3 Fee-block I002 – Insurers - General

In relation to general insurance business, how much relevant annual gross premium income does the firm estimate it will receive for the first year of authorisation?

Number	
Confirm number in words	

6.4 Fee-block I004 – Insurers - Life

In relation to life insurance business, how much relevant adjusted annual gross premium income does the firm estimate it will receive for the first year of authorisation?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy only covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be lower than that reported under the Regulatory fees. If the applicant firm does not conduct any

business that could give rise to a protected claim from an eligible claimant, it may apply for FSCS exemption (see Question 6.7).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

6.5 Fee-block SB01 – Insurers - General

In relation to general insurance business, how much relevant net premium income does the firm estimate it will receive for the first year of authorisation?

Amount	
Confirm amount in words	

In relation to general insurance business, how much eligible gross technical liabilities does the firm estimate it will have, as at the end of the first year of authorisation?

Amount	
Confirm amount in words	

6.6 Fee-block SC01 – Insurers - Life

In relation to life insurance business, how much relevant net premium income does the firm estimate it will receive for the first year of authorisation?

Amount	
Confirm amount in words	

In relation to life insurance business, how much eligible mathematical reserves does the firm estimate it will have, as at the end of the first year of authorisation?

Amount	
Confirm amount in words	

Declaration of FSCS and FOS exemption

Please note that if the applicant firm will carry on business with private customers then this exemption is unlikely to be available. This is because private customers are likely to qualify as eligible claimants and/or complainants.

6.7 FSCS Exemption – if the firm will not carry on business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

6.8 FOS Exemption – if the firm will not carry on business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FOS exempt

End of supplement



Application for Authorisation

Supplement for Lloyd's managing agents

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you to answer our questions and explain why we need this information.

Purpose of this form

This form asks you for information specific to the type of regulated business the applicant firm is applying for authorisation to carry on.

You must answer every question. If a question doesn't apply to the applicant firm then answer it 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	5
3	Financial resources	9
4	Personnel	10
5	Compliance arrangements	12

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess (i) the scope of the permission it will need; and (ii) the adequacy of its resources and its suitability to carry on that business.

You must use a separate sheet of paper to answer the questions in section 1.1. to 1.4

You must indicate the number of separate sheets used	
--	--

The level of detail you give us should reflect the scale and complexity of the applicant firm's proposed business.

If any of the information you provide is unclear, we will ask you about it.

1.1 Background

- 1.1.1 Briefly explain why the applicant firm has been established to carry on the business it is seeking authorisation for.
- 1.1.2 Summarise the business of the applicant firm's controllers and related group entities shown on the group structure chart provided with the Owners and Influencers appendix.
- 1.1.3 Provide details of the source of the funds the applicant firm's controllers are intending to inject into the applicant firm to support its proposed business activities.

1.2 Description of proposed business

Refer to the notes for details of the information that you must provide.

1.3 Corporate governance and management structure

- 1.3.1 Provide full details of the proposed board composition together with a) terms of references for the board; b) job descriptions for each board member; and c) job descriptions of all other staff in senior management positions.
- 1.3.2 Provide full details for all committees which the applicant firm is proposing to establish containing terms of reference and composition for each committee. Where the applicant firm intends to rely on group committees, such as an audit committee, details of these arrangements should be explained.
- 1.3.3 Please provide an organogram for the applicant firm showing all senior management positions.

1.4 Internal systems and controls

- 1.4.1 Describe how each of the following areas will operate within the applicant firm:

- risk management;
- compliance;
- internal audit; and
- external audit arrangements.

1.4.2 Provide details of the IT business continuity and the disaster recovery plans the applicant firm will put in place to ensure business continuity.

1.5 Outsourcing

Will the applicant firm be outsourcing any functions to third parties or other group entities?

☐ No ▶ Continue to question 1.6

☐ Yes ▶ You must give details below of the functions that will be outsourced, the parties to which the functions will be outsourced, and how the applicant firm will monitor and control the outsourced functions.

1.6 Complex IT systems

1.6.1 Are the applicant firm's IT systems applications complex?

- ☐ No
☐ Yes

1.6.2 Is the applicant firm's proposed business heavily dependent on its IT systems applications?

- ☐ No
☐ Yes

1.6.3 Will the applicant firm's IT systems applications automatically interface with customers/counterparties?

- ☐ No
☐ Yes

If you have answered 'Yes' to one or more of questions 1.6.1 to 1.6.3, you must complete the Detailed IT Controls Form.

Please see the notes to this supplement for the link to the appropriate form

2

Scope of Permission required

Why we ask the questions in this section

If we grant authorisation to the applicant firm, we will give it a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on;
- for each regulated activity, the investment types in which, and the client types for which, the applicant firm is authorised to carry it on;
- for each regulated activity, any limitations attaching to it; and
- any requirements on the applicant firm.

It is the applicant firm's responsibility to ensure the Scope of Permission it applies for will cover all the regulated activities it is seeking to carry on.

The applicant firm's requested Scope of Permission should correspond with the description of its proposed business in Section 1. If it is not clear how it does so, we will ask you about this.

2.1 Insurance business at Lloyd's

Regulated activities, investment and client types

You must confirm by ticking the box below if the applicant firm is applying for permission to carry on the regulated activities and corresponding investment and client types as set out in the pro-forma table below. If the pro-forma table does not cover your proposed activities you should specify the regulated activities and corresponding investment and client types separately in question 2.4.

The applicant firm is seeking permission for the regulated activities and corresponding investment and client types in table 2.1:

☐ Yes

☐ No, the details have been given in question 2.4

Table 2.1**INSURANCE BUSINESS AT LLOYD'S PERMISSION PROFILE TABLE**

	REGULATED ACTIVITY		
	Managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments
<u>INVESTMENT TYPE</u>			
Underwriting capacity of a Lloyd's syndicate	✓	✓	✓
Rights to or interests in investments in so far as they relate to a Lloyd's syndicate or membership of a Lloyd's syndicate	✓	✓	✓
<u>CLIENT TYPE</u>			
All	✓	✓	✓

2.2 Lloyd's managing agents also carrying on insurance mediation business

If the applicant firm will also be carrying on insurance mediation activities in addition to or in conjunction with its main activity of managing the underwriting capacity of a Lloyd's syndicate as a managing agent it must apply for permission for these activities. You must do this by completing the insurance mediation business permission profile table.

You must confirm whether the applicant firm has completed the general insurance business permission profile table:

- ☐ Yes
- ☐ No, the applicant firm is not seeking permission to carry on insurance mediation business

INSURANCE MEDIATION BUSINESS PERMISSION PROFILE TABLE

	REGULATED ACTIVITY				
	Advising on investments (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Assisting in the administration and performance of a contract of insurance
<u>INVESTMENT TYPE</u>					
Non-investment insurance contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CUSTOMER TYPE</u>					
Retail (non-investment insurance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.3 Agreeing to carry on a regulated activity

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. As a matter of course, the applicant firm will also carry on this regulated activity (which will be limited to agreeing to carry on only the other regulated activities specified in the applicant firm's Scope of Permission Notice).

You must confirm the applicant firm requests permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity':

☐ Yes

2.4 Other regulated activities

Is the applicant firm applying for permission to carry on any other regulated activities?

☐ No ▶ Continue to question 2.5

☐ Yes ▶ You must list them (with the corresponding investment and client types) below:-

You should also specify below your regulated activities with corresponding investment and client types if the pro-forma table 2.1 does not capture your proposed activities as a managing agent.

2.5 Other limitations/requirements

If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on it, then you must give details here:

--

3

Financial resources

Why we ask the questions in this section

All authorised firms must satisfy the applicable prudential requirements. We need to ensure the applicant firm will satisfy these requirements at the date of authorisation and on an ongoing basis.

3.1 Financial resources

The applicant firm must demonstrate that its capital will meet the financial resources requirements for a managing agent by providing the following information:

You must provide forecasts for the first three years of trading for the following:

- (a) profit and loss account;
- (b) balance sheet;
- (c) cash flow; and
- (d) capital resources requirement calculation.

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold conditions.

Senior management functions

4.1 List the names of the individuals who will perform the following senior management functions. An individual may perform more than one senior management function. Where the individual for the role has not yet been recruited, please indicate this in the box.

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the individual will primarily be based if this is other than the UK.

[illegible]

4.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1.

How many 'Form As' are being sent with this application?	
--	--

4.4 Key functions

4.4.1 List the names of the individuals who will be responsible for each identified 'key function' (other than the senior management functions above) at either the firm or the wider group, ie the 'key function holders', and also where they are based. An individual may perform more than one key function.

Please use a separate sheet of paper if necessary.

If you have used separate sheets of paper then please indicate how many below:

Number of additional sheets	
-----------------------------	--

Name	Description of Key Function for which the individual is notified	Where will the individual be based

4.4.2 Please fill in a 'Form M – Notification of non SMF appointment' for each individual who will be responsible for a key function that you have listed in question 4.2.1.

How many 'Form M – Notification of non SMF appointment' forms are you sending in with this application?

--

5

Compliance arrangements

Why we ask the questions in this section

We need to ensure the applicant firm has the appropriate compliance arrangements in place to satisfy its regulatory obligations.

Compliance procedures

- 5.1. You must confirm the applicant firm has in place a compliance procedures manual that relates specifically to the regulated business it is seeking permission for.**

- ☐ Yes
- ☐ The applicant firm's documented compliance procedures manual is not in place at the time of submitting this application, but will be in place before authorisation.

Compliance monitoring programme

- 5.2 You must confirm the applicant firm has in place a documented compliance monitoring programme that relates specifically to its compliance procedures.**

- ☐ Yes
- ☐ The applicant firm's documented compliance monitoring programme is not in place at the time of submitting this application, but will be in place before authorisation.

Financial crime

- 5.3 You must describe the steps the applicant firm has put in place to counter the risk that it might be used by others to further financial crime. This includes any offence involving: a) fraud or dishonesty; b) misconduct in, or misuse of information relating to financial markets; or c) handling the proceeds of crime (SYSC 3).**

As a minimum, you must include a summary of at least the following:

- the steps the applicant firm will take to prevent it from being used to further fraud;
- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows his/her duties and is able to perform his/her role effectively, having regard to 'know your business' information;
- the anti-money laundering training the applicant firm will provide for its staff;
- the steps the applicant firm will take to assess its exposure to the risk of being used for money laundering and terrorist financing;
- 'know your customer' procedures;
- procedures for monitoring transactions and reporting details of suspicious transactions; and
- how the applicant firm will ensure it will comply with anti-terrorist financing requirements.

Treating Customers Fairly

5.4 Principle 6 of the Principles for Business Handbook states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' This includes Treating Customers Fairly (TCF). To help firms understand what treating customers fairly means in practice, *six outcomes* has been defined which they should deliver to retail consumers. Please briefly describe the steps the applicant firm has put in place to deliver the six consumer outcomes and demonstrate that it treats its customers fairly.

Please include the following:

- What treating customers fairly means to the applicant and its customers;
- How the fair treatment of customers has been incorporated into the applicant firm's values and business plan;
- What controls the applicant firm has put in place to ensure it treats its customers fairly;
- How the applicant firm develops the competence and knowledge of its staff.



5.5 Can you please confirm that you have the procedures in place to comply with the management information requirements in respect of TCF?

☐ Yes ☐ No

End of supplement

Application for Authorisation

Checklist and declaration – Wholesale

Full name of applicant firm

This checklist and declaration form includes:

- details about the application fee;
- a checklist of documents you need to send us with this application;
- documents that you need to make available for us to inspect; and
- the declaration.

If you are applying for authorisation using Connect you will pay your application fee and complete the declaration within Connect. Therefore you should only complete section 2 of this Checklist and declaration form.

The notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

Contents of this form

1 Application fee	2
2 Documents for this application	3
3 Declaration	7

1

Application fee

You must send a cheque for the appropriate application fee in full with this application pack otherwise the application will not be processed. You do not need to complete this section if you are using Connect to submit your application.

Are you using Connect to complete this application?

- ☐ Yes ▶ Complete Section 2 of this form only
☐ No ▶ Continue to Question 1.1

How much is my application fee?

To work out the application fee, please see the notes.

1.1 You must tick below the relevant fee for your application.

- ☐ £1,500 Straightforward application
☐ £5,000 Moderately complex application
☐ £25,000 Complex application

You must pay the full application fee by cheque. **It is not refundable** (even if the applicant firm decides to withdraw its application).

How to pay

- 1** Make the cheque payable to the Financial Conduct Authority. We cannot accept post-dated cheques.
- 2** Write the name of the applicant firm on the back of the cheque.
- 3** Write 'Application for authorisation' on the back of the cheque.
- 4** Send the cheque with the application pack.

2 Documents for this application

You must confirm which sections of the form you have attached. You will also need documents to support this application. You must send some of these with this application; the applicant firm needs to make other documents available for inspection upon request.

The information we need for this application

2.1 This 'application for authorisation' pack consists of the following documents; please tick below to confirm the forms you have completed and enclosed.

Application documents

Compulsory documents

Core details	<input type="checkbox"/> Attached
Please write the supplement name you have completed and attached below:	<input type="checkbox"/> Attached
IT Self Assessment Questionnaire	<input type="checkbox"/> Attached
This checklist and declaration	<input type="checkbox"/> Completed
A cheque for the application fee in full (see section 1 of this form) (only use 'Not applicable' if you are using Connect)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Other application documents

Please select the appendices (if any) you have completed and attached below:

Disclosure of significant events appendix	<input type="checkbox"/> Attached
Owners and influencers appendix	<input type="checkbox"/> Attached
Controllers appendices – Standard Notification	Number enclosed <input type="text"/>
Controllers appendices – Corporate	Number enclosed <input type="text"/>
Controllers appendices – Partnership	Number enclosed <input type="text"/>
Controllers appendices – Trust	Number enclosed <input type="text"/>
Controllers appendices – Individual	Number enclosed <input type="text"/>
Controllers appendices – Fund manager	Number enclosed <input type="text"/>
Add an Appointed Representative form	Number enclosed <input type="text"/>

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

2.2 List of supporting documents

Compulsory supporting documents

Core Pack

Question	Supporting documents	
3.1	Staff organisational structure chart	<input type="checkbox"/> Attached

Supplement (we have provided question numbers in brackets where possible)

Section	Supporting documents	
1	Regulatory business plan (complex securities and futures firms only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1	Transaction flowchart (non-complex securities and futures firms only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1	Draft fund prospectus or similar (Investment Management firms only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
1	Marketing flowchart (Advisers and arrangers only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
2	Marketing material (Advisers and arrangers)	
2	Permission profile (only if you have completed a blank permission profile)	<input type="checkbox"/> Attached <input type="checkbox"/> Standard permission profile applicable
3	An opening balance sheet	<input type="checkbox"/> Attached
3	A monthly cashflow forecast for the first year of trading	<input type="checkbox"/> Attached
3	A monthly profit and loss forecast for the first year of trading	<input type="checkbox"/> Attached
3	A monthly forecast of the applicant firm's regulatory capital versus regulatory capital requirement	<input type="checkbox"/> Attached
4	Form A - Application to perform controlled functions and statement of responsibilities	Number enclosed <input type="text"/>
5 (5.2)	Compliance monitoring programme	<input type="checkbox"/> Attached

Other supporting documents to be provided depending on the answers to the applicable questions

Core Pack

Section	Other supporting documents	
2.9	Copy of Partnership agreement deeds	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
2.9	Copy of Limited Liability Partnership Agreement	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Supplement (we have provided question numbers in brackets where possible)

Section	Other supporting documents	
3	CRR Permissions form	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Common Equity Tier 1 issuance application form	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Companies House form SH01 (limited companies only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> Share capital to be issued subject to in principle authorisation
3	Statement of personal and business assets and liabilities (partnerships and sole traders)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	Proof of capital, such as the members' capital agreement (Limited Liability Partnerships only)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable
3	A copy of the latest end of year accounts and up-to-date management accounts (if previously traded)	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Owners and Influencers appendix

Question	Other supporting documents	
1.1	Structure chart	<input type="checkbox"/> Attached
2.2		<input type="checkbox"/> Not applicable
3.2		
1.2	A Copy of the latest accounts of any controller that is a body corporate, partnership or trust	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Disclosure of significant events appendix

Section	Other supporting documents	
1.17	Most recent annual or management accounts	<input type="checkbox"/> Attached <input type="checkbox"/> Not applicable

Compulsory self-certified supporting documents

By signing the form you will certify that these documents have been prepared to an appropriate standard and can be made available for immediate inspection by us.

Please note that we carry out checks to ensure applicant firms are complying with our requirements.

If these documents are not available immediately, it may take longer to assess your application.

2.3 List of self-certified documents

Please tick to confirm that the document is created and available for inspection. If the document does not apply to the applicant firm, please tick 'Not applicable'.

Core Pack

Question Self certified documents

- 4.3 Full business continuity procedures (BCP) ☐ Created and ready to be inspected
☐ Not applicable

Business Supplement

Question Self certified documents

- 5 Documented compliance procedures ☐ Created and available for inspection
 (5.1)

Other documents

2.4 Please list any other documents you have provided.

2.5 Please provide any comments on supporting documents if necessary.

--

Other information

2.6 If there is anything else you would like to tell us about this application please give details below.

--

3

Declaration

You do not need to complete this section if you are using Connect to submit your application.

Declaration

It is a criminal offence to – knowingly or recklessly – give us information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify us immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant firm's suitability to be authorised.

- D1** I am authorised to make this application for authorisation on behalf of the applicant firm named on the front of this form.
- D2** I attach the documents listed in 2.2 – List of supporting documents – and I have taken all reasonable steps to ensure they are correct.
- D3** I confirm that the documents listed in 2.3 – List of self-certified documents – have been prepared to an appropriate standard and are available for immediate inspection by the FCA.
- D4** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.
- D5** I authorise the FCA to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.
- D6** I understand that the FCA may require the applicant firm to provide further information or documents at any time after I have sent this application and before the applicant firm has been authorised.

Who must sign the declaration?

This declaration must be signed by the person who is responsible for making this application on behalf of the applicant firm. The appropriate person(s) depends on the applicant firm's type:

Type of applicant firm	Who must sign
A sole trader	The sole trader
A company with one director	The director
A company with more than one director	Two directors
A partnership	Two partners
A limited liability partnership	Two members
A limited partnership	The general partner or partners
An unincorporated association (other than a limited partnership)	All members of the unincorporated association or one person authorised to sign on behalf of all the other members (supported by a resolution of the committee of management or equivalent) Please use a separate sheet if necessary

Signature one		Signature two	
Name			
Position			
Signature			
Date	dd/mm/yy	dd/mm/yy	

Application for Authorisation

Supplement for firms selling home finance and non-investment insurance contracts

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	9
3	Financial resources	12
4	Personnel	18
5	Compliance arrangements	20
6	Fees and levies	23

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised, non-advised and execution only (if applicable) basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on; and
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations.

Please confirm that you have attached a business plan with the application.

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Type of mortgage business to be undertaken**1.3 Please confirm what type of mortgage business the applicant firm proposes to undertake?**

- ☐ First charge only
- ☐ Second charge only
- ☐ Both first and second charge

Mortgage Credit Directive (MCD)**1.4 Will the applicant firm be a tied MCD credit intermediary?**

(This means any intermediary who acts on behalf of and under the full and unconditional responsibility of (a) only one MCD lender, (b) only one group or (c) a number of MCD lenders or groups which does not represent the majority of the market)

- ☐ Yes
- ☐ No
- ☐ N/A ▶ Applicant firms should only select N/A if they are not a MCD firm

Consumer buy-to-let (CBTL)**1.5 Does the applicant firm also want to register as a consumer buy-to-let (CBTL) firm?**

- ☐ Yes ▶ You must complete the separate CBTL registration form that can be found [here](#) and submit with this application.

☐ Attached

- ☐ No ▶ The following standard requirement will be added to the firm's scope of permission

The firm must not carry on any activity that would constitute consumer buy-to-let mortgage business as defined in Part 3 of the Mortgage Credit Directive Order 2015 (SI 910/2015) unless registered as a consumer buy-to-let mortgage firm

Services**1.6 What services will the applicant firm be offering to its customers?**

For non-investment insurance business the categories are:

- ☐ Single insurer
- ☐ Limited number of insurers
- ☐ Fair analysis of the market

All business activities

1.7 Does the applicant firm intend carrying on any unregulated business activities?

- ☐ No ▶ Continue to Question 1.8
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.8 You must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.9 How will the applicant firm be remunerated?

- ☐ Fixed fees
- ☐ Percentage-based fees
- ☐ Commissions
- ☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.10 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.11 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

1.12 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.13
☐ Yes ▶ You must give details below

1.13 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services; and/or
- establishment of a branch; and/or
- appointing a tied agent?

- ☐ No ▶ Continue to Question 1.14
☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

Outsourcing with third parties**1.14 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Treating Customers Fairly

Treating customers fairly (TCF) underpins the delivery of our statutory consumer protection objective and is central to our work in ensuring a fair deal for consumers. TCF focuses on six consumer outcomes which financial services firms must deliver to consumers.

1.15.1 TCF is a key consideration for all new firms. Please tell us how TCF affected the development on of the applicant firm's business plan.

1.15.2 How will the applicant firm's senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

1.15.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

Non-advised sales (non-investment insurance contracts business only)

1.16 Will the applicant firm be carrying out non-advised sales?

- ☐ Yes ▶ Continue to Question 1.16.1
☐ No ▶ Continue to Question 1.17

1.16.1 What controls are in place to ensure staff do not provide advice when answering questions?

1.16.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.

1.16.3 How does the applicant firm ensure clients are clear about the service being provided to them?

Mortgage business

- 1.17 For mortgage and other home finance business, please provide details of the applicant firm's anticipated spread of business for the first 12 months of authorisation in the following categories**

Prime	%
Impaired	%

- 1.18 Will the applicant firm be carrying out execution only sales?**

- ☐ No ▶ Continue to Question 1.19
☐ Yes ▶ Continue to Question 1.18.1

- 1.18.1 Firms are required to have an execution policy. You must confirm that the applicant firm has an execution policy in place.**

- ☐ Yes

- 1.18.2 How does the applicant firm ensure clients are clear about the service being provided to them?**

- 1.19 Has the applicant firm or any of its advisers ever been removed from a lenders panel?**

- ☐ No ▶ Continue to Question 1.20
☐ Yes ▶ Please provide details below, including reasons

- 1.20 Will the applicant firm use 'introducers' for new business?**

- ☐ No ▶ Continue to Question 1.21
☐ Yes ▶ What controls are in place around the use of introducers on an initial and on-going basis?

Insurance business

- 1.21 For non-investment insurance business, what types of general insurance products does the applicant firm intend to advise on or arrange (select all that apply)?**

- ☐ Pure protection policies ▶ Continue to Section 2
☐ Payment protection contracts (PPI) ▶ Continue to Question 1.21.1
☐ Other general insurance contracts ▶ Continue to Section 2

- 1.21.1 Please describe below how the applicant firm will ensure that a PPI policy meets its client's demands and needs. This should include the following points:**

- the applicant firm's procedures, suitability assessments (if advised sales) and scripts (if information is provided to clients orally);

- how the applicant firm will ensure that the procedures, assessments and scripts comply with conduct of business requirements and TCF outcomes; and
- the controls the applicant firm will put in place to ensure staff adhere to the procedures, assessments and scripts.

1.21.2 What steps will the applicant firm take to ensure eligibility is assessed for all its PPI sales?

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Clients

2.1 What type of clients will the applicant firm carry on business with?

For non-investment insurance contracts business the client categories are:

- ☐ retail (non-investment insurance)
☐ commercial customer

For mortgage and other home finance activities the client category is:

- ☐ customer

If you have not selected at least one type of client for each business you should check that you are completing the correct supplement.

Permission profile

How to choose which permission profile to apply for

There are four standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types that the applicant firm could have. You should carefully consider which permission profile is the correct one.

A blank permission profile, which lists all the relevant regulated activities and investment types, has also been included. You should complete and attach this if you do not think any of the four standard profiles is right for the applicant firm's business.

If the applicant firm intends to do any of the following activities, please choose one of the standard permission profiles if applicable and add these activities (see Questions 2.3-2.5 of the supplement). The activities are:

- home reversion plans;
- home purchase plans; and
- regulated sale and rent back agreements.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of FSMA. So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.2 Which permission profile does the applicant firm wish to apply for (see pages 11 to 14 in the notes to this supplement)?

- ☐ Permission profile 1: Firm selling mortgages and non-investment insurance contracts that **does not** hold client money;
- ☐ Permission profile 2: Firm selling mortgages and non-investment insurance contracts that **does** hold client money;
- ☐ Permission profile 3: Firm selling mortgages and non-investment insurance contracts, **that deals as agent in non-investment insurance contracts and assists in the administration and performance of non-investment insurance contracts** that **does not** hold client money;
- ☐ Permission profile 4: Firm selling mortgages and non-investment insurance contracts, **that deals as agent in non-investment insurance contracts and assists in the administration and performance of non-investment insurance contracts** that **does** hold client money; or
- ☐ Permission profile 5: as completed by the applicant firm and attached.

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity to applicant firms applying for authorisation, so this is also included in the profiles.

2.3 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home reversion plans, shown in Table A (see page 15 in the notes to this supplement).

- ☐ Table A – home reversion plans

The applicant firm must have employee(s) with an appropriate qualification (e.g. HR1 or the Certificate in Equity Release from the CII) and experience if it intends to carry on home reversion business.

2.4 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home purchase plans, shown in Table B (see page 16 in the notes to this supplement).

- ☐ Table B – home purchase plans

2.5 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to regulated sale and rent back agreements, shown in Table C (see page 17 in the notes to this supplement).

- ☐ Table C – regulated sale and rent back agreements

We regard regulated sale and rent back agreements as products that present higher risks to customers than other home finance products. Therefore, we require the applicant firm to evidence it has employee(s) with the relevant experience of this business.

2.6 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, please give details here.

Standard limitation – regulated mortgage contracts - limited to second charge business only

This question is only applicable to applicant firms applying to do second charge business only

2.7 Does the firm want to apply for a limitation on each of their regulated mortgage activities limiting them to second charge business only?

☐ Yes

☐ No

3

Financial Resources

Why we ask the questions in this section

All authorised firms must meet certain financial requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Does the applicant firm intend to hold client money?

- ☐ No ▶ Continue to Question 3.2
- ☐ Yes, for mortgage and other home finance business only ▶ Continue to Question 3.2
- ☐ Yes, for non-investment business only ▶ Continue to Question 3.1.1
- ☐ Yes, for both mortgage and other home finance and non-investment insurance contracts business ▶ Continue to Question 3.1.1

3.1.1 You must tick the appropriate box to confirm how the applicant firm intends to deal with the segregation of client money or assets for its non-investment insurance contracts business:

- ☐ Statutory trust
- ☐ Non-statutory trust
- ☐ Risk transfer
- ☐ Mix of risk transfer and statutory trust
- ☐ Mix of risk transfer and non-statutory trust

3.2 Which prudential categories apply to the applicant firm?

As the applicant firm is intending to carry on mortgages and non-investment insurance contracts, you must select the prudential category or categories that apply to each type of business. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

- ☐ Home finance intermediary that does not hold client money
- ☐ Home finance intermediary that does hold client money
- ☐ Insurance intermediary that does not hold client money
- ☐ Insurance intermediary that holds client money

3.2.1 Which of the above prudential categories has the highest financial resource requirement?

If the applicant firm falls into more than one prudential category it should apply the category with the highest financial resource requirement.

Prudential category	
---------------------	--

This will be the applicant firm's financial resource requirement.

Financial resources

This section asks how the applicant firm will meet its financial resource requirement.

3.3 Which type of firm is the applicant firm?

- | | |
|--|-----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.4 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.8 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.10 |

Limited Company

3.4 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.5 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.11

Sole trader

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Partnership

3.7 You must attach the following:

Statement of personal assets and liabilities (see notes)

(one per partner)

☐ Attached

Statement of business assets and liabilities (see notes)

(one only)

☐ Attached

Continue to Question 3.11

Limited Liability Partnership

3.8 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.9 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.11

Other applicant firms

3.10 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.11 Does the applicant firm have any subordinated loans?

- ☐ No ▶ Continue to Question 3.12
☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.12 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.13 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.14

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover).

--

3.14 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£
Amount of additional capital required for excluded business or liabilities	£

*You may be asked to confirm these details before we authorise your firm.

Other documents**3.15 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.

3.16 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts
 - ☐ Attached

4

Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

4.1 Is the applicant firm a sole trader?

- ☐ Yes ▶ Continue to Question 4.4
☐ No ▶ Continue to Question 4.2

Senior Management Functions

4.2 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.2.1

Third country firms ▶ Continue to 4.2.2

Enhanced firms ▶ Continue to 4.2.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.2.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.2.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.2.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

- 4.3 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a controlled function that you have listed in Question 4.2, see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.**

How many 'Form A's' are being sent with this application?

Non-investment insurance contracts business

- 4.4 You must give the name of the individual who will be responsible for insurance distribution activities.**

Responsibility for insurance distribution activities is not a controlled function, but the applicant firm must specify a person to be responsible for it. The individual must perform a FCA governing function (excluding a non-executive function) or the limited scope function.

Name of individual	
Individual to be responsible for insurance distribution activity	<input type="text"/>

Person responsible for MCD intermediation activities

Responsibility for MCD intermediation activities is not a controlled function, but you must specify a person to be responsible for it. The individual(s) must hold a FCA governing function (excluding a non-executive function) or the limited scope function.

- 4.5 Name of individual to be responsible for MCD intermediation activities**

☐ N/A ▶ the applicant firm is not an MCD firm

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 36).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions that you and your staff will take to ensure the applicant firm complies with our rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedures being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6, 6.3).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the controls in place to prevent the applicant firm from being used for fraudulent purposes in relation to mortgage business;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

You must include the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of all its clients.

Conduct of business

5.4 Which methods of sale does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intends to use and the approximate percentages.

5.5 You must provide the following (for non-investment insurance contracts business only):

- a brief description of the disclosure documents (e.g. Initial Disclosure Document) that the applicant firm will give to its clients; and
- information on which stage of the sales process the disclosure documents will be provided.

6 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Ombudsman Service and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.18 – Home finance providers, advisers and arrangers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	£
Confirm amount in words	

6.2 Fee Block A019 – General insurance mediation

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.9).

6.3 FOS industry block I016 – Home finance providers, advisers and arrangers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	£
Confirm amount in words	

6.4 FOS industry block I017 – General insurance mediation

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.10).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year when a firm obtains authorisation in the last quarter of the fee year.

6.5 FSCS class SB02 – General insurance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

Amount	£
Confirm amount in words	

6.6 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	£
Confirm amount in words	

6.7 FSCS class SE02 – Home Finance Intermediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.8 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the Ombudsman Service exemptions

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

- 6.9 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is exempt from the Ombudsman Service

- 6.10 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and do not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for firms selling investments and home finance

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure that you answer every question. If a question is not applicable to the applicant firm it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	10
3	Financial resources	13
4	Personnel	20
5	Compliance arrangements	22
6	Fees and levies	25

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised, non-advised and execution only (if applicable) basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on;
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and
- full details of how the firm is complying with the Retail Distribution Review.

Please confirm that you have attached a business plan with the application.

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Type of mortgage business to be undertaken**1.3 Please confirm what type of mortgage business the applicant firm proposes to undertake?**

- ☐ First charge only
- ☐ Second charge only
- ☐ Both first and second charge

Mortgage Credit Directive (MCD)**1.4 Will the applicant firm be a tied MCD credit intermediary?**

(This means any intermediary who acts on behalf of and under the full and unconditional responsibility of (a) only one MCD lender, (b) only one group or (c) a number of MCD lenders or groups which does not represent the majority of the market)

- ☐ Yes
- ☐ No
- ☐ N/A ▶ Applicant firms should only select N/A if they are not a MCD firm

Consumer buy-to-let (CBTL)**1.5 Does the applicant firm also want to register as a consumer buy-to-let (CBTL) firm?**

- ☐ Yes ▶ You must complete the separate CBTL registration form that can be found [here](#) and submit with this application.
- ☐ Attached

- ☐ No ▶ The following standard requirement will be added to the firm's scope of permission

The firm must not carry on any activity that would constitute consumer buy-to-let mortgage business as defined in Part 3 of the Mortgage Credit Directive Order 2015 (SI 910/2015) unless registered as a consumer buy-to-let mortgage firm

Services

1.6 What services will the applicant firm be offering to its customers?

For investment business the categories are:

- ☐ Independent ▶ You must give details below of how the applicant firm will be able to confirm this, and what fee structure it will have in place.
- ☐ Restricted ▶ You must give details below of how the applicant firm will be carrying out its business activities and in what way the advice will be restricted, including any product providers/other firms the applicant firm will be linked with and/or tied to, and what fee structure it will have in place.

The applicant firm must also specify if it plans to give either:

- ☐ simplified advice; or
- ☐ basic advice.

--

All business activities

1.7 Does the applicant firm intend carrying on any unregulated business activities?

- ☐ No ▶ Continue to Question 1.8
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.8 You must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.9 How will the applicant firm be remunerated?

- ☐ Fixed fees
☐ Percentage-based fees
☐ Commissions
☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.10 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.11 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

--

1.12 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.13
☐ Yes ▶ You must give details below

--

1.13 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services; and/or
- establishment of a branch; and/or
- appointing a tied agent?

☐ No ▶ Continue to Question 1.14

☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

1.14 You must give details of the geographical location and residency status of the intended clients the applicant firm is planning on dealing with and how the information will be captured and retained/monitored.

☐ UK

☐ EEA

☐ Other ▶ you must specify below.

Outsourcing with third parties**1.15 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.16.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?

1.16.2 How will the applicant firm's senior management ensure that:

- fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and
- it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

1.16.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?**Non-advised sales (investment business only)****1.17 Will the applicant firm be carrying out non-advised sales?**

- ☐ Yes ▶ Continue to Question 1.17.1
- ☐ No ▶ Continue to Question 1.18

1.17.1 What controls are in place to ensure staff do not provide advice when answering questions?**1.17.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.****1.17.3 How does the applicant firm ensure clients are clear about the service being provided to them?**

Non-mainstream pooled investments (NMPIs) including Unregulated Collective Investment Schemes (UCIS)

1.18 Will the applicant firm promote NMPI? This will generally include advertising, advised and non-advised sales.

☐ Yes

☐ No ▶ Continue to Question 1.19

1.18.1 The promotion of NMPI to retail investors is severely restricted. What controls are in place to ensure that NMPI are only promoted to eligible customers?

Platforms

1.19 Will the applicant firm be using a platform(s) to administer its client's investment portfolios?

☐ Yes ▶ Continue to Question 1.19.1

☐ No ▶ Continue to Question 1.20

1.19.1 How has the applicant firm assessed the risks posed to it and to its clients by the use of platforms? What risks have been identified, and how will the applicant firm manage those risks?

1.19.2 What conflicts of interest have been identified and how will they be managed?

1.19.3 What Management Information (MI) will be collected in relation to these clients?

1.19.4 How will client investment reviews be managed and carried out for these clients?

1.19.5 How will the applicant firm deal with clients for whom the platform used may not be suitable, or who would not benefit from the use of platforms?

1.19.6 Please provide details of any on-going training need identified for advisers and how it will be met

--

Mortgage business**1.20 For mortgage and other home finance business, please provide details of the applicant firm's anticipated spread of business for the first 12 months of authorisation in the following categories.**

Prime	%
Impaired	%

1.21 Will the applicant firm be carrying out execution only sales?

- ☐ No ▶ Continue to Question 1.22
- ☐ Yes ▶ Continue to Question 1.21.1

1.21.1 Firms are required to have an execution policy. You must confirm that the applicant firm has an execution policy in place.

- ☐ Yes

1.21.2 How does the applicant firm ensure clients are clear about the service being provided to them?

--

1.22 Has the applicant firm or any of its advisers ever been removed from a lenders panel?

- ☐ No ▶ Continue to Question 1.23
- ☐ Yes ▶ Please provide details below, including reasons

--

1.23 Will the applicant firm use 'introducers' for new business?

- ☐ No ▶ Continue to Section 2
- ☐ Yes ▶ What controls are in place around the use of introducers on an initial and on-going basis?

--

2 Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Clients

2.1 What types of clients will the applicant firm carry on business with?

For investment business the client categories are:

- ☐ retail (investment)
☐ professional

For home finance activities the client category is:

- ☐ customer

If you have not selected at least one type of client for each business you should check that you are completing the correct supplement.

Permission profile

How to choose which permission profile to apply for

There are two standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types that the applicant firm could have. You should carefully consider which permission profile is the correct one.

If the applicant firm intends to do any of the following activities, please add these activities (see Questions 2.3-2.9 of this supplement). The activities are:

- advising on pension transfers / opt-outs;
- advising on Peer to Peer agreements;
- funeral plan contracts;
- providing basic advice on stakeholder products;
- home reversion plans;
- home purchase plans;
- regulated sale and rent back agreements; and /or
- Alternative debentures.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of FSMA. So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.2 Which permission profile does the applicant firm wish to apply for (see page 11 and 12 in the notes to this supplement)?

- ☐ Permission profile 1: Firm selling investments and mortgages that **does not** hold client money; or
- ☐ Permission profile 2: Firm selling investments and mortgages that **does** hold client money.

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity, as appropriate, to applicant firms applying for authorisation, so this is also included in the profiles.

2.3 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table A – Advising on pension transfers/opt-outs (see page 13 in the notes to this supplement).

- ☐ Table A - Advising on pension transfers/opt-outs.

The applicant firm must have a member of staff with an appropriate qualification (e.g. the G60 paper of the AFPC qualification or the Unit AF3 of the CII Advanced Diploma in Financial Planning qualification) and experience if it intends to carry on pension transfers/opt-outs business.

2.4 Tick the following box if the applicant firm wants to apply for the additional regulated activity Advising on Peer to Peer agreements.

- ☐ Advising on Peer to Peer agreements (there are no investment types applicable)

2.5 Tick the following box if the applicant firm wants to apply for permission to carry on the additional investment type shown in Table B – Funeral plan contracts (see page 14 in the notes to this supplement).

- ☐ Table B – Funeral plan contracts.

2.6 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table C – Providing basic advice on stakeholder products (see page 15 in the notes to this supplement).

- ☐ Table C – Providing basic advice on stakeholder products

2.7 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home reversion plans, shown in Table D (see page 16 in the notes to this supplement).

- ☐ Table D – home reversion plans

The applicant firm must have a member of staff with an appropriate qualification (e.g. HR1 or the Certificate in Equity Release from the CII) and experience if it intends to carry on home reversion business.

2.8 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home purchase plans, shown in Table E (this see page 17 in the notes to this supplement).

- ☐ Table E – home purchase plans

2.9 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to regulated sale and rent back agreements, shown in Table F (see page 18 in the notes to this supplement).

☐ Table F – regulated sale and rent back agreements

We regard regulated sale and rent back agreements as products that present higher risks to customers than other home finance products. Therefore, we require the applicant firm to evidence it has employee(s) with the relevant experience of this business.

2.10 Tick the following box if the applicant firm wants to apply for the additional regulated activity in relation to Alternative debentures, shown in Table H (see page 19 in the notes to this supplement).

☐ Table G – Alternative debentures

We regard alternative debentures as specialist products. Therefore we require the applicant firm to evidence it has employee(s) with the relevant experience of this product.

2.11 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, please give details here.

Standard limitation – regulated mortgage contracts - limited to second charge business only

This question is only applicable to applicant firms applying to do second charge business only

2.12 Does the firm want to apply for a limitation on each of their regulated mortgage activities limiting them to second charge business only?

☐ Yes

☐ No

3 Financial Resources

Why we ask the questions in this section

All authorised firms must meet certain financial requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Does the applicant firm intend to hold client money?

- ☐ No ▶ Continue to Question 3.2
- ☐ Yes, for home finance business only ▶ Continue to Question 3.2
- ☐ Yes, for investment business only ▶ Continue to Question 3.1.1
- ☐ Yes, for home finance and investment business ▶ Continue to Question 3.1.1

3.1.1 Please state for the next 12 months (from application submission date) the applicant firm's projected highest total amount of client money at any one point in time.

£

All applicant firms

3.2 Which prudential categories apply to the applicant firm?

As the applicant firm is intending to carry on business in investments and home finance, you must select a prudential category for each type of business. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

A category B firm that is a personal investment firm

- ☐ B1 firm: personal investment firm whose permissions include dealing in investments as principal

B2 firm categories apply to firms intending to hold or control client money

- ☐ B2 firm: personal investment firm (does not deal in investments as principal)

B3 firm categories apply to firms not intending to hold or control client money

- ☐ B3 firm with managing permission: personal investment firm (manages investments in respect of portfolios containing only life policies or to delegate such activity to an investment firm)
- ☐ B3 firm (without managing permission)

Home finance firm category

- ☐ Home finance Intermediary that does not hold client money
- ☐ Home finance Intermediary that holds client money

3.3 What is the applicant firm's resource requirement?

IPRU (INV) and MIPRU - Where a firm is subject to both IPRU (INV) and MIPRU, in accordance with IPRU (INV) 13.13.3, it must calculate its requirement as the higher of:

- (a) 20,000 (under the transitional arrangement this is £15,000 until 30 June 2017); and
- (b) The sum of 1) the requirement computed based on its business subject to IPRU (INV) plus 2) the requirement computed based on its business subject to MIPRU (excluding the minimum fixed amounts specified in MIPRU).

Resource Requirement	
----------------------	--

This will be the applicant firm's resource requirement.

Financial resources

This section asks how the applicant firm will meet its financial resource requirements.

3.4 Which type of firm is the applicant firm?

- | | |
|--|-----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.5 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.8 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.9 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.11 |

Limited Company

3.5 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves*	
<input type="checkbox"/>	(Verified) interim net profits*	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
Total		

* Audit may not be required if exempt under the Companies Act 1985

3.6 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.12

Sole trader

3.7 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.12

Partnership

3.8 You must attach the following:

Statement of personal assets and liabilities (see notes)
(one per partner) ☐ Attached

Statement of business assets and liabilities (see notes)
(one only) ☐ Attached

Continue to Question 3.12

Limited Liability Partnership

3.9 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.10 You must attach the following:

Members' capital agreement (see notes) ☐ Attached

Continue to Question 3.12

Other applicant firms

3.11 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.12 Does the applicant firm have any subordinated loans?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.13 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.14

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.14 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.15

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover).

--

3.15 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£
Amount of additional capital required for excluded business or liabilities.	£

*You may be asked to confirm these details before we authorise your firm.

Other documents**3.16 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant ☐ Attached
 firm will meet its financial resources requirement at the date of
 authorisation

A forecast closing balance sheet for the first 12 months ☐ Attached
 of trading

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of ☐ Attached
 trading. As a minimum, the profit and loss forecast must
 disclose the following on a monthly basis:

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.

3.17 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts ☐ Attached

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior Management Functions

4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

Please see the notes to this supplement if you are unsure.

Please use a separate sheet of paper if necessary.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	

SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a controlled function that you have listed in Question 4.1, see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many 'Form A's' are being sent with this application?

Person responsible for MCD intermediation activities

Responsibility for MCD intermediation activities is not a controlled function, but you must specify a person to be responsible for it. The individual(s) must

hold a FCA governing function (excluding a non-executive function) or the limited-scope function.

4.3 Name of individual to be responsible for MCD intermediation activities

☐ N/A ▶ the applicant firm is not an MCD firm

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 41).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with our rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information (see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the controls in place to prevent the applicant firm from being used for fraudulent purposes in relation to mortgage business;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Conduct of business

5.4 Which methods of sale does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intends to use and the approximate percentages.

5.5 You must provide the following (for investment business only):

- a brief description of the disclosure documents (e.g. Initial Disclosure Document, Terms of business) that the applicant firm will give to its clients; and
- information on which stage of the sales process the disclosure documents will be provided.

Suitability of advice

5.6 Does the applicant firm intend to carry on business with retail clients for their investment business?

- ☐ No ▶ Continue to Section 6
- ☐ Yes ▶ You must provide a brief description of the steps the applicant firm will take to ensure retail clients understand the nature of the risks of the products recommended and that advice is suitable for the circumstances and needs.

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.2 Fee Block A.18 – Home finance providers, advisers and arrangers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business (including home reversion, home purchase and regulated sale and rent back activities)?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service general levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.9).

6.3 FOS Industry block I008 or I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.4 FOS Industry block I016 – Home finance providers, advisers and arrangers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.10).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year when a firm obtains authorisation in the last quarter of the fee year.

6.5 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions business?

Amount	£
Confirm amount in words	

6.6 FSCS class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its investment mediation business?

Amount	£
Confirm amount in words	

6.7 FSCS class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.8 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the Ombudsman Service exemptions

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

- 6.9 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is exempt from the Ombudsman Service

6.10 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for firms selling investments and non-investment insurance contracts

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	9
3	Financial resources	12
4	Personnel	19
5	Compliance arrangements	21
6	Fees and levies	26

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 Please provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised and non-advised basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on;
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and
- full details of how the firm is complying with the Retail Distribution Review.

Please confirm that you have attached a business plan with the application.

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Services**1.3 What services will the applicant firm be offering to its customers?**

For investment business the categories are:

- ☐ Independent ▶ You must give details below of how the applicant firm will be able to confirm this, and what fee structure it will have in place.
- ☐ Restricted ▶ You must give details below of how the applicant firm will be carrying out its business activities and in what way the advice will be restricted, including any product providers/other firms the applicant firm will be linked with and/or tied to, and what fee structure it will have in place.

The applicant firm must also specify if it plans to give either:

- ☐ simplified advice; or
- ☐ basic advice.

--

For non-investment insurance business the categories are:

- ☐ Single insurer
- ☐ Limited number of insurers
- ☐ Fair analysis of the market

All business activities

1.4 Does the applicant firm intend carrying on any unregulated business activities?

- ☐ No ▶ Continue to Question 1.5
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.5 You must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.6 How will the applicant firm be remunerated?

Tick all boxes that apply.

- ☐ Fixed fees
- ☐ Percentage-based fees
- ☐ Commissions
- ☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.7 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.8 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

1.9 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.10
☐ Yes ▶ You must give details below

1.10 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services; and/or
 - establishment of a branch; and/or
 - appointing a tied agent?
- ☐ No ▶ Continue to Question 1.11
☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

1.11 You must give details of the geographical location and residency status of the intended clients the applicant firm is planning on dealing with and how the information will be captured and retained/monitored.

- ☐ UK
☐ EEA
☐ Other ▶ you must specify below.

Outsourcing with third parties

1.12 What functions (if any) will the applicant firm outsource?

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.13.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?

1.13.2 How will the applicant firm's senior management ensure that:

- fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and
- it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

1.13.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

Non-advised sales

1.14 Will the applicant firm be carrying out non-advised sales?

- ☐ Yes ▶ Continue to Question 1.14.1
- ☐ No ▶ Continue to Question 1.15

1.14.1 What controls are in place to ensure staff do not provide advice when answering questions?

1.14.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.

1.14.3 How does the applicant firm ensure clients are clear about the service being provided to them?

Non-mainstream pooled investments (NMPIs) including Unregulated Collective Investment Schemes (UCIS)

1.15 Will the applicant firm promote NMPI? This will generally include advertising, advised and non-advised sales.

☐ Yes

☐ No ▶ Continue to Question 1.16

1.15.1 The promotion of NMPI to retail investors is severely restricted. What controls are in place to ensure that NMPI are only promoted to eligible customers?

Platforms

1.16 Will the applicant firm be using a platform(s) to administer its client's investment portfolios?

☐ Yes ▶ Continue to Question 1.16.1

☐ No ▶ Continue to Question 1.17

1.16.1 How has the applicant firm assessed the risks posed to it and to its clients by the use of platforms? What risks have been identified, and how will the applicant firm manage those risks?

1.16.2 What conflicts of interest have been identified and how will they be managed?

1.16.3 What Management Information (MI) will be collected in relation to these clients?

1.16.4 How will client investment reviews be managed and carried out for these clients?**1.16.5 How will the applicant firm deal with clients for whom the platform used may not be suitable, or who would not benefit from the use of platforms?****1.16.6 Please provide details of any on-going training need identified for advisers, and how it will be met.****Insurance business****1.17 For non-investment insurance business, what types of general insurance products does the applicant firm intend to advise on or arrange (select all that apply)?**

- ☐ Pure protection policies ▶ Continue to Section 2
- ☐ Payment protection contracts (PPI) ▶ Continue to Question 1.17.1
- ☐ Other general insurance contracts ▶ Continue to Section 2

1.17.1 Please describe below how the applicant firm will ensure that a PPI policy meets a client's demands and needs. This should include the following points:

- the applicant firm's procedures, suitability assessments (if advised sales) and scripts (if information is provided to clients orally);
- how the applicant firm will ensure that the procedures, assessments and scripts are compliant with conduct of business requirements and TCF outcomes; and
- the controls the applicant firm will put in place to ensure staff adhere to the procedures, assessments and scripts.

1.17.2 What steps will the applicant firm take to ensure eligibility is assessed for all its PPI sales?

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Clients

2.1 What type of clients will the applicant firm carry on business with?

For investment business the client categories are:

- ☐ retail (investment)
☐ professional

For non-investment insurance contracts business the client categories are:

- ☐ retail (non-investment insurance)
☐ commercial customer

If you have not selected at least one type of client for each business you should check that you are completing the correct supplement.

Permission profile

How to choose which permission profiles to apply for

There are two standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types that the applicant firm could have. You should carefully consider which permission profile is the correct one.

If the applicant firm intends to do any of the following activities, please choose one of the standard permission profiles if applicable and add these activities (see Questions 2.3-2.9 of this supplement). The activities are:

- advising on pension transfers / opt-outs;
- advising on Peer to Peer agreements;
- funeral plan contracts;
- providing basic advice on stakeholder products;
- assisting in the administration and performance of non-investment insurance contracts;
- dealing as agent in non-investment insurance contracts; and/or
- alternative debentures.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of the FSMA. So it is important

to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.2 Which permission profile does the applicant firm wish to apply for (see page 11 and 12 in the notes to this supplement)?

- ☐ Permission profile: Firm selling investments and non-investment insurance contracts that **does not** hold client money; or
- ☐ Permission profile: Firm selling investments and non-investment insurance contracts that **does** hold client money.

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity, as appropriate, to applicant firms applying for authorisation, so this is also included in the profiles.

2.3 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table A – Advising on pension transfers/opt-outs (see page 13 in the notes to this supplement).

- ☐ Table A - Advising on pension transfers/opt-outs.

The applicant firm must have a member of staff with an appropriate qualification (e.g. the G60 paper of the AFPC qualification or the Unit AF3 of the CII Advanced Diploma in Financial Planning qualification) and experience if it intends to carry on pension transfers/opt-outs business.

2.4 Tick the following box if the applicant firm wants to apply for the additional regulated activity of Advising on Peer to Peer agreements.

- ☐ Advising on Peer to Peer agreements (there are no investment types applicable)

2.5 Tick the following box if the applicant firm wants to apply for permission to carry on the additional investment type shown in Table B – Funeral plan contracts (see page 14 in the notes to this supplement).

- ☐ Table B – Funeral plan contracts.

2.6 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table C – Providing basic advice on stakeholder products (see page 15 in the notes to this supplement).

- ☐ Table C – Providing basic advice on stakeholder products

2.7 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table D – Assisting in the administration and performance of non-investment insurance contracts (see page 16 in the notes to this supplement).

- ☐ Table D – Assisting in the administration and performance of non-investment insurance contracts

2.8 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table E – Dealing as agent in non-investment insurance contracts (see page 17 in the notes to this supplement).

- ☐ Table E – Dealing as agent in non-investment insurance contracts

2.9 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table F – Alternative debentures (see page 18 in the notes to this supplement).

- ☐ Table F – Alternative debentures

We regard alternative debentures as specialist products. Therefore we require the applicant firm to evidence it has employees with relevant experience of this product.

2.10 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, please give details here.

--

3

Financial Resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Does the applicant firm intend to hold client money?

- ☐ No ▶ Continue to Question 3.2
- ☐ Yes, for investment business only ▶ Continue to Question 3.1.2
- ☐ Yes, for non-investment business insurance only ▶ Continue to Question 3.1.1
- ☐ Yes, for both non-investment insurance contracts business and investment business ▶ Continue to Question 3.1.1

3.1.1 You must tick the appropriate box to confirm how the applicant firm intends to deal with the segregation of client money or assets for its non-investment insurance contracts business:

- ☐ Statutory trust
- ☐ Non-statutory trust
- ☐ Risk transfer
- ☐ Mix of risk transfer and statutory trust
- ☐ Mix of risk transfer and non-statutory trust

3.1.2 Please state for the next 12 months (from application submission date) the applicant firm's project highest total amount of client money at any one point in time.

£

All applicant firms

3.2 Which prudential categories apply to the applicant firm?

As the applicant firm is intending to carry on business in investments and non-investment insurance contracts, you must select the prudential category or categories that apply to each type of business. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

A category B firm that is a personal investment firm

☐ B1 firm: personal investment firm whose permissions include dealing in investments as principal

B2 firm categories apply to firms **intending** to hold or control client money

☐ B2 firm: personal investment firm (does not deal in investments as principal)

B3 firm categories apply to firms **not intending** to hold or control client money

☐ B3 firm with managing permission: personal investment firm (manages investments in respect of portfolios containing only life policies or delegate such activity to an investment firm)

☐ B3 firm (without managing permission)

Non-investment insurance contracts categories

☐ Insurance intermediary

☐ Insurance intermediary (that holds client money for its non-investment insurance business only)

3.2.1 What is the applicant firm's resource requirement?

IPRU (INV) and MIPRU - Where a firm is subject to both IPRU (INV) and MIPRU, in accordance with IPRU (INV) 13.13.3, it must calculate its requirement as the higher of:

- (c) 20,000 (under the transitional arrangement this is £15,000 until 30 June 2017); and
- (d) The sum of 1) the requirement computed based on its business subject to IPRU (INV) plus 2) the requirement computed based on its business subject to MIPRU (excluding the minimum fixed amounts specified in MIPRU).

Resource Requirement	
----------------------	--

This will be the applicant firm's resource requirement.

Financial resources

This section asks how the applicant firm will meet its financial resource requirement.

3.3 Which type of firm is the applicant firm?

- | | |
|--|-----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.4 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.8 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.10 |

Limited Company

3.4 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves*	
<input type="checkbox"/>	(Verified) interim net* profits	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
Total		

* Audit may not be required if exempt under the Companies Act 1985

3.5 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.11

Sole trader

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Partnership

3.7 You must attach the following:

Statement of personal assets and liabilities (see notes)

(one per partner)

☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Limited Liability Partnership

3.8 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.9 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.11

Other applicant firms

3.10 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.11 Does the applicant firm have any subordinated loans?

☐ No ▶ Continue to Question 3.12

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.12 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Professional indemnity insurance (PII) self Certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.13 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.14

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover.)

--

3.14 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£
Amount of additional capital required for excluded business or liabilities.	£

*You may be asked to confirm these details before we authorise your firm.

Other documents**3.15 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation

3.16 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts ☐ Attached

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior Management Functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting	

	Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a controlled function that you have listed in Question 4.1, see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many 'Form A's' are being sent with this application?

Non-investment insurance contracts business

4.3 You must give the name of the individual who will be responsible for insurance distribution activities.

Responsibility for insurance distribution activities is not a controlled function, but the applicant firm will need to specify a person to be responsible for it. This responsibility must be allocated to an individual holding a governing function (excluding a non-executive function) or the limited-scope function.

Name of individual

Name of individual	
Individual to be responsible for insurance distribution activity	

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 40).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with the FCA's rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its client;
- the systems and controls that will be in place to ensure that know your business information see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the anti-money laundering training the applicant firm will provide for all its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Conduct of business

5.4 Which methods of sale does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intends to use and the approximate percentages.

5.5 You must provide the following:

- a brief description of the disclosure documents (e.g. Initial Disclosure Document, Terms of business) that the applicant firm will give to its clients; and
- information on which stage of the sales process the disclosure documents will be provided.

Suitability of advice

5.6 Does the applicant firm intend to carry on business with retail clients for their investment business?

- ☐ No ▶ Continue to Section 6
- ☐ Yes ▶ You must provide a brief description of the steps the applicant firm will take to ensure retail clients understand the nature of the risks of the products recommended and that advice is suitable for the circumstances and needs.

6 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.2 Fee Block A.19 – General insurance mediation

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service general levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.9).

6.3 FOS Industry block I008 or I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.4 FOS Industry block I017 – General insurance mediation

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.10).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating FSCS levy in the second fee year when a firm obtains authorisation in the last quarter of the fee year.

6.5 FSCS class SB02 – General insurance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

Amount	£
Confirm amount in words	

6.6 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions (including pure protection) business?

Amount	£
Confirm amount in words	

6.7 FSCS class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its investment mediation business?

Amount	£
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.8 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the Ombudsman exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

- 6.9 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is exempt from the Ombudsman Service

- 6.10 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for home finance brokers

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	7
3	Financial resources	9
4	Personnel	15
5	Compliance arrangements	17
6	Fees and levies	20

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised and execution only (if applicable) basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on; and
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations.

Please confirm that you have attached a business plan with the application.

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Type of mortgage business to be undertaken**1.3 Please confirm what type of mortgage business the applicant firm proposes to undertake?**

- ☐ First charge only
- ☐ Second charge only
- ☐ Both first and second charge

Mortgage Credit Directive (MCD)**1.4 Will the applicant firm be a tied MCD credit intermediary?**

(This means any intermediary who acts on behalf of and under the full and unconditional responsibility of (a) only one MCD lender, (b) only one group or (c) a number of MCD lenders or groups which does not represent the majority of the market)

- ☐ Yes
- ☐ No
- ☐ N/A ▶ Applicant firms should only select N/A if they are not a MCD firm

Consumer buy-to-let (CBTL)**1.5 Does the applicant firm also want to register as a consumer buy-to-let (CBTL) firm?**

☐ Yes ▶ You must complete the separate CBTL registration form that can be found [here](#) and submit with this application.

☐ Attached

☐ No ▶ The following standard requirement will be added to the firm's scope of permission

The firm must not carry on any activity that would constitute consumer buy-to-let mortgage business as defined in Part 3 of the Mortgage Credit Directive Order 2015 (SI 910/2015) unless registered as a consumer buy-to-let mortgage firm

All business activities**1.6 Does the applicant firm intend carrying on any unregulated business activities?**

- ☐ No ▶ Continue to Question 1.7
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.7 You

must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.8 How will the applicant firm be remunerated?

- ☐ Fixed fees
☐ Percentage-based fees
☐ Commissions
☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.9 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.10 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

1.11 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.12
☐ Yes ▶ You must give details below

Outsourcing with third parties**1.12 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Treating Customers Fairly

Treating customers fairly (TCF) underpins the delivery of our statutory consumer protection objective and is central to our work in ensuring a fair deal for consumers. TCF focuses on six consumer outcomes which financial services firms must deliver to consumers.

1.13.1 TCF is a key consideration for all new firms. Please tell us how TCF affected the development of the applicant firm's business plan.**1.13.2 How will the applicant firm's senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

1.13.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

--

Execution only sales

1.14 Will the applicant firm be carrying out execution only sales?

- ☐ No ▶ Continue to Question 1.15
☐ Yes ▶ Continue to Question 1.14.1

1.14.1 Firms are required to have an execution policy. You must confirm that the applicant firm has an execution policy in place.

- ☐ Yes

1.14.2 How does the applicant firm ensure clients are clear about the service being provided to them?

--

Mortgage business

1.15 For mortgage and other home finance business, please provide details of the applicant firm's anticipated spread of business for the first 12 months of authorisation in the following categories.

Prime	%
Impaired	%

1.16 Has the applicant firm or any of its advisers ever been removed from a lenders panel?

- ☐ No ▶ Continue to Question 1.17
☐ Yes ▶ Please provide details below, including reasons

--

1.17 Will the applicant firm use 'introducers' for new business?

- ☐ No ▶ Continue to Section 2
☐ Yes ▶ What controls are in place around the use of introducers on an initial and on-going basis?

--

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

2.1 For mortgage and other home finance activities, the applicable client category is 'Customers'. The applicant firm must confirm that is seeking permission to carry on business with 'Customers'.

☐ Yes

Permission profile

2.2 Which permission profile does the applicant firm wish to apply for?

The applicant firm must select one permission profile for each type of mortgage product it intends to offer to its customers (for example, if the applicant firm will be offering its customers regulated mortgage contracts and home reversion plans, then it will select two profiles, one of 1 to 3 and one of 4 to 6).

Regulated mortgage contracts

- ☐ 1. A firm that advises on, but does not arrange, regulated mortgage contracts
- ☐ 2. A firm that arranges, but does not advise on, regulated mortgage contracts
- ☐ 3. A firm that advises on and arranges regulated mortgage contracts

Home reversion plans

- ☐ 4. A firm that advises on, but does not arrange, home reversion plans
- ☐ 5. A firm that arranges, but does not advise on, home reversion plans
- ☐ 6. A firm that advises on and arranges home reversion plans

Home purchase plans

- ☐ 7. A firm that advises on, but does not arrange, home purchase plans
- ☐ 8. A firm that arranges, but does not advise on, home purchase plans
- ☐ 9. A firm that advises on and arranges home purchase plans

Regulated sale and rent back agreements

- ☐ 10. A firm that advises on, but does not arrange, regulated sale and rent back agreements
- ☐ 11. A firm that arranges, but does not advise on, regulated sale and rent back agreements
- ☐ 12. A firm that advises on and arranges regulated sale and rent back agreements

Standard limitation – regulated mortgage contracts - limited to second charge business only

This question is only applicable to applicant firms applying to do second charge business only

2.3 Does the firm want to apply for a limitation on each of their regulated mortgage activities limiting them to second charge business only?

☐ Yes

☐ No

3

Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Which prudential category applies to the applicant firm?

- ☐ Home finance intermediary that does not hold client money
- ☐ Home finance intermediary that does hold client money

Financial resources

This section asks how the applicant firm will meet its financial resource requirement.

3.2 Is the applicant firm applying to be a second charge only firm?

- ☐ No ▶ Please continue to Question 3.3
- ☐ Yes ▶ Please continue to Question 3.13

3.3 Which type of firm is the applicant firm?

- ☐ Limited company ▶ Please continue to Question 3.4
- ☐ Sole trader ▶ Please continue to Question 3.6
- ☐ Partnership ▶ Please continue to Question 3.7
- ☐ Limited liability partnership ▶ Please continue to Question 3.8
- ☐ Other ▶ Please continue to Question 3.10

Limited Company

3.4 You must state the amounts of the different sources of the applicant firm's capital.

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.5 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.11

Sole trader

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached
Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Partnership

3.7 You must attach the following:

Statement of personal assets and liabilities (one per partner) (see notes) ☐ Attached
Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Limited Liability Partnership

3.8 You must state the amounts of the different sources of the applicant firm's capital.

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.9 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.11

Other applicant firms

3.10 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

Sources of external funding

Subordinated loans

3.11 Does the applicant firm have any subordinated loans?

- ☐ No ▶ Continue to Question 3.12
☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) 'Annex D required forms' – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
Amount	
Date of agreement	
Nature of loan	

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.12 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.13 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.14

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt.

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover).

--

3.14 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£

*You may be asked to confirm these details before we authorise your firm.

Other documents

3.15 All applicant firms must provide the following:

An opening balance sheet to demonstrate how the applicant ☐ Attached
 firm will meet its financial resources requirement at the date of
 authorisation

A forecast closing balance sheet for the first 12 months ☐ Attached
 of trading

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of ☐ Attached
 trading. As a minimum, the profit and loss forecast must
 disclose the following on a monthly basis:

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.

3.16 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts ☐ Attached

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

4.1 Is the applicant firm a sole trader?

- ☐ Yes ▶ Continue to Section 5
☐ No ▶ Continue to Question 4.2

Senior Management Functions

4.2 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.2.1

Third country firms ▶ Continue to 4.2.2

Enhanced firms ▶ Continue to 4.2.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.2.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.2.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	

SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.2.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.3 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a controlled function that you have listed in Question 4.2 , see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many 'Form A's' are being sent with this application?

Person responsible for MCD intermediation activities

Responsibility for MCD intermediation activities is not a controlled function, but you must specify a person to be responsible for it. The individual(s) must hold a FCA governing function (excluding a non-executive function) or the limited-scope function.

4.4 Name of individual to be responsible for MCD intermediation activities

☐ N/A ▶ the applicant firm is not an MCD firm

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm that the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 25).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure that the applicant firm complies with our rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risk that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3)).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the controls in place to prevent the applicant firm from being used for fraudulent purposes in relation to mortgage business;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

You must include the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of all its clients.

--

Conduct of business**5.4 Which methods of sale does the applicant firm intends to use and what will each method of sale be as a percentage of total sales?**

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intend to use and the approximate percentages.

--

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.18 – Home finance providers, advisers and arrangers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business (including home reversion, home purchase and regulated sale and rent back activities)?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service general levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.5).

6.2 FOS industry block I016 – Home finance providers, advisers and arrangers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.6).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS's levy in the second fee year when a firm obtains authorisation between 1 January and 31 March.

6.3 FSCS class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.4 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the Ombudsman Service exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

- 6.5 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is exempt from the Ombudsman Service

6.6 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and do not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for firms selling non-investment insurance contracts

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1 About your business	2
2 Scope of Permission required	8
3 Client money	10
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5 Personnel (primary intermediaries only)	18
6 Compliance arrangements	20
7 Fees and levies	22

1

About your business

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 Will the applicant firm be a primary or secondary intermediary?

☐ Primary ▶ Continue to Question 1.2.1

You will be treated as a primary intermediary if your principal purpose is non-investment insurance contracts business - for example, you are an insurance broker.

☐ Secondary ▶ Continue to Question 1.3.1

You will be treated as a secondary intermediary if your non-investment insurance contracts business activities are incidental to your principal purpose - for example, you are a car dealer offering payment protection insurance.

Questions 1.2.1 to 1.2.4 should be answered by primary intermediaries only

1.2.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firm's business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised and non-advised basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on; and
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations.

Please confirm that you have attached a business plan with the application:

☐ Attached

All business activities

1.2.2 Does the applicant firm intend carrying on any unregulated business activities?

- ☐ No ▶ Continue to Question 1.2.3
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated activities. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated business activities	%	£
Description of unregulated business activities the applicant firm will be conducting		

1.2.3 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

1.2.4 How does the applicant firm intend to obtain clients initially and in the future?

Continue to Question 1.4

Questions 1.3.1 -1.3.2 should be answered by secondary intermediaries only

1.3.1 What will the applicant firm's main activities be?

Motor

- ☐ Dealer (includes commercial vehicles, motor cycles and scooters, new and used vehicles)
- ☐ Hire/Lease of Vehicles
- ☐ Mobility and Access Equipment/Vehicles
- ☐ Other

Associations or Institutions

- ☐ Utilities
- ☐ Trade Union
- ☐ University
- ☐ Housing Association and Trust
- ☐ Trade Body
- ☐ Sports Club and Association
- ☐ Other

Retail

- ☐ Electrical Appliance Retailer
- ☐ Furniture Retailer
- ☐ Mobile Telephones
- ☐ Sports Equipment
- ☐ Caravans and Mobile Homes
- ☐ Other Goods (e.g. Photographic, coin and stamp dealers)

Service Sector

- ☐ Travel (e.g. booking accommodation, travel insurance and holidays)
- ☐ Supermarket
- ☐ Veterinary Surgeon
- ☐ Dentist/Healthcare
- ☐ Removals (e.g. Domestic, business and overseas)
- ☐ Property Management (including overseas)
- ☐ Building improvements/extensions (e.g. bathroom, kitchen, conservatories)
- ☐ Other services (e.g. Post Offices, Hire Services, Loss Assessor, authorised professional firms)

Other

- ☐ ▶ Please give details

1.3.2 Please provide a brief description of the insurance activities the applicant firm will undertake, and how it relates to those activities selected in Question 1.3.1.

1.3.3 You must give the name of the individual who will be responsible for insurance distribution activities

This person must be someone who performs a senior role at the applicant firm.

1.4 What types of general insurance products does the applicant firm intend to advise on or arrange (select all that apply)

- ☐ Pure protection policies ▶ Continue to Question 1.5
- ☐ Payment protection contracts ▶ Continue to Question 1.4.1
- ☐ Other general insurance contracts ▶ Continue to Question 1.5

1.4.1 Please describe below how the applicant firm will ensure that a PPI policy meets its customers' demands and needs. This should include the following points:

- The applicant firm's procedures, suitability assessments (if advised sales) and scripts (if information is provided to clients orally).
- How the applicant firm will ensure that the procedures, assessments and scripts are compliant with conduct of business requirements and TCF outcomes.
- The controls the applicant firm will put in place to ensure staff adhere to the procedures, assessments and scripts.

--

1.4.2 What steps will the applicant firm be taking to ensure eligibility is assessed for all its PPI sales?

--

1.5 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.6
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

1.6 Will the applicant firm have any branches in the UK conducting regulated activities?

- ☐ No ▶ Continue to Question 1.7
- ☐ Yes ▶ You must give details below

--

1.7 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services and/or
 - establishing a branch.
- ☐ No ▶ Continue to Question 1.8
- ☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

Outsourcing with third parties**1.8 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Treating Customers Fairly

Treating customers fairly (TCF) underpins the delivery of our statutory consumer protection objective and is central to our work in ensuring a fair deal for consumers. TCF focuses on six consumer outcomes which financial services firms must deliver to consumers.

1.9.1 TCF is a key consideration for all new firms. Please tell us how TCF affected the development of the applicant firm's business plan?**1.9.2 How will the applicant firm's senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?****1.9.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?**

Non-advised sales

1.10 Will the applicant firm be carrying out non-advised sales?

- ☐ Yes ▶ Continue to Question 1.10.1
☐ No ▶ Continue to Section 2

1.10.1 What controls are in place to ensure staff do not provide advice when answering questions?

1.10.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.

1.10.3 How does the applicant firm ensure clients are clear about the service being provided to them?

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the Scope of Permission it requests will cover all the activities that it wants to do.

Clients

2.1 What type of clients will the applicant firm carry on business with?

- ☐ retail
☐ commercial

Permission profile

2.2 Which regulated activities does the applicant firm wish to apply for?

The applicant firm will need permission for each regulated activity it wishes to carry on. Tick all relevant boxes for the regulated activities the applicant firm is seeking permission to carry on.

☐ **Advising customers on non-investment insurance contracts**

This includes recommending a specific insurance policy to a customer.

☐ **Arranging (bringing about) deals in non-investment insurance contracts**

This covers a range of activities – for example, introducing a customer to an insurer or insurance broker, helping someone fill in an application form and sending a customer's application to an insurer.

☐ **Making arrangements with a view to transactions in non-investment insurance contracts**

For example, helping a potential policyholder to fill in a proposal form or introducing a customer to another intermediary, either for advice or to help arrange an insurance policy.

☐ **Dealing as agent in non-investment insurance contracts**

For example, entering into a contract of insurance with a customer on behalf of the insurer (for example, if you issue cover notes).

☐ **Assisting in the administration and performance of a non-investment insurance contract**

For example, notifying the insurer of an insurance claim and negotiating settlement on the customer's behalf. Where you are handling claims on behalf of the insurer and not the customer, this will not be a regulated activity. Nor is providing information to a claimant or insurer in connection with a claim assessment a regulated activity.

✓ **Agreeing to carry on a regulated activity**

Under our permission regime, this is a regulated activity in its own right. It is our practice to grant permission for this regulated activity to applicant firms seeking a relevant permission

Standard requirement for firms undertaking connected travel insurance

2.3 Is the applicant firm seeking authorisation to undertake connected travel insurance only.

- ☐ No ▶ Continue to Section 3
- ☐ Yes ▶ You must tick the box below.

☐ Must not conduct any regulated activity other than insurance distribution activity in relation to a connected travel insurance contract.

3

Client money**Why we ask the questions in this section**

We believe that firms holding clients' money pose a greater risk to customers, so we need to know how money is held and the procedures in place to safeguard customers' assets

3.1 Does the applicant firm intend to hold client money?

If the applicant firm will handle client money through risk transfer agreements only, it will not hold client money

- ☐ No ▶ Continue to Question 3.6
☐ Yes ▶ Continue to Question 3.2

3.2 Will the applicant firm deal with the segregation of client money or assets through a statutory trust or a non statutory trust?

- ☐ Statutory trust
☐ Non-statutory trust
☐ Other, give details below

3.3 Before authorisation, you must confirm that the applicant firm has written confirmation from its auditor that it has systems and controls in place which are adequate to meet the requirements set out in Chapter 5 of CASS.

- ☐ Yes

3.4 You must confirm that the applicant firm's accounts where client money is held are at an approved bank

- ☐ Yes
☐ To be confirmed prior to authorisation

3.5 Will the applicant firm have any appointed representatives that hold client money?

- ☐ Yes ▶ Continue to Question 3.5.1
☐ No ▶ Continue to Question 3.6

3.5.1 You must confirm that the applicant firm has the relevant controls in place as outlined in CASS 5.5.19 to 5.5.25

- ☐ Yes

3.6 Does the applicant firm intend to handle client money through a risk transfer agreement?

- ☐ No ▶ Continue to Question 3.8
☐ Yes ▶ Continue Question 3.7

3.7 You must confirm that the applicant firm has risk transfer agreements in place and that they cover all claims monies and refunded premiums

☐ Yes

☐ To be confirmed prior to authorisation

3.8 Does the applicant firm intend to control but not hold client money?

☐ No

☐ Yes

4

Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

4.1 Which prudential category applies to the applicant firm?

The prudential categories for applicant firms are as follows:

<input type="checkbox"/>	Prudential category:	Insurance intermediary
	Prudential sub-category:	not applicable
	Main regulated activities:	a) advising on investments in relation to non-investment insurance contracts; b) arranging (bringing about) deals in investments in relation to non-investment insurance contracts; c) making arrangements with a view to transactions in investments in relation to non-investment insurance contracts; d) dealing as agent in non-investment insurance contracts; e) assisting in the administration and performance of a non-investment insurance contract.
	Requirement:	Not to hold or control client money.
	Prudential Rule:	Maintain net assets, the greater of: <ul style="list-style-type: none"> • £5,000; or • 2.5% of its annual net brokerage income if not holding client money or other client assets. Please refer to MIPRU 4 for further details.
<input type="checkbox"/>	Prudential category:	Insurance intermediary (that holds client money for its non-investment insurance business only)
	Prudential sub-category:	not applicable
	Main regulated activities:	a) advising on investments in relation to non-investment insurance contracts; b) arranging (bringing about) deals in investments in relation to non-investment insurance contracts; c) making arrangements with a view to transactions in investments in relation to non-investment insurance contracts; d) dealing as agent in non-investment insurance contracts; e) assisting in the administration and performance of a non-investment insurance contract.
	Requirement:	None
	Prudential Rule:	Maintain capital resources, the greater of: <ul style="list-style-type: none"> • £10,000; or • 5% of its annual net brokerage income if holding client money or other client assets. There is a capital requirement for insurance intermediaries wishing to segregate retail client money into a non-statutory trust of £50,000, or if higher 5% of the firm's annual income from regulated activities. Please see Chapter 5 of the Client Asset Sourcebook (CASS) for further details.

Financial resources

This section asks how the applicant firm will meet its financial resource requirements.

4.2 Which type of firm is the applicant firm?

- | | |
|--|----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 4.3 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 4.5 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 4.6 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 4.7 |
| <input type="checkbox"/> Other | ▶ Continue to Question 4.9 |

Limited Company

4.3 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

4.4 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 4.10

Sole trader

4.5 You must attach the following:

Statement of personal assets and liabilities (see notes)

☐ Attached

Statement of business assets and liabilities (see notes)

☐ Attached

Continue to Question 4.10

Partnership

4.6 You must attach the following:

Statement of personal assets and liabilities (see notes)
(one per partner)

☐ Attached

Statement of business assets and liabilities (see notes)
(one only)

☐ Attached

Continue to Question 4.10

Limited Liability Partnership

4.7 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

4.8 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 4.10

Other applicant firms

4.9 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

4.10 Does the applicant firm have any subordinated loans?

☐ No ▶ Continue to Question 4.11

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Other funding

4.11 Does the applicant firm have other external funding?

- ☐ No ▶ Continue to Question 4.12
☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

4.12 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook (refer to MIPRU 3) from the date of authorisation?

- ☐ Yes ▶ Continue to Question 4.13
☐ No ▶ You must provide an explanation in the box below

--

4.13 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£

* You may be asked to confirm these details before we authorise the applicant firm.

Other documents**4.14 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.

4.15 Is the applicant firm currently trading?

☐ No ▶ Continue to Section 5

☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up to date management accounts

☐ Attached

5

Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

5.1 Is the applicant firm a secondary intermediary?

- ☐ No ▶ Continue to Question 5.3
☐ Yes ▶ Continue to Question 5.2

5.2 Is the applicant firm selling connected travel insurance only?

- ☐ Yes ▶ Continue to Section 6
☐ No ▶ You must give the name of the person who will perform the limited scope function (SMF29) and be responsible for insurance distribution activities. This person must complete and submit a 'Form A - Application to perform controlled functions' see <https://www.handbook.fca.org.uk/handbook/SUP/10C>

--

When you have completed Question 5.2 please continue to Section 6.

5.3 Is the applicant firm a sole trader?

- ☐ Yes ▶ Continue to Question 5.6
☐ No ▶ Continue to Question 5.4

Senior management functions

5.4 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

- UK core firms ▶ Continue to 5.4.1
 Third country firms ▶ Continue to 5.4.2
 Enhanced firms ▶ Continue to 5.4.3

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

5.4.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

5.4.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

5.4.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

5.5 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 5.4 see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information

How many 'Form As' are being sent with this application?

5.6 You must give the name of the individual who will be responsible for insurance distribution activities.

Responsibility for insurance distribution activities is not a senior management function, but you must specify a person to be responsible for it. The individual must be performing a FCA governing function (excluding a non-executive function) or the limited-scope function.

Name of individual	
Individual to be responsible for insurance distribution activity	<input type="text"/>

6

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

The references that we have included below, e.g. ICOBS 4.1 are Handbook references. Please see the notes to the core details form for a brief explanation about the Handbook.

The applicant firm must, as a minimum, have in place compliance procedures to meet our rules in relation to:

- (a) the scope of the applicant firm's business;
- (b) complaints handling (DISP 1 & 2);
- (c) financial crime (you will be asked for more details about this in question 6.4) (SYSC 3.2.6);
- (d) training and competence (TC 1 & 2);
- (e) business continuity (SYSC 3.2.19);
- (f) the fit and proper criteria for approved persons (FIT 2);
- (g) communication with clients (ICOBS 2.2);
- (h) record keeping (SYSC 3.2.20, ICOBS 2.4);
- (i) notifications to the FCA (SUP 15);
- (j) reporting requirements (SUP 16);
- (k) status disclosure (ICOBS 4.2);
- (l) conflicts of interest (ICOBS 2.3);
- (m) product disclosure (ICOBS 6);
- (n) remuneration policies (SYSC 3.2.18);
- (o) reliance on others (ICOBS 2.5); and
- (p) exclusion of liability (ICOBS 2.5).

The business the applicant firm is carrying on will determine what other compliance procedures it must have. The compliance procedures above, together with the information in (a) to (j) below (if applicable) form the core of a Compliance Manual

- (a) charges and commission (ICOBS 4.3, 4.4);
- (b) claims handling (ICOBS 8);
- (c) financial promotion (ICOBS 2.2);
- (d) appointed representatives (SUP 12);
- (e) Code of conduct (COCON);
- (f) Systems and controls in relation to financial crime and money laundering (SYSC 3.2.6);
- (g) the employees' responsibilities under the money laundering regime, including customer identification procedures;
- (h) non advised sales (ICOBS 5.2);
- (i) advised sales (ICOBS 5.3); and

- (j) client assets (CASS 5).

There may be **other** compliance procedures and policies, which the applicant firm will need to include in its compliance manual depending on the type of business it intends to carry on. If you are unsure whether you need to include anything else, please take professional advice.

6.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (see page 24)

The compliance monitoring programme must be relevant to the regulated activities that the applicant firm wishes to carry on and to its business, so the compliance monitoring programme should be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions you and your staff will take to ensure the applicant firm complies with our rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedures being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer; and
- what records of the checks will be kept to confirm they have taken place.

6.2 You must confirm that you have attached a compliance monitoring programme.

☐ Attached

Financial crime

6.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3).

Please include the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients.

7

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

7.1 Fee Block A.19 – General insurance distribution

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service general levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for Ombudsman Service exemption (see Question 7.6).

7.2 The ombudsman service's industry block I017 – General insurance distribution

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 7.7). Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year when a firm obtains authorisation in the last quarter of the fee year.

7.3 FSCS class SB02 – General insurance distribution

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

Amount	£
Confirm amount in words	

7.4 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to pure protection business?

Amount	£
Confirm amount in words	

Declaration of ongoing FCA fees liability

7.5 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of FSCS and Ombudsman Service exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

7.6 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is Ombudsman Service exempt

7.7 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for firms selling investments, home finance and non-investment insurance contracts

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	11
3	Financial resources	15
4	Personnel	23
5	Compliance arrangements	25
6	Fees and levies	28

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base, introducers or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised, non-advised and execution only (if applicable) basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on;
- the background and experience of all the persons senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and
- full details of how the firm is complying with the Retail Distribution Review.

Please confirm that you have attached a business plan with the application:

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Type of mortgage business to be undertaken**1.3 Please confirm what type of mortgage business the applicant firm proposes to undertake?**

- ☐ First charge only
- ☐ Second charge only
- ☐ Both first and second charge

Mortgage Credit Directive (MCD)**1.4 Will the applicant firm be a tied MCD credit intermediary?**

(This means any intermediary who acts on behalf of and under the full and unconditional responsibility of (a) only one MCD lender, (b) only one group or (c) a number of MCD lenders or groups which does not represent the majority of the market)

- ☐ Yes
- ☐ No
- ☐ N/A ▶ Applicant firms should only select N/A if they are not a MCD firm

Consumer buy-to-let (CBTL)**1.5 Does the applicant firm also want to register as a consumer buy-to-let (CBTL) firm?**

- ☐ Yes ▶ You must complete the separate CBTL registration form that can be found [here](#) and submit with this application.
- ☐ Attached
- ☐ No ▶ The following standard requirement will be added to the firm's scope of permission

The firm must not carry on any activity that would constitute consumer buy-to-let mortgage business as defined in Part 3 of the Mortgage Credit Directive Order 2015 (SI 910/2015) unless registered as a consumer buy-to-let mortgage firm

Services

1.6 What services will the applicant firm be offering to its customers?

For investment business the categories are:

- ☐ Independent ▶ You must give details below of how the applicant firm will be able to confirm this, and what fee structure it will have in place.
- ☐ Restricted ▶ You must give details below of how the applicant firm will be carrying out its business activities and in what way the advice will be restricted, including any product providers/other firms the applicant firm will be linked with and/or tied to, and what fee structure it will have in place.

The applicant firm must also specify if it plans to give either:

- ☐ simplified advice; or
- ☐ basic advice.

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For non-investment insurance business the categories are:

- ☐ Single insurer
- ☐ Limited number of insurers
- ☐ Fair analysis of the market

All business activities

1.7 Does the applicant firm intend carrying on any unregulated business activities?

- ☐ No ▶ Continue to Question 1.8
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.8 You must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.9 How will the applicant firm be remunerated?

- ☐ Fixed fees
☐ Percentage-based fees
☐ Commissions
☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.10 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.11 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

--

1.12 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.13
☐ Yes ▶ You must give details below

--

1.13 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services; and/or
- establishment of a branch; and/or
- appointing a tied agent?

☐ No ▶ Continue to Question 1.14

☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

1.14 You must give details of the geographical location and residency status of the intended clients the applicant firm is planning on dealing with and how the information will be captured and retained/monitored.

☐ UK

☐ EEA

☐ Other ▶ you must specify below.

Outsourcing with third parties**1.15 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.16.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?**1.16.2 How will the applicant firm's senior management ensure that:**

- **fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and**
- **it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

1.16.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

Non-advised sales (for investment and non-investment insurance contracts business only)

1.17 Will the applicant firm be carrying out non-advised sales?

- ☐ Yes ▶ Continue to Question 1.17.1
☐ No ▶ Continue to Question 1.18

1.17.1 What controls are in place to ensure staff do not provide advice when answering questions?

1.17.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.

1.17.3 How does the applicant firm ensure clients are clear about the service being provided to them?

Non-mainstream pooled investments (NMPIs) including Unregulated Collective Investment Schemes (UCIS)

1.18 Will the applicant firm promote NMPI? This will generally include advertising, advised and non-advised sales.

- ☐ Yes
☐ No ▶ Continue to Question 1.19

1.18.1 The promotion of NMPI to retail investors is severely restricted. What controls are in place to ensure that NMPI are only promoted to eligible customers?

Platforms

1.19 Will the applicant firm be using a platform(s) to administer its client's investment portfolios?

- ☐ Yes ▶ Continue to Question 1.19.1
☐ No ▶ Continue to Question 1.20

1.19.1 How has the applicant firm assessed the risks posed to it and to its clients by the use of platforms? What risks have been identified, and how will the applicant firm manage those risks?

1.19.2 What conflicts of interest have been identified and how will they be managed?

1.19.3 What Management Information (MI) will be collected in relation to these clients?

1.19.4 How will client investment reviews be managed and carried out for these clients?

1.19.5 How will the applicant firm deal with clients for whom the platform used may not be suitable, or who would not benefit from the use of platforms?

1.19.6 Please provide details of any ongoing training need identified for advisers and how it will be met.

Mortgage business

1.20 For mortgage and other home finance business, please provide details of the applicant firm's anticipated spread of business for the first 12 months of authorisation in the following categories.

Prime	%
Impaired	%

1.21 Will the applicant firm be carrying out execution only sales?

- ☐ No ▶ Continue to Question 1.22
☐ Yes ▶ Continue to Question 1.21.1

1.21.1 Firms are required to have an execution policy. You must confirm that the applicant firm has an execution policy in place.

- ☐ Yes

1.21.2 How does the applicant firm ensure clients are clear about the service being provided to them?**1.22 Has the applicant firm or any of its advisers ever been removed from a lenders panel?**

- ☐ No ▶ Continue to Question 1.23
☐ Yes ▶ Please provide details below, including reasons

1.23 Will the applicant firm use 'introducers' for new business?

- ☐ No ▶ Continue to Question 1.24
☐ Yes ▶ What controls are in place around the use of introducers on an initial and ongoing basis?

Insurance business**1.24 For non-investment insurance business, what types of general insurance products does the applicant firm intend to advise on or arrange (select all that apply)?**

- ☐ Pure protection policies ▶ Continue to Section 2
☐ Payment protection contracts (PPI) ▶ Continue to Question 1.24.1
☐ Other general insurance contracts ▶ Continue to Section 2

1.24.1 Please describe below how the applicant firm will ensure that a PPI policy meets a client's demands and needs. This should include the following points:

- the applicant firm's procedures, suitability assessments (if advised sales) and scripts (if information is provided to clients orally);
- how the applicant firm will ensure that the procedures, assessments and scripts comply with conduct of business requirements and TCF outcomes; and
- the controls the applicant firm will put in place to ensure staff adhere to the procedures, assessments and scripts.

1.24.2 What steps will the applicant firm take to ensure eligibility is assessed for all its PPI sales?

--

2 Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Clients

2.1 What type of clients will the applicant firm carry on business with?

For investment business the client categories are:

- ☐ retail (investment)
- ☐ professional

For non-investment insurance contracts business the client categories are:

- ☐ retail (non-investment insurance)
- ☐ commercial customer

For mortgage and other home finance activities the client category is:

- ☐ customer

If you have not selected at least one type of client for each business you should check that you are completing the correct supplement.

Permission profile

How to choose which permission profile to apply for

There are two standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types the applicant firm could have. You should carefully consider which permission profile is the correct one.

If the applicant firm intends to do any of the following activities, please choose one of the standard permission profiles and add these activities (see Questions 2.3-2.12 of this supplement). The activities are:

- advising on pension transfers/ opt-outs;
- advising on Peer to Peer agreements;
- funeral plan contracts;
- providing basic advice on stakeholder products;
- assisting in the administration and performance of a non-investment insurance contracts;
- dealing as agent in non-investment insurance contracts;

- home reversion plans;
- home purchase plans;
- regulated sale and rent back agreements; and/or
- alternative debentures.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of FSMA. So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.2 Which permission profile does the applicant firm wish to apply for (see pages 12-13 in the notes to this supplement)?

- ☐ Permission profile 1: Firm selling investments, mortgages and non-investment insurance contracts that **does not** hold client money; or
- ☐ Permission profile 2: Firm selling investments, mortgages and non-investment insurance contracts that **does** hold client money.

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity, as appropriate, to applicant firms applying for authorisation, so this is also included in the profiles.

2.3 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table A – Advising on pension transfers/opt-outs (see page 14 in the notes to this supplement).

- ☐ Table A – Advising on pension transfers/opt-outs.

The applicant firm must have a member of staff with an appropriate qualification (e.g. the G60 paper of the AFPC qualification or the Unit AF3 of the CII Advanced Diploma in Financial Planning qualification) and experience if it intends to carry on pension transfers/opt-outs business.

2.4 Tick the following box if the applicant firm wants to apply for the additional regulated activity of Advising on Peer to Peer agreements

- ☐ Advising on Peer to Peer agreements (there are no investment types applicable)

2.5 Tick the following box if the applicant firm wants to apply for permission to carry on the additional investment type shown in Table B – Funeral plan contracts (see page 15 in the notes to this supplement).

- ☐ Table B – Funeral plan contracts.

2.6 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table C – Providing basic advice on stakeholder products (see page 16 in the notes to this supplement).

- ☐ Table C – Providing basic advice on stakeholder products

2.7 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table D – Assisting in the administration and performance of non-investment insurance contracts (see page 17 in the notes to this supplement).

- ☐ Table D – Assisting in the administration and performance of non-investment insurance contracts

- 2.8 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table E – Dealing as agent in non-investment insurance contracts (see page 18 in the notes to this supplement).**

☐ Table E – Dealing as agent in non-investment insurance contracts

- 2.9 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home reversion plans, shown in Table F (see page 19 in the notes to this supplement).**

☐ Table F – home reversion plans

The applicant firm must have employee(s) with an appropriate qualification (e.g. HR1 or the Certificate in Equity Release from the CII) and experience if it intends to carry on home reversion business.

- 2.10 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to home purchase plans, shown in Table G (see page 20 in the notes to this supplement).**

☐ Table G – home purchase plans

- 2.11 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to regulated sale and rent back agreements, shown in Table H (see page 21 in the notes to this supplement).**

☐ Table H – regulated sale and rent back agreements

We regard regulated sale and rent back agreements as products that present higher risks to customers than other home finance products. Therefore, we require the applicant firm to evidence it has employee(s) with the relevant experience of this business.

- 2.12 Tick the following box if the applicant firm wants to apply for the additional regulated activities in relation to Alternative debentures, shown in Table I (see page 22 in the notes to this supplement).**

☐ Table I – Alternative debentures

We regard alternative debentures as specialist products. Therefore we require the applicant firm to evidence it has employee(s) with the relevant experience of this product.

- 2.13 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, please give details here.**

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Standard limitation – regulated mortgage contracts - limited to second charge business only

This question is only applicable to applicant firms applying to do second charge business only

2.16 Does the firm want to apply for a limitation on each of their regulated mortgage activities limiting them to second charge business only?

☐ Yes

☐ No

3

Financial Resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Does the applicant firm intend to hold client money?

- ☐ No ▶ Continue to Question 3.2
- ☐ Yes, for mortgage and other home finance business only ▶ Continue to Question 3.2
- ☐ Yes, for investment business only ▶ Continue to Question 3.1.2
- ☐ Yes, for non-investment insurance contracts business only ▶ Continue to Question 3.1.1
- ☐ Yes, for both mortgage and other home finance and non-investment insurance contracts business ▶ Continue to Question 3.1.1
- ☐ Yes, for both mortgage and other home finance and investment business ▶ Continue to Question 3.1.2
- ☐ Yes, for both non-investment insurance contracts business and investment business ▶ Continue to Question 3.1.1
- ☐ Yes, for mortgage and other home finance, investment and non-investment insurance contracts business ▶ Continue to Question 3.1.1

3.1.1 You must tick the appropriate box to confirm how the applicant firm intends to deal with the segregation of client money or assets for its non-investment insurance contracts business:

- ☐ Statutory trust
- ☐ Non-statutory trust
- ☐ Risk transfer
- ☐ Mix of risk transfer and statutory trust
- ☐ Mix of risk transfer and non-statutory trust

3.1.2 Please state for the next 12 months (from application submission date) the applicant firm's projected highest total amount of client money at any one point in time.

£

All applicant firms

3.2 Which prudential categories apply to the applicant firm?

As the applicant firm is intending to carry on business in investments, home finance and non-investment insurance contracts, you must select the prudential category or categories that apply to each type of business. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

A category B firm that is a personal investment firm

☐ B1 firm: personal investment firm whose permissions include dealing in investments as principal

B2 firm categories apply to firms **intending** to hold or control client money

☐ B2 firm: personal investment firm (does not deal in investments as principal)

B3 firm categories apply to firms **not intending** to hold or control client money

☐ B3 firm (with managing permission): personal investment firm (manages investments in respect of portfolios containing only life policies or delegate such activity to an investment firm)

☐ B3 firm (without managing permission)

Home finance firm category

☐ Home finance Intermediary that does not hold client money for its mortgage and home finance business)

☐ Home finance Intermediary (that holds client money for its mortgage and home finance business)

Non-investment insurance contracts categories

☐ Insurance intermediary

☐ Insurance intermediary (that holds client money for its non-investment insurance business only)

3.2.1 What is the applicant firm's resource requirement?

IPRU (INV) and MIPRU - Where a firm is subject to both IPRU (INV) and MIPRU, in accordance with IPRU (INV) 13.13.3, it must calculate its requirement as the higher of:

- (e) 20,000 (under the transitional arrangement this is £15,000 until 30 June 2017); and
- (f) The sum of 1) the requirement computed based on its business subject to IPRU (INV) plus 2) the requirement computed based on its business subject to MIPRU (excluding the minimum fixed amounts specified in MIPRU).

Resource Requirement	
----------------------	--

This will be the applicant firm's resource requirement.

Financial resources

This section asks how the applicant firm will meet its financial resource requirements.

3.3 Which type of firm is the applicant firm?

- | | |
|--|-----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.4 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.8 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.10 |

Limited Company

3.4 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.5 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.11**Sole trader****3.6 You must attach the following:**Statement of personal assets and liabilities (see notes) ☐ AttachedStatement of business assets and liabilities (see notes) ☐ Attached**Continue to Question 3.11****Partnership****3.7 You must attach the following:**

Statement of personal assets and liabilities (see notes)

(one per partner)

☐ Attached

Statement of business assets and liabilities (see notes)

(one only)

☐ Attached**Continue to Question 3.11****Limited Liability Partnership****3.8 You must state the amounts of the different sources of the applicant firm's capital**

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.9 You must attach the following:

Members' capital agreement (see notes)

☐ Attached**Continue to Question 3.11**

Other applicant firms

3.10 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.11 Does the applicant firm have any subordinated loans?

- ☐ No ▶ Continue to Question 3.12
☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
Amount	
Date of agreement	
Nature of loan	

Repayment terms, including number of instalments and final payment date

--

Interest payable		%
------------------	--	---

Other funding

3.12 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.13 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.14

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover.)

--

3.14 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£
Amount of additional capital required for excluded business or liabilities.	£

*You may be asked to confirm these details before we authorise your firm.

Other documents**3.15 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.

3.16 Is the applicant firm currently trading?

- ☐ No ▶ Continue to section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts
 - ☐ Attached

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior management functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	

SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in 'Form A – Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1' See <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many Form A's are being sent with this application?

Non-investment insurance contracts business

4.3 You must give the name of the individual who will be responsible for insurance distribution activities.

Responsibility for insurance distribution activities is not a senior management function, but the applicant firm must specify a person to be responsible for it. The individual must hold an FCA governing function (excluding a non-executive function) or the limited scope-function.

Name of individual

Name of individual	
Individual to be responsible for insurance distribution activity	

Person responsible for MCD intermediation activities

Responsibility for MCD intermediation activities is not a senior management function, but you must specify a person to be responsible for it. The individual must hold an FCA governing function (excluding a non-executive function) or the limited-scope function.

4.4 Name of individual to be responsible for MCD intermediation activities

☐ N/A ▶ the applicant firm is not an MCD firm

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 45).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with our rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information (see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the controls in place to prevent the applicant firm from being used for fraudulent purposes in relation to mortgage business;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Conduct of business

5.4 Which methods of sale does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intends to use and the approximate percentages.

5.5 You must provide the following (for investment and non-investment insurance contracts business only):

- a brief description of the disclosure documents (e.g. Initial Disclosure Document, Terms of business) that the applicant firm will give to its clients; and
- information on which stage of the sales process the disclosure documents will be provided.

Suitability of advice

5.6 Does the applicant firm intend to carry on business with retail clients for their investment business?

- ☐ No ▶ Continue to Section 6
- ☐ Yes ▶ You must provide a brief description of the steps the applicant firm will take to ensure retail clients understand the nature of the risks of the products recommended and that advice is suitable for the circumstances and needs.

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Ombudsman Service and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.2 Fee Block A.18 – Home finance providers, advisers and arrangers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business (including home reversion, home purchase and regulated sale and rent back activities)?

Amount	£
Confirm amount in words	

6.3 Fee Block A.19 – General insurance distribution

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the Regulatory fees. The Handbooks Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm does not conduct any business with eligible complainants it may apply for Ombudsman Service exemption (see Question 6.12).

6.4 The ombudsman service's industry block I008/I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

6.5 The ombudsman service's industry block I016 – Home finance providers, advisers and arrangers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	£
Confirm amount in words	

6.6 The ombudsman service's industry block I017 – General insurance distribution

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

Amount	£
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.13).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information provided here for calculating the FSCS levy in the second fee year when a firm obtains authorisation between in the last quarter of the fee year.

6.7 FSCS class SB02 – General insurance distribution

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

Amount	£
Confirm amount in words	

6.8 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	£
Confirm amount in words	

6.9 FSCS class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its investment mediation business?

Amount	£
Confirm amount in words	

6.10 FSCS class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

6.11 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of FSCS and the Ombudsman Service exemptions

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

6.12 The Ombudsman Service exemption – if the applicant firm will not carry on business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is Ombudsman Service exempt

6.13 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for firms selling investments

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	9
3	Financial resources	12
4	Personnel	19
5	Compliance arrangements	21
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1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 You must provide a regulatory business plan. It is important that this is tailored to the applicant firms business, otherwise it may lead to delays in the authorisation process.

As a guide, the business plan should include:

- the background to the business;
- why the applicant firm wishes to carry on regulated activities at this time;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base or purchase of client bank);
- current business lines being transacted with any existing clients;
- the types of products that the applicant firm will be selling, including identifying areas that it may specialise in;
- the types of products that will be sold on both an advised and non-advised basis;
- past employment/history of advisers to support the products lines being sold;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on;
- the background and experience of all the persons performing significant influence Senior Management Functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and
- full details of how the firm is complying with the Retail Distribution Review.

Please confirm that you have attached a business plan with the application.

☐ Attached

1.2 Is the applicant firm leaving a network?

- ☐ No ▶ Continue to Question 1.3
- ☐ Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

Services**1.3 What services will the applicant firm be offering to its customers?**

For investment business the categories are:

- ☐ Independent ▶ You must give details below of how the applicant firm will be able to confirm this, and what fee structure it will have in place.
- ☐ Restricted ▶ You must give details below of how the applicant firm will be carrying out its business activities and in what way the advice will be restricted, including any product providers/other firms the applicant firm will be linked with and/or tied to, and what fee structure it will have in place.

The applicant firm must also specify if it plans to give either:

- ☐ simplified advice; or
- ☐ basic advice.

--

All business activities**1.4 Does the applicant firm intend carrying on any unregulated business activities?**

- ☐ No ▶ Continue to Question 1.5
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
Description of the unregulated business the applicant firm will be conducting		

1.5 You must estimate the percentage and value of total business that will be:

Execution only	%	£
7Advice without subsequent arranging	%	£

1.6 How will the applicant firm be remunerated?

Tick all boxes that apply.

- ☐ Fixed fees
☐ Percentage-based fees
☐ Commissions
☐ Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

--

1.7 How many clients does the applicant firm expect to have in relation to its regulated activities?

At authorisation	
12 months after authorisation	

1.8 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

--

1.9 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.10
- ☐ Yes ▶ You must give details below

1.10 Does the applicant firm intend to carry on any regulated activities in another EEA state by:

- provision of cross border services; and/or
 - establishment of a branch; and/or
 - appointing a tied agent?
- ☐ No ▶ Continue to Question 1.11
- ☐ Yes ▶ You must give details below including scale of the activity and the countries where it will be carried on. Please see notes for further information.

1.11 You must give details of the geographical location and residency status of the intended clients the applicant firm is planning on dealing with and how the information will be captured and retained/monitored.

- ☐ UK
- ☐ EEA
- ☐ Other ▶ you must specify below.

Outsourcing with third parties**1.12 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.13.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?**1.13.2 How will the applicant firm's senior management ensure that:**

- **fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and**
- **it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

1.13.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?**Non-advised sales****1.14 Will the applicant firm be carrying out non-advised sales?**

- ☐ Yes ▶ Continue to Question 1.14.1
- ☐ No ▶ Continue to Question 1.15

1.14.1 What controls are in place to ensure staff do not provide advice when answering questions?**1.14.2 Please provide details of any scripts or guidance provided to staff and details of any controls in place to ensure staff adhere to the scripts.****1.14.3 How does the applicant firm ensure clients are clear about the service being provided to them?**

Non-mainstream pooled investments (NMPIs) including Unregulated Collective Investment Schemes (UCIS)

1.15 Will the applicant firm promote NMPI? This will generally include advertising, advised and non-advised sales.

☐ Yes

☐ No ▶ Continue to Question 1.16

1.15.1 The promotion of NMPI to retail investors is severely restricted. What controls are in place to ensure that NMPI are only promoted to eligible customers?

Platforms

1.16 Will the applicant firm be using a platform(s) to administer its client's investment portfolios?

☐ Yes ▶ Continue to Question 1.16.1

☐ No ▶ Continue to Section 2

1.16.1 How has the applicant firm assessed the risks posed to it and to its clients by the use of platforms? What risks have been identified, and how will the applicant firm manage those risks?

1.16.2 What conflicts of interest have been identified and how will they be managed?

1.16.3 What Management Information will be collected in relation to these clients?

1.16.4 How will client investment reviews be managed and carried out for these clients?

1.16.5 How will the applicant firm deal with clients for whom the platform used may not be suitable, or who would not benefit from the use of platforms?

1.16.6 Please provide details of any on-going training need identified for advisers and how it will be met.

--

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Clients

2.1 What type of clients will the applicant firm carry on business with?

For investment business the client categories are:

- ☐ retail (investment)
☐ professional

If you have not selected a type of client above you should check that you are completing the correct supplement.

Permission profile

How to choose which permission profile to apply for

There are two standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types that the applicant firm could have. You should carefully consider which permission profile is the correct one.

If the applicant firm intends to do any of the following activities, please choose one of the standard permission profiles and add these activities (see Questions 2.3-2.7 of this supplement). The activities are:

- advising on pension transfers / opt-outs;
- advising on Peer to Peer agreements;
- funeral plan contracts;
- providing basic advice on stakeholder products;
- alternative debentures.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of FSMA. So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.2 Which permission profile does the applicant firm wish to apply for (see page 9 and 10 in the notes to this supplement)?

- ☐ Permission profile 1: Firm selling investments that **does not** hold client money; or
- ☐ Permission profile 2: Firm selling investments that **does** hold client money

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity, as appropriate, to applicant firms applying for authorisation, so this is also included in the profiles.

2.3 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table A – Advising on pension transfers/opt-outs (see page 11 in the notes to this supplement).

- ☐ Table A - Advising on pension transfers/opt-outs.

The applicant firm must have a member of staff with an appropriate qualification (e.g. the G60 paper of the AFPC qualification or the Unit AF3 of the CII Advanced Diploma in Financial Planning qualification) and experience if it intends to carry on pension transfers/opt-outs business.

2.4 Tick the following box if the applicant firm wants to apply for the additional regulated activity of Advising on Peer to Peer agreements.

- ☐ Advising on Peer to Peer agreements (there are no investment types applicable)

2.5 Tick the following box if the applicant firm wants to apply for permission to carry on the additional investment type shown in Table B – Funeral plan contracts (see page 12 in the notes to this supplement).

- ☐ Table B – Funeral plan contracts.

2.6 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table C – Providing basic advice on stakeholder products (see page 13 in the notes to this supplement).

- ☐ Table C – Providing basic advice on stakeholder products

2.7 Tick the following box if the applicant firm wants to apply for the additional regulated activity shown in Table D – Alternative debentures (see page 14 in the notes to this supplement).

- ☐ Table D – Alternative debentures

We regard alternative debentures as specialist products therefore we require people with the relevant experience.

2.8 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, please give details here.

--

3

Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Client money

3.1 Does the applicant firm intend to hold client money?

- ☐ No ▶ Continue to Question 3.2
☐ Yes ▶ Continue to Question 3.1.1

3.1.1 Please state for the next 12 months (from application submission date) the applicant firm's projected highest total amount of client money at any one point in time.

£

Prudential categories

3.2 Which prudential category applies to the applicant firm?

You must select the prudential category that applies to the applicant firm. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

A category B firm that is a personal investment firm

☐ B1 firm: Personal investment firm whose permissions include dealing in investments as principal

B2 firm categories apply to firms **intending** to hold or control client money

☐ B2 firm: personal investment firm (does not deal in investments as principal)

B3 firm categories apply to firms **not intending** to hold or control client money

☐ B3 firm with managing permissions: personal investment firm (manages investments in respect of portfolios containing only life policies or delegate such activity to an investment firm)

☐ B3 firm (without managing permission)

Financial resources

This section asks how the applicant firm will meet its financial resource requirement.

3.3 Which type of firm is the applicant firm?

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Limited company | ▶ Please continue to Question 3.4 |
| <input type="checkbox"/> Sole trader | ▶ Please continue to Question 3.6 |
| <input type="checkbox"/> Partnership | ▶ Please continue to Question 3.7 |
| <input type="checkbox"/> Limited liability partnership | ▶ Please continue to Question 3.8 |
| <input type="checkbox"/> Other | ▶ Please continue to Question 3.10 |

Limited Company

3.4 You must state the amounts of the different sources of the applicant firm's capital.

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves*	
<input type="checkbox"/>	(Verified) interim net profits*	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
Total		

* Audit may not be required if exempt under the Companies Act 1985

3.5 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.11

Sole trader

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Partnership

3.7 You must attach the following:

Statement of personal assets and liabilities (see notes)

(one per partner)

☐ Attached

Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.11

Limited Liability Partnership

3.8 You must state the amounts of the different sources of the applicant firm's capital.

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.9 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.11

Other applicant firms

3.10 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.11 Does the applicant firm have any subordinated loans?

☐ No ▶ Continue to Question 3.12

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D required forms – 13.1.

If there is more than one subordinated loan please use a separate sheet of paper.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
Amount	
Date of agreement	
Nature of loan	

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.12 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.13

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding please use a separate sheet of paper if required.

If you have used separate sheets of paper please indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

3.13 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?

☐ Yes ▶ Continue to Question 3.14

☐ No ▶ You must provide an explanation in the box below

☐ I am exempt ▶ You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover).

--

3.14 You must provide the details of the applicant firms PII cover*

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£
Amount of additional capital required for excluded business or liabilities.	£

*You may be asked to confirm these details before we authorise your firm.

Other documents**3.15 All applicant firms must provide the following:**

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation

3.16 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts
 - ☐ Attached

4

Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff with adequate quality, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior management functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	

SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in a 'Form A – Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1 , see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information

How many 'Form A's' are being sent with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 35).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with the FCA's rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by the FCA;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm that you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

Please include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the anti-money laundering training the applicant firm will provide for all its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Conduct of business

5.4 Which methods of sale does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?

Method of sale	Approximate % of total sales
<input type="checkbox"/> Face-to-face	
<input type="checkbox"/> Telephone sales	
<input type="checkbox"/> Internet-based sales	
<input type="checkbox"/> Postal	

☐ Other ▶ Give details below of the method(s) the applicant firm intends to use and the approximate percentages.

5.5 You must provide the following:

- a brief description of the disclosure documents (e.g. Initial Disclosure Document, Terms of business) that the applicant firm will give to its clients; and
- information on which stage of the sales process the disclosure documents will be provided.

Suitability of advice

5.6 Does the applicant firm intend to carry on business with retail clients for their investment business?

- ☐ No ▶ Continue to Section 6
- ☐ Yes ▶ You must provide a brief description of the steps the applicant firm will take to ensure retail clients understand the nature of the risks of the products recommended and that advice is suitable for the circumstances and needs.

6 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees once they become authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service general levy can be lower than that reported under the FCA fees section. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.6).

6.2 FOS industry block I008 or I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers?

Amount	
Confirm amount in words	

Financial Services Compensation Scheme (FCSC) Levy

The FSCS levy only covers business that could give rise to a protected claim from an **eligible claimant**. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fees section. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.7).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year when a firm obtains authorisation in the last quarter of the fee year.

6.3 FSCS class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	£
Confirm amount in words	

6.4 FSCS class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its investment mediation business?

Amount	£
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.5 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the Ombudsman Service exemptions

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

- 6.6 The Ombudsman Service exemption – if the applicant firm will not conduct business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is Ombudsman Service exempt

- 6.7 FSCS exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for securities and futures firms (complex)

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you to answer the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for and is only applicable to firms that do not meet the definition of a non-complex securities and futures firm.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

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2	Scope of Permission required	7
3	Financial resources	12
4	Personnel	18
5	Compliance arrangements	20
6	Fees and levies	22

1

Regulatory business plan**Why we ask the questions in this section**

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background**You must use a separate sheet of paper to answer Questions 1.1-1.6.**

Please indicate how long the regulatory business plan provided is:

Number of pages	
-----------------	--

The level of detail provided should reflect the scale and complexity of the applicant firm's proposed business.

If any of the information you provide is unclear, we will ask you about it.

1.1 You must briefly explain why the applicant firm is establishing the business for which it is seeking authorisation.

1.2 You must describe the business the applicant firm is proposing to carry on.

In describing its proposed business, the applicant firm should avoid using industry terminology as far as possible. Where it does use it, the applicant firm should explain it.

The applicant firm's description of its proposed business must:

- outline – in clear, plain language – the sorts of transactions in which the applicant firm will typically be involved;
- indicate whether these transactions will be carried on exchange and/or over the counter, and whether the applicant firm will itself require membership of any exchange (in which case, the status of the applicant firm's application for membership of the exchange(s) must be provided);
- explain the applicant firm's own role in these transactions;
- identify the various other parties to, and their roles in, these transactions, indicating which of these parties will be the applicant firm's clients;
- itemise the various different financial instruments to which these transactions will relate; and
- the applicant firm must illustrate this transaction process in diagrammatic/flow-chart form, in which case, the applicant firm's role in the transaction should be clearly distinguished.

☐ **Transaction flow chart provided on separate sheet.**

1.3 You must explain how the applicant firm's proposed business corresponds with the regulated activities it is applying for permission to carry on. Also include the respective investment and client types in and for which it will carry on each regulated activity (it will not necessarily carry on business in and for the same investment and client types for each regulated activity).

1.4 You must indicate whether any components of the applicant firm's proposed business will not be regulated (and for which it will not therefore be authorised).

- 1.5 You must indicate the overall percentage split of the applicant firm's income between its authorised and unauthorised business.**
- 1.6 For each individual who is applying for approval to perform a senior management function, you must summarise how their background, skills and experience will equip them to do so.**

Clients

- 1.7 You must explain how the applicant firm will source its clients, referring to any existing contacts/relationships. Outline how it will seek to market its services to prospective new clients, both initially and in the future.**

--

- 1.8 How many clients does the applicant firm expect to have in relation to its regulated activities?**

at authorisation	
12 months after authorisation	

- 1.9 You must describe (in terms of both geographical location and their own commercial/business activities) the types of individuals/businesses the applicant firm is expecting to become its clients.**

--

- 1.10 You must itemise how the respective sections of the applicant firm's client base identified in Question 1.3 will be categorised in terms of regulatory classification.**

--

Income

1.11 How will the applicant firm be remunerated?

Tick all boxes that apply:

- ☐ Fixed fees
- ☐ Percentage-based fees
- ☐ Commissions
- ☐ Spreads
- ☐ Other – you must give details below.

You must give precise details regarding the applicant firm's remuneration structure, including both monies received from clients and from any provider firms used.

Where applicable you must provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities you must also give details below.

1.12 If the applicant firm's income will be derived other than by charging its clients, you must tell us how it will disclose/explain to its clients its arrangements for receiving remuneration.

All business activities

1.13 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

1.14 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.15
- ☐ Yes ▶ You must give details below:

1.15 Please explain why the applicant firm falls outside of MiFID**Outsourcing with third parties****1.16 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.17.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?**1.17.2 How will the applicant firm's senior management ensure that:**

- fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and
- it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

1.17.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

The applicant firm's requested Scope of Permission should correspond with the description of its proposed business **in its regulatory business plan**.

Permission profile

You must refer to the table showing the range of regulated activities and a list of investment types and client types on the next page. For each regulated activity the applicant firm is requesting permission to carry on, you must tick the respective investment types in which, and client types for which, it is seeking to carry on that regulated activity.

2.1 You must confirm that the applicant firm has completed the Permission Profile table.

☐ Yes

PERMISSION PROFILE TABLE

INVESTMENT TYPE	REGULATED ACTIVITY								
	Advising (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Dealing in investments as principal	Managing investments	Safeguarding and administration of assets	Arranging safeguarding and administration of assets	Sending dematerialised instructions
<u>SECURITY</u>									
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government and Public Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CONTRACTUALLY-BASED INVESTMENT</u>									
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spread Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rolling Spot Forex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CLIENT TYPE</u>									
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other regulated activities

2.2 Is the applicant firm seeking permission to carry on any regulated activities not included in the Permission Profile table?

- ☐ No ▶ Continue to Question 2.3
☐ Yes ▶ You must list them (with the corresponding investment and client types) below.

Agreeing to carry on a regulated activity

Under the permission regime, 'Agreeing to carry on a regulated activity' is a regulated activity in its own right. As a matter of course, a Securities and Futures firm will carry on this regulated activity (which is limited to agreeing to carry on only the other regulated activities specified in its Scope of Permission Notice).

2.3 You must confirm that the applicant firm requests permission to carry on this activity.

- ☐ Yes

Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in the investment type of 'rights to or interests in investments' is attached to each regulated activity that a Securities and Futures firm is authorised to carry on.

2.4 You must confirm that the applicant firm requests the attachment of this limitation to each regulated activity specified in its completed Permission Profile table.

- ☐ Yes

Standard requirement – client money

The applicant firm's Scope of Permission Notice will reflect whether or not it is permitted to hold and/or control client money.

2.5 Is the applicant firm seeking permission to hold and/or control client money

You must tick the relevant box below?

- ☐ No ▶ Continue to Question 2.8
☐ Control client money only ▶ Continue to Question 2.6
☐ Hold and Control client money only ▶ Continue to Question 2.6

- 2.6 Please state for the next 12 months (from application submission date) the applicant firm's projected highest total amount of client money at any one point in time.**

£

Safe custody assets / Custody assets

- 2.7 Is the applicant firm seeking permission to safeguard and administration of assets?**

☐ No ▶ Continue to Question 2.8

☐ Yes ▶ Please state for the next 12 months (from application submission date) the applicant firm's projected highest total value of safe custody assets at any one point in time.

£

Standard requirement for firms that will be exempt from MiFID

- 2.8 You must tick the box below if the applicant firm is exempt from MiFID by virtue of one or more exemptions in article 2 MiFID.**

☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis.

The above requirement will be contained in your Scope of Permission Notice.

Requirements - specific business categories

- 2.9 Is the applicant firm seeking authorisation to carry on business in any of the following specific categories only:**

- Energy market participant
- Oil market participant
- Venture Capital firm

☐ No ▶ Continue to Question 2.12

☐ Yes ▶ You must indicate which ones by ticking the boxes below.

☐ Energy market participant ▶ Continue to Question 2.11

☐ Oil market participant ▶ Continue to Question 2.11

☐ Venture Capital firm ▶ Continue to Question 2.10

In each of these cases, the applicant's specific business category will be reflected by a requirement in its Scope of Permission Notice.

- 2.10 You must confirm below if the applicant firm requires the following requirement:**

The firm must not conduct any designated investment business with retail clients other than venture capital business.

☐ Yes

- 2.11 You must confirm that the applicant firm requests the attachment of the appropriate requirement to its Scope of Permission**

☐ Yes

You must note that, in each of these cases, the description of the applicant firm's proposed business in Section 1, with its completed Permission Profile table, should correspond with the specific business category indicated by the applicant firm. If it is not clear how they correspond, we will ask you about this.

Other limitations/requirements

2.12 If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on its permission, then you must give details here.

--

3

Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial resources requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Prudential sub-category

As a Securities and Futures firm, the prudential requirements that will apply to the applicant firm will depend upon its prudential sub-category. Its prudential sub-category will be determined by its Scope of Permission, which will in turn be determined by its proposed business.

The applicant firm's nominated prudential sub-category should correspond with its Scope or Permission (as requested at Section 2) and the description of its proposed business in Section 1. If it is not clear how it does so, then we will query this with you.

3.1 Which prudential sub-category applies to the applicant firm?

The applicant firm's prudential sub-category determines the prudential rules that will apply to it. You can find the details of the prudential sub-categories in the notes to this supplement.

You must tick the prudential sub-category that applies to the applicant firm:-

Section A

Prudential sub-category

- ☐ Broad scope firm
- ☐ Dematerialised Instruction Transmitter
- ☐ Derivative fund manager
- ☐ Energy market participant
- ☐ Oil market participant
- ☐ Venture capital firm
- ☐ Other (including non-EEA branch), please specify in the box below

Financial resources

This section asks how the applicant firm will meet its financial resources/capital resources requirement.

3.2 What type of firm is the applicant firm?

- | | |
|--|----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.3 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.5 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.9 |

Limited Company

3.3 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.4 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.10

Sole trader

3.5 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached
 Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.10

Partnership

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes)
 (one per partner) ☐ Attached
 Statement of partnership business assets and liabilities (see notes)
 (one only) ☐ Attached

Continue to Question 3.10

Limited Liability Partnership

3.7 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.8 You must attach the following:

Members' capital agreement (see notes) ☐ Attached

Continue to Question 3.10

Other applicant firms

3.9 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

Subordinated loans

3.10 Does the applicant firm have any subordinated loans?

- ☐ No ▶ Continue to Question 3.11
☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D Required Forms

If there is more than one subordinated loan you must use a separate sheet of paper.

If you have used separate sheets of paper you must indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.11 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.12

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding you must use a separate sheet of paper if required.

If you have used separate sheets of paper you must indicate how many below.

Number of additional sheets	
Name of funding provider(s)	
Amount	
Nature of funding	
Repayment terms, including number of instalments and final payment date	
Interest payable	%

Other documents

3.12 All applicant firms must provide the following:

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

a) gross income, analysed between regulated and un-regulated activities;

b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and

c) profit before taxation.

Monthly calculation of the applicant firm's financial resources/capital resources against its financial resources/capital resources requirement, demonstrating how the former meet the latter, projected over a 12 month period after authorisation. This must include working papers showing the assumptions on which the calculations are based. ☐ Attached

3.13 Is the applicant firm currently trading?

☐ No ▶ Continue to Section 4

☐ Yes ▶ You must provide the applicant firm's end of year accounts and up-to-date management accounts

☐ Attached

4 Personnel

Why we ask the questions in this section

We must ensure the applicant firm has staff of adequate knowledge, skills and experience at all levels so that it satisfies and will continue to satisfy threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior management functions

4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below..

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	

SMF 27	Partner	
--------	---------	--

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in a 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Questions 4.1

See: <https://www.handbook.fca.org.uk/handbook/SUP/10C>

How many 'Form As' are being sent with this application?

4.3 Will the applicant firm be advising in derivatives to 'retail clients'?

- ☐ No ▶ Continue to Section 5
- ☐ Yes ▶ You must provide evidence that the advisers carrying out this activity have been assessed as competent to undertake such an activity and possess a complete qualification as per the provisions of TC2.1.7R.

5

Compliance arrangements

Why we ask the questions in this section

We need to ensure the applicant firm has the appropriate compliance arrangements in place to satisfy its regulatory obligations.

Compliance arrangements

You are not required to send compliance procedures with this application. However, the applicant firm must be able to produce a copy at any time while we are assessing the application, or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry on a programme of actions to check it carries on, and continues to carry on, its business in line with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 28).

The compliance monitoring programme must be relevant to, and tailored to reflect, the applicant firm's proposed business. Each applicant firm's compliance monitoring programme will therefore be unique to itself.

A compliance monitoring programme must describe the actions that the holder of the compliance oversight function and their staff will take to ensure that the applicant firm complies with our rules and guidance at all times. In particular, it must describe:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm you have attached a compliance monitoring programme.

☐ Yes

Financial crime

5.3 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

You must include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows his/her duties and is able to perform his/her senior management function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercise in relation to all its clients;
- the systems and controls that will be in place to ensure that 'know your business' information (see SYSC 3.2.6 and 6.3) is made available to its MLRO;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Market conduct

5.4 You must briefly describe the steps the applicant firm has put in place to counter the risk that it or its staff may engage in activity which constitutes market abuse.

You must include the following;

- the controls and procedures the applicant firm will have in place to mitigate the risk of market abuse;
- details of the anti-market abuse training the applicant firm will provide for its relevant staff; and
- the arrangements for monitoring the market abuse controls and procedures.

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's FCA fees. We will also use this information to calculate the levies for the Money Advice Service (MAS), Financial Ombudsman Service (the Ombudsman Service) and the levy for the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section..

FCA fees

6.1 Fee block A.7 – Portfolio Managers

How much total funds under management does the applicant firm estimate it will have at the end of the first year of authorisation?

Amount	£
Confirm amount in words	

6.2 Fee block A.10 – Dealers as Principal

How many traders does the firm estimate it will have at the end of its first year of authorisation?

Number	
Confirm number in words	

6.3 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee- block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

Number	
Confirm number in words	

6.4 FCA Fee Block A.14– Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

Number	
Confirm number in words	

The ombudsman service general levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the FCA fee. The Handbook Glossary defines 'Relevant Business' as business done with **consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for Ombudsman Service exemption (see Question 6.13).

6.5 Fee block I005 – Portfolio Managers

How much relevant funds under management does the applicant firm estimate for the first year of authorisation?

Amount	£
Confirm amount in words	

6.6 Fee block I007 – Dealers as Principal

How many relevant traders does the firm estimate it will have at the end of its first year of authorisation?

Number	
Confirm number in words	

6.7 Fee blocks I008/I009 – Advisory, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisors, arrangers, dealers or brokers?

Please exclude income from corporate finance business.

Number	
Confirm number in words	

6.8 Fee block I010 – Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

Number	
Confirm number in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be different to that reported under the FCA fee. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.14).

Newly authorised firms do not contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

6.9 Class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions intermediation (including pure protection) business?

Amount	£
Confirm amount in words	

6.10 Class SD01 – Investment provision

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment provision business?

Amount	£
Confirm amount in words	

6.11 Class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment intermediation business?

Amount	£
Confirm amount in words	

Declaration of ongoing FCA fees liability

6.12 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of FSCS and the ombudsman service exemption

Please note that if the applicant firm conducts business with private individuals then exemption is unlikely to be available. This is because private individuals are likely to qualify as eligible FSCS claimants and/or FOS complainants.

6.13 The ombudsman service exemption – if the applicant firm will not carry on business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is exempt from the ombudsman service

6.14 FSCS Exemption – if the applicant firm will not carry on business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for securities and futures firms (non-complex)

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you to answer our questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for and is only applicable to firms that wish to carry on the following securities and futures activities:-

- advising and/or arranging only;
- corporate finance advisory only.

You must ensure you answer every question. If a question is not applicable to the applicant firm, then it should be answered as 'Not Applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	8
3	Financial resources	10
4	Personnel	16
5	Compliance arrangements	18
6	Fees and levies	20

1

Regulatory business plan**Why we ask the questions in this section**

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background**1.1 You must provide a concise explanation why the applicant firm wishes to carry on regulated activities at this time.**

Include information about:

- the background to the business;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally; and
- the background and experience of all the individuals who are intended to perform senior management functions and how this will help them with their prospective roles. This should include employment background. You must enclose copies of any relevant qualifications/examinations.

If necessary, you must use a separate sheet of paper.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

--

1.2 Please explain why the applicant firm falls outside of MiFID?

--

Advice**1.3 Will the applicant firm be advising on investments?**

- ☐ No ▶ Continue to Question 1.4
☐ Yes ▶ Continue to Question 1.3.1

1.3.1 What types of clients will the applicant firm give advice to?

You must tick all boxes that apply

- ☐ Professional
☐ Eligible counterparties
☐ Retail

1.3.2 What types of investments will the applicant firm give advice on?

You must give details below.

There is a list of investment types set out in the Permission Profiles in pages 9 to 11 of the notes to this form. A full list of investment types can be found in our Handbook at PERG 2 (Annex 2).

--

1.3.3 You must detail below how the advice will be given (e.g. face to face, written research, newsletters containing investment advice to clients)?

1.3.4 Does the applicant firm intend to advise:

- ☐ UK clients?
- ☐ non-UK clients? ▶ You must provide further details below of the geographical location.

Arranging deals

1.4 Will the applicant firm be arranging (bringing about) deals in investments and/or making arrangements with a view to transactions in investments?

- ☐ No ▶ Continue to Question 1.5
- ☐ Yes ▶ Continue to Question 1.4.1

1.4.1 What types of clients will the applicant firm arrange for?

You must tick all boxes that apply:

- ☐ Professional
- ☐ Eligible counterparties
- ☐ Retail (investment)

1.4.2 What types of investments will the applicant firm be arranging deals in?

- ☐ Tick if same as in Question 1.3.2

If not the same as in Question 1.3.2 then you must give details below.

There is a list of investment types set out in the Permission Profiles in pages 9 to 11 of the notes to this form. A full list of investment types can be found in our Handbook at PERG 2 (Annex 2).

1.4.3 How will the arranging activities be carried on?

You must include a full description of the transactions and provide a transaction flow chart which includes any third party involved.

--

☐ Transaction flow chart provided on separate sheet.

All business activities**1.5 Does the applicant firm intend carrying on any unregulated business activities?**

- ☐ No ▶ Continue to Question 1.6
- ☐ Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting.

Unregulated activities	%	£
------------------------	---	---

Description of the unregulated business the applicant firm will be conducting	
---	--

1.6 You must estimate the percentage and value of total business that will be:

Execution only	%	£
Advice without subsequent arranging	%	£

1.7 How does the applicant firm intend to obtain clients initially and in the future?

--

1.8 How will the applicant firm be remunerated?

Tick all boxes that apply.

- ☐ Fixed fees
☐ Percentage-based fees
☐ Commissions
☐ Other – you must give details below.

You must give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used.

Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities you must also give details below.

--

1.9 How many clients does the applicant firm expect to have in relation to its regulated activities?

at authorisation	
12 months after authorisation	

The number of clients the applicant firm intends to arrange for:

at authorisation	
12 months after authorisation	

1.10 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant firm's presence in the market.

--

1.11 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.12
☐ Yes ▶ You must give details below

--

1.12 Does the applicant firm intend to become a member of a recognised futures and options exchange?

- ☐ No ▶ Continue to Question 1.14
☐ Yes ▶ You must give details below.

1.13 Which clearing member(s) of the futures and options exchange(s) identified in 1.12 will act as guarantor for the performance of the applicant firm's contracts?**Outsourcing with third parties****1.14 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

Permission profile

How to choose which permission profile to apply for

There are two standard permission profiles in the notes to this form. The permission profiles show the regulated activities and investment types the applicant firm could have. **You must detach (from the notes to this supplement), complete and submit as part of the application the permission profile for which you are applying.**

2.1 Which permission profile does the applicant firm wish to apply for (see pages 9-10 in the notes to this supplement)?

☐ **Permission profile 1** – has been left blank with a list of all the regulated activities and investment types applicable for an **Adviser** or an **arranger with the option of giving advice**.

☐ **Permission profile 2** – has been left blank with a list of all the regulated activities and investment types applicable for a **Corporate Finance Advisory firm with the option of arranging**.

Please note that in applying for one of the permission profiles in the notes, the applicant firm is agreeing to the limitations and requirements in the relevant profile.

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. We grant permission for this regulated activity, as appropriate, to applicant firms applying for authorisation, so this is also included in the profiles.

If the applicant firm carries on a regulated activity that is outside the scope of its permission notice, it could be in breach of FSMA. So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

Standard requirement for firms that will be exempt from MiFID

2.2 You must tick the box below if the applicant firm is exempt from MiFID by virtue of one or more exemptions in article 2 MiFID.

☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis.

The above requirement will be contained in your Scope of Permission Notice.

2.3 You must confirm that the applicant firm has completed and attached the permission profile for which it is applying.

☐ Attached

2.4 The permission profiles include standard limitations and requirements. If the applicant firm wants other limitations or requirements on its permission notice, you must give details here.

3 Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial resources requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them.

Prudential sub-category

As a securities and futures firm, the prudential requirements that will apply to the applicant firm will depend upon its prudential sub-category. Its prudential sub-category will be determined by its Scope of Permission, which will in turn be determined by its proposed business.

The applicant firm's nominated prudential sub-category should correspond with its Scope of Permission (as requested at Section 2) and the description of its proposed business in Section 1. If it is not clear how it does so, then we will query this with you.

3.1 Which prudential sub-category applies to the applicant firm?

The prudential sub-category determines how much capital the applicant firm will need. You can find details of the prudential sub-categories in the notes to this supplement.

Section A

Prudential sub-category

- ☐ adviser
- ☐ arranger/arranger also giving advice
- ☐ Corporate Finance Advisory firm
- ☐ Energy market participant
- ☐ Other, (including non-EEA branch), please specify in the box below

Financial resources

This section asks how the applicant firm will meet its financial resources requirements.

3.2 Which type of firm is the applicant firm?

- | | |
|--|----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.3 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.5 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.9 |

Limited Company

3.3 You must state the amounts of the different sources of the applicant firm's capital.

Please tick	Source	Amount
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.4 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.10

Sole trader

3.5 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached
Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.10

Partnership

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes)
(one per partner)

☐ Attached

Statement of partnership business assets and liabilities
(see notes) (one only)

☐ Attached

Continue to Question 3.10

Limited Liability Partnership

3.7 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.8 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.10

Other applicant firms

3.9 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

--

Sources of external funding

Subordinated loans

3.10 Does the applicant firm have any subordinated loans?

- ☐ No ▶ Continue to Question 3.11
- ☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D Required Forms – 13.1.

If there is more than one subordinated loan you must use a separate sheet of paper.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
-----------------------	--

Amount	
--------	--

Date of agreement	
-------------------	--

Nature of loan	
----------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other funding

3.11 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.14

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding, you must use a separate sheet of paper if required.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
-----------------------------	--

Amount	
--------	--

Nature of funding	
-------------------	--

Repayment terms, including number of instalments and final payment date

--

Interest payable	%
------------------	---

Other documents

3.12 All applicant firms must provide the following:

An opening balance sheet to demonstrate how the applicant firm will meet its financial resources requirement at the date of authorisation ☐ Attached

A forecast closing balance sheet for the first 12 months of trading ☐ Attached

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

A monthly profit and loss forecast for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

a) gross income, analysed between regulated and un-regulated activities;

b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and

c) profit before taxation.

Monthly calculation of the applicant firm's financial resources/capital resources against its financial resources/capital resources requirement, demonstrating how the former meet the latter, projected over a 12 month period after authorisation. This must include working papers showing the assumptions on which the calculations are based. ☐ Attached

3.13 Is the applicant firm currently trading?

☐ No ▶ Continue to Section 4

☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up -to-date management accounts.

☐ Attached

4 Personnel

Why we ask the questions in this section

We must ensure that the applicant firm has staff of adequate knowledge, skills and experience at all level to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability).

Senior Management Functions

4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	

SMF 27	Partner	
--------	---------	--

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1, See <https://www.handbook.fca.org.uk/handbook/SUP/10C/?view=chapter> for more information.

How many Form A's are being sent with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance arrangements

You are not required to send compliance procedures with this application, but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry on a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the notes to this supplement (page 27).

The compliance monitoring programme must be relevant to the regulated activities the applicant firm wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with our rules and guidance at all times. In particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm you have attached a compliance monitoring programme.

☐ Yes

Compliance arrangements

5.3 You must confirm that all senior management of the applicant firm are aware of and understand the compliance procedures.

☐ Yes

Financial crime

5.4 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

You must include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercise in relation all its clients;
- the systems and controls that will be in place to ensure that know your business information (see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

Market Conduct

5.5 You must briefly describe the steps the applicant firm has put in place to counter the risk that it or its staff may engage in activity which constitutes market abuse.

You must include the following;

- The controls and procedures the applicant firm will have in place to mitigate the risk of market abuse;
- Details of the anti-market abuse training the applicant firm will provide for its relevant staff;
- The arrangements for monitoring the market abuse controls and procedures.

6 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's FCA fees. We will also use this information to calculate the levies for the Money Advice Service (MAS), the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

Number	
Confirm number in words	

6.2 Fee Block A.14– Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

Number	
Confirm number in words	

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with eligible complainants. As a result, the data reported under the ombudsman general levy can be lower than that reported under the FCA fee. The FCA Glossary defines **Relevant Business** as business done with consumers only. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption see Question 6.8.

6.3 Fee blocks I008/I009 – Advisory, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisors, arrangers, dealers or brokers? Please exclude income from corporate finance business.

Number	
Confirm number in words	

6.4 Fee block I010 – Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

Number	
Confirm number in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be different to that reported under the FCA fee. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption, see Question 6.9.

Newly authorised firms do not contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

6.5 Class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	£
Confirm amount in words	

6.6 Class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment mediation business?

Amount	£
Confirm amount in words	

Declaration of ongoing FCA fees liability

- 6.7 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

☐ Yes

Declaration of FSCS and the ombudsman exemption

Please note that if the applicant firm has selected private customers in Questions 1.3.1 and/or 1.4.1 to this supplement then exemption is unlikely to be available. This is because private customers are likely to qualify as eligible claimants and/or complainants.

- 6.8 The ombudsman service exemption – if the applicant firm will not conduct business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is exempt from the ombudsman service

- 6.9 FSCS Exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and do not foresee doing so in the immediate future, please tick the box below.**

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for home finance providers and/or administrators

Full name of applicant firm

Important information that you should read before completing this form

The notes that accompany this form will help you to answer the questions. They also explain why we require the information we ask for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for. Only home finance providers and/or administrators should complete this supplement. If you are unsure which supplement to complete please contact the Customer Contact Centre on 0300 500 0597.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'. Where there are no options given, you must include the document or information with this application.

Contents of this form

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1

Regulatory business plan**Why we need this information**

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Type of mortgage business to be undertaken**1.1 Please confirm what type of mortgage business the applicant firm proposes to undertake?**

- ☐ First charge only
- ☐ Second charge only
- ☐ Both first and second charge

You must submit a regulatory business plan

This must include 1.2 to 1.3. The level of detail you provide should allow a clear understanding of the proposals, while reflecting the scale and complexity of the applicant firm's proposed business (Not all sections may be applicable to a home finance administrator).

If any of the information you provide is unclear, we will ask you about it.

- ☐ Attached

1.2 Background**1.2.1 What type of business is the applicant firm proposing to undertake?****1.2.2 What is the rationale for the application and the regulated activities applied for (and, if applicable, how does this fit into the group's overall future strategy)?****1.3 Home finance activities****1.3.1 Describe the home finance activities the applicant firm is proposing to conduct in the UK.**

The applicant firm should provide sufficient information to enable the FCA to understand the applicant firm's home financing activities. At a minimum this should include details of:

- 1.3.1.1 the stages of the home finance transactions in which the applicant firm is seeking to be involved;
- 1.3.1.2 the roles undertaken by the applicant firm and relationships with other entities (including related group entities);
- 1.3.1.3 how the services it is proposing to offer to its intended customers itemised in 1.3.1.1 correspond with the regulated activities for which it is applying for permission to carry on in Section 2;
- 1.3.1.4 a description of proposed product range;
- 1.3.1.5 an explanation of how the product(s) will work both from the perspective of the customer and the applicant firm;
- 1.3.1.6 a description of the target market and of the typical customer for which the product(s) have been designed;
- 1.3.1.7 an approximate size of the applicant firm's expected customer base in the first, second and third years of business following authorisation;

- 1.3.1.8 three-year projections covering anticipated business volumes, split by key distinguishing factors;
- 1.3.1.9 details of the applicant firm's business strategy for the future;
- 1.3.1.10 details of unregulated business vs regulated business; and
- 1.3.1.11 Treasury business if applicable.

1.3.2 Describe the applicant firm's initial source of funding and how it will continue to be funded.

1.3.3 Describe how the home finance products will be sold.

1.3.4 Describe the sales process and the customer journey.

1.3.5 Describe how the sales process will be governed and controlled.

1.3.6 Provide stress scenarios to show what will be the effect of the assumptions in 1.2.1 to 1.3.3 not turning out as planned.

1.3.7 What market research has the applicant firm undertaken to understand what the demand for the applicant firm's products and/or service will be, and also competitor analysis to show how the products and/or service will compete in the market?

1.3.8 Please attach the following:

- ☐ Market Research
- ☐ Competitor analysis
- ☐ Any other evidence to support market research and competitor analysis ▶ Please provide a brief description of this evidence below.

1.4 Board and management structure

1.4.1 Provide a structure chart of the proposed Board. For groups, include whether any Board members are employed by a group entity other than the applicant firm. For firms with overseas links, include whether the base location of any Board member is overseas.

- ☐ Board structure chart attached

1.4.2 Provide a proposed management structure chart and describe how these arrangements will operate in practice, including the experience of the management team in relation to the planned business.

- ☐ Management structure chart attached

1.5 Organogram

1.5.1 You must attach an organogram for the applicant firm showing all the operational functions required by the applicant firm and available resources necessary to conduct its proposed business.

- ☐ Organogram attached

2

Scope of Permission required

Why we need this information

If we grant the applicant firm authorisation, we will issue a Scope of Permission notice. This notice sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the Scope of Permission it requests will cover all the activities that it wants to do.

The applicant firm's requested Scope of Permission should correspond with the description of its proposed business in its business plan for regulated activities. If it is not clear how it does so, we will ask you about this.

2.1 Home finance business

Home finance business permission profile table

The applicant firm must apply for permission to carry on home finance business regulated activities. You must do this by completing the Home Finance Business Permission Profile table below.

For each home finance business regulated activity the applicant firm is applying for permission to carry on, you must also tick the investment type(s) in relation to that regulated activity.

The customer type for all of these regulated activities is 'Customer'.

The completed table must correspond with the description of the applicant firm's proposed business set out in its regulatory business plan.

	REGULATED ACTIVITY				
	Entering into	Administering	Advising on	Arranging (bringing about)	Making arrangements with a view to
INVESTMENT TYPE					
Regulated mortgage contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home reversion plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home purchase plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulated sale and rent back agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLIENT TYPE	Customer	Customer	Customer	Customer	Customer

2.2 General insurance distribution business

2.2.1 Is the applicant firm applying for permission to carry on regulated activities in general (non-investment) insurance contracts?

- ☐ No ▶ Continue to Question 2.3
☐ Yes ▶ Continue to Question 2.2.2

2.2.2 General insurance distribution business permission profile table

If the applicant firm is also proposing to carry on general insurance business regulated activities, it must apply for permission for those regulated activities. You must do this by completing the general insurance business Permission Profile table below.

For each general insurance business regulated activity the applicant firm is applying for permission to carry on, you must also tick the investment type and customer types in relation to that regulated activity.

The completed table should correspond with the description of the applicant firm's proposed general insurance business set out in its business plan for regulated activities.

	REGULATED ACTIVITY				
	Advising on investments (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Assisting in the administration and performance of a contract of insurance
INVESTMENT TYPE					
Non-investment insurance contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CUSTOMER TYPE					
Retail (non-investment insurance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.3 Dealing as principal as part of treasury functions

2.3.1 Is the applicant firm applying for permission to carry on the regulated activity of dealing in investments as principal in relation to 'contractually based' investment types as part of its treasury functions only?

- ☐ No ▶ Continue to Question 2.4
☐ Yes ▶ Continue to Question 2.3.2

2.3.2 Investment types

You must tick the types of contractually-based investments in which the applicant firm is applying for permission to deal as principal:

- ☐ Option (excluding a commodity option)
☐ Commodity option and option on commodity future
☐ Future (excluding a commodity future)
☐ Commodity future
☐ Contract for differences
☐ Spread bet
☐ Rolling spot forex
☐ Rights to or interests in investments (contractually-based investment)

2.3.3 Client types

You must tick the client type(s) with which the applicant firm is proposing to deal in investments as principal

- ☐ Eligible counterparty
☐ Professional
☐ Retail (investment)

2.3.4 Standard limitation – investment activity in rights to or interests in investments

We need to ensure that regulated activities with the investment type 'rights to or interests in investments (contractually-based investments)' does not give firms the ability to conduct regulated business with investment types for which they have not been authorised. The wording of the limitation can be found in the notes that accompany this supplement. This limitation only applies to investment business.

You must confirm that the applicant firm requests this standard limitation.

- ☐ Yes

2.3.5 Standard limitation on dealing in investments as principal as part of its treasury functions only

As a matter of course, where a firm carries on the regulated activity of dealing as principal ancillary to its main business, a standard limitation is attached to that regulated activity in the following terms:

'The firm, in carrying out this regulated activity, is limited to entering into transactions in a manner which, if the firm was an unauthorised person, would come within article 16 of the RAO'.

You must confirm that the applicant firm requests this standard limitation.

- ☐ Yes

2.4 Other regulated activities

Is the applicant firm applying for permission to carry on any other regulated activities?

- ☐ No ▶ Continue to Question 2.5
☐ Yes ▶ You must list them (with the corresponding investment and client types) below

2.5 Agreeing to carry on a regulated activity

You must confirm that the applicant firm is applying for permission to 'Agreeing to carry on a regulated activity'.

- ☐ Yes

2.6 Limitations

2.6.1 Standard limitation – regulated mortgage contracts - limited to second charge business only

This question is only applicable to applicant firms applying to do second charge business only

Does the firm want to apply for a limitation on each of their regulated mortgage activities limiting them to second charge business only?

- ☐ Yes
☐ No

Other limitations/requirements

2.6.2 If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on it, then you must give details below.

2.7 Client money

Is the applicant firm applying for permission to hold client money or other client assets for any of its business?

- ☐ No ▶ Continue to Section 3
- ☐ Yes ▶ You must tick all those applicable below
- ☐ Mortgage mediation activity
 - ☐ Home reversion mediation activity
 - ☐ Home purchase mediation activity
 - ☐ Sale and rent back mediation activity
 - ☐ General insurance distribution activity
 - ☐ Other. Please give details below.

3

Prudential category and capital resources

Why we need this information

All authorised firms must satisfy the applicable prudential requirements. We need to ensure the applicant firm will satisfy these requirements, at the date of authorisation and on an ongoing basis.

3.1 Prudential category

You must indicate the prudential category that applies to the applicant firm (you must select one only of the following five prudential categories).

- ☐ Home finance provider/Home finance provider and administrator
- ☐ Home finance administrator only
- ☐ Home finance provider and/or administrator, and general insurance intermediary
- ☐ Home finance provider and/or administrator, and home finance intermediary
- ☐ Other ▶ You must provide details below

3.2 Capital resources requirement

3.2.1 Is the applicant firm applying to be a first charge only firm?

- ☐ No ▶ Please continue to Question 3.3
- ☐ Yes ▶ Please continue to Question 3.2.2

3.2.2 The applicant firm must demonstrate that its capital resources will be sufficient to meet its capital resources requirement.

- ☐ Analysis of capital resources requirement attached

3.3 Professional Indemnity Insurance (PII)

3.3.1 Is the applicant firm applying for permission to carry on either any regulated home finance mediation activities and/or any regulated general insurance distribution activities?

- ☐ No ▶ Continue to Section 4
- ☐ Yes ▶ Continue to Question 3.3.2

3.3.2 Will the applicant firm have PII cover that complies with the minimum standards set out in the Handbook from the date of authorisation?

- ☐ Yes ▶ Continue to Question 3.3.3
- ☐ No ▶ You must provide an explanation in the box below
- ☐ N/A ▶ The applicant firm is exempt; explain in the box below why this is
(Please note that this exemption would apply in only a very limited number of cases; most regulated firms are required to hold PII cover.)

3.3.3 You must provide details of cover

Insurer name	
Annual premium	
Limit of indemnity (single claim)	
Limit of indemnity (aggregate)	
Policy excess	
Increased excess(es) for specific business types:	Business type: Amount: £ Business type: Amount: £ Business type: Amount: £
Amount of additional capital required for increased excesses(es)	£

*We may ask you to confirm these details before we authorise the applicant firm.

4 Governance

Why we need this information

We must ensure the applicant firm has appropriate governance arrangements in place and staff of adequate knowledge, skills and experience at all levels so that it satisfies and will continue to satisfy threshold conditions

4.1 Senior management functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	

SMF 27	Partner	
--------	---------	--

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.1.4 You must fill in 'Form A – Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Questions 4.1.1 and 4.1.2. See <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many 'Form A's are being sent with this application?

4.2 Governance arrangements, responsibilities and controls**4.2.1 Assessment of the Board.**

You must provide details of:

- the firm's assessment of what skills and experience are required collectively by the Board for the business model proposed;
- the gaps identified in the proposed Board against the collective skills and experience assessment;
- the plans to resolve the gaps identified; and
- the recruitment process, including such areas as compliance with diversity and equality legislation.

☐ Attached

4.2.2 Job descriptions for each individual for whom the applicant firm is applying for approval to perform a senior management function.

☐ Attached

4.2.3 Individual assessment of competence and capability to perform the role.

You must provide this assessment, in relation to the role, for each individual for whom the applicant firm is applying for approval to perform a senior management function.

☐ Attached

4.2.4 Board and executive committees, terms of reference and membership.

☐ Attached

4.2.5 Provide details of the Management Information (MI) that will be provided to the board, and executive committees and key individuals. Please also state the frequency that this MI is presented to the board, senior committees and key individuals.

☐ Attached

4.2.6 Explain how the remuneration of management will be structured.

☐ Attached

5

Risk management, compliance, internal audit and policies

Why we need this information

The applicant firm must demonstrate that it has the appropriate risk management and compliance arrangements in place to satisfy its regulatory obligations and appropriate internal audit arrangements to adequately assess its risk management, systems and controls on an ongoing basis. The firm's policies must be appropriate to its proposed business.

5.1 Compliance arrangements

5.1.1 You must attach the applicant firm's compliance structure and resources (including required skills and experience of staff).

☐ Attached

5.1.2 You must attach the applicant firm's compliance procedures manual.

☐ Attached

5.1.3 You must confirm that all senior management of the applicant firm are aware of and understand the compliance procedures.

☐ Yes

5.1.4 You must attach the applicant firm's compliance monitoring programme for 12 months from authorisation.

☐ Attached

5.2 Internal audit arrangements

5.2.1 Will the applicant firm have an internal audit function?

☐ No ▶ How will the board satisfy itself that the applicant firm has robust systems and controls in place? You must give details in the box below.

☐ Yes ▶ You must attach details of the following:

Internal Audit structure and resources

☐ Attached

Internal audit methodology

☐ Attached

Internal Audit Plan for 12 months from authorisation

☐ Attached

5.3 Risk Management

5.3.1 Describe the applicant firm's risk appetite and the manner in which this is established, including any deviation from its proposed business plan.

5.3.2 How will risks be identified, controlled/mitigated, monitored and reported?

5.3.3 Explain the types of risks the business faces indicating in each case whether the level of risk is perceived as high, medium or low, and outline the strategy for managing that risk.

5.3.4 Describe the processes, systems and controls that will be implemented for each department.

Policies and procedures

5.4 Financial crime

5.4.1 You must attach the applicant firm's financial crime policies, including anti-money laundering and anti-fraud, and an overview of the key procedures that they have put in place to counter the risk that it might be used by third parties to further financial crime. This includes any offence involving: fraud or dishonesty; misconduct in, or misuse of information relating to, financial markets; handling the proceeds of crime; and bribery and corruption offences.

You must include the following as a minimum:

- 5.4.1.1 Steps that the applicant firm will take to prevent it from being used to further fraud.
- 5.4.1.2 Steps that the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their role effectively, having regard to 'know your business' information.
- 5.4.1.3 Anti-money laundering training the applicant firm will provide for its staff.
- 5.4.1.4 The disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.
- 5.4.1.5 Steps that the applicant firm will take to assess its exposure to the risk of being used for money laundering and terrorist financing.
- 5.4.1.6 Know your customer procedures, including additional due diligence to be undertaken in relation to high risk customers/sources of funds.

5.4.1.7 Procedures for monitoring transactions and reporting details of suspicious transactions.

5.4.1.8 How the applicant firm will ensure it will comply with anti-terrorist financing requirements.

☐ Attached

5.5 Treating Customers Fairly

5.5.1 You must attach the applicant firm's Treating Customers Fairly (TCF) policy and related Management Information.

The Principles for Business states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' Firms must have in place policies and procedures to deliver the six consumer outcomes and demonstrate that it treats its customers fairly. You must include the following:

5.5.1.1 What treating customers fairly means to the applicant and its customers.

5.5.1.2 How the fair treatment of customers has been incorporated into the applicant firm's values and business plan.

5.5.1.3 What controls the applicant firm has put in place to ensure it treats its customers fairly.

5.5.1.4 How the applicant firm develops the competence and knowledge of its staff.

5.5.1.5 How the Board and Senior Management assess compliance and fulfil their TCF responsibilities.

☐ Attached

5.6 Other policies

5.6.1 You must attach the applicant firm's Business Continuity Plan and policy.

☐ Attached

5.6.2 You must attach the applicant firm's Trading book policy.

☐ Attached

☐ Not applicable

5.7 Training and competence (T&C) regime

5.7.1 You must attach the applicant firm's T&C regime or arrangements.

☐ Attached

5.7.2 Is the applicant firm applying for permission to carry on any advising regulated activities?

☐ No ▶ Continue to Question 5.8

☐ Yes ▶ You must attach a copy of the applicant firm's procedures for assessing the competence of staff to advise customers on regulated activities.

☐ Attached

5.8 Knowledge and competence

5.8.1 You must attach the applicant firm's knowledge and competence policy

☐ Attached

☐ Not applicable ▶ You should only select 'not applicable' if the applicant firm is outside the scope of the Mortgage Credit Directive

5.9 Specific compliance areas - MCOB

5.9.1 Home finance business documentation table

If the applicant firm is proposing to carry on home finance business regulated activities, it must provide the documentation indicated in the table below for the relevant firm type.

The applicant firm must ensure that the firm type identified in the table below corresponds with the description of the applicant firm's proposed business set out in its regulatory business plan.

	FIRM TYPE					
	Regulated Mortgage Contract		Home purchase plan		Equity release provider *	Regulated sale and rent back
	Entering into	Administering	Entering into	Administering	Entering into and/or administering	Entering into and/or administering
DOCUMENT						
Responsible lending policy and procedures detailing how the policy will be adhered to	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Procedures for assessing affordability	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Credit policy and associated procedures including lending and security criteria, concentration risk and provisioning.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Execution only policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Illustration	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Offer document	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Terms and conditions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Risks and features statement			<input checked="" type="checkbox"/>			
Financial information statement			<input checked="" type="checkbox"/>			
Arrears and repossessions policy including the procedures detailing how the policy will be adhered to.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Pre-sale disclosure document						<input checked="" type="checkbox"/>
Pre-offer document: stage one						<input checked="" type="checkbox"/>
Offer document: stage two						<input checked="" type="checkbox"/>
Tenancy agreement						<input checked="" type="checkbox"/>
Detailed sales and distribution procedures						<input checked="" type="checkbox"/>

*Including life time mortgages and home reversion plans

You must confirm that the applicant firm has the relevant documents in place according to the firm type and that these are attached.

- ☐ Attached
☐ None of the firm types are applicable.

You must confirm that the applicant firm's disclosure documentation complies with the applicable rules.

- ☐ Yes

5.9.2 Is the applicant firm applying for permission to carry on any home finance mediation and/or general insurance distribution regulated activities?

- ☐ No ▶ Continue to Question 5.9.4
☐ Yes ▶ You must attach the following documentation:
☐ Illustration
☐ Offer document
☐ Documented procedures which detail how the applicant firm ensures that advisors provide quality advice, including information addressing: management controls, assessment of customer needs and affordability, recommendations including product research, communications with customers, quality of advisors, and post sale reviews.

5.9.3 Will the applicant firm be advising on and / or arranging lifetime mortgages and/or home reversion plans?

- ☐ No ▶ Continue to Question 5.9.4
☐ Yes ▶ Lifetime mortgages and home reversion plans (which, together, are referred to as equity release products) are both regarded as products that present higher risks to customers than standard mortgages. Applicant firm's seeking permission to advise customers on one or other or both types of equity release products are required to take additional steps to:
- assess the suitability of these products for those customers to whom they are being recommended; and
 - employ staff with appropriate knowledge and qualifications for advising on these products.

You must attach the applicant firm's documented procedures which, subject to authorisation, will be used to comply with these additional requirements, on an ongoing basis.

- ☐ Attached

5.9.4 Will the applicant firm be advising on and/or arranging regulated sale and rent back agreements?☐ No ▶ Continue to Section 6☐ Yes ▶ Sale and rent back agreements are regarded as products that present higher risks to customers than some other home finance products. Applicant firm's seeking permission to advise on/arrange regulated sale and rent back agreements for customers are therefore required to take additional steps to:

- assess the affordability and appropriateness of these products for those customers to whom they are being recommended;
- employ staff with appropriate knowledge and understanding of the sale and rent back market;
- keep a record of the provider details; and
- where the firm is advising on or arranging a sale and rent back product from an unauthorised provider:
 - ensure that it is meeting its obligations under the Principle for Business (Customers' interests); and
 - make the appropriate risk warnings.

You must confirm that the applicant firm has documented procedures in place for compliance with these additional requirements, and has attached a copy of these procedures.

☐ Attached

6

Infrastructure

Why we need this information

The applicant firm must have infrastructure appropriate to the scale and complexity of its proposed business. Firms may outsource activities, but remain responsible for the operation of proper systems and controls over the activities, and for regulatory compliance. Where applicant firms are heavily dependent on IT systems, it is important that the risks in relation to; customers from any compromise, failure, and error, will need to be understood and appropriately managed.

6.1 Outsourcing

6.1.1 You must provide a high level overview of any outsourcing of operational functions to third parties – what to whom.

This should include an overview of where the business expects to outsource operational functions to third parties, indicating whether these relationships are existing in any form or will need to be sourced.

☐ Attached

6.1.2 You must attach details of external and intra-group outsourcing proposed to support the applicant firm's operations.

You must include the following details:

6.1.1.1 outsource supplier (identifying any link to the applicant firm);

6.1.1.2 supplier location;

6.1.1.3 the rationale for the outsourcing; and

6.1.1.4 supplier due diligence and selection process.

☐ Attached

☐ Not applicable

6.1.3 You must attach details of oversight responsibilities and arrangements, systems and controls for each outsourced function material to the applicant firm's management and operations.

☐ Attached

☐ Not applicable

6.1.4 You must attach copies of service level agreements and arrangements for each outsourcing material to the applicant firm's management and operations.

☐ Attached

☐ Not applicable

☐ To follow ▶ Give date below (dd/mm/yyyy)

/ /

6.2 IT systems

6.2.1 You must provide a high level overview of intended IT systems. This should include a high level description of IT systems to be employed across the proposed business, identifying whether these are existing proven systems or in development.

☐ Attached

6.2.2 You must confirm whether the applicant firm will use new or existing core IT systems.

- ☐ New systems to the firm or group

☐ Existing systems already in use in the firm or group, not requiring material amendment

☐ Partly existing systems and partly new systems or materially amended systems

6.2.3 Will the applicant firm's IT systems applications automatically interface with customers/counterparties?

☐ Yes☐ No

6.2.4 You must confirm that the applicant firm will be able to meet the FCA Reporting requirements relevant to the new regulated business scope.

☐ Yes

☐ No ▶ You must explain why not below.

--

7 Fees and levies

Why we need this information

We require this information so we can calculate the applicant firm's annual FCA fees following its authorisation. We will also use this information to calculate the levies for the Money Advice Service (MAS), the Financial Ombudsman Service (the Ombudsman Service and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

7.1 Fee-block A.2 Home finance providers and administrators

How many new mortgages, home purchase plans, home reversion plans and regulated sale and rent back agreements does the applicant firm estimate it will enter into in the first year of authorisation?

Number	
Confirm number in words	

How many such contracts does the applicant firm estimate it will administer, by the end of its first year of authorisation? Please multiply this number by 0.05 for home finance outsourcing firms, and 0.5 for all other firms.

Number	
Confirm number in words	

7.2 Fee-block A.18 Home finance providers, advisers and arrangers

How much annual income does the applicant firm estimate for the first year of business in relation to its home finance mediation activities business (including home reversion, home purchase and regulated sale and rent back activities)?

Amount	
Confirm amount in words	

7.3 Fee-block A.19 General insurance distribution

How much annual income does the applicant firm estimate for the first year of business in relation to its non-investment contracts (including pure protection) business?

Amount	
Confirm amount in words	

The Money Advice Service Levy

The data provided under the Regulatory Fees section above will be used to calculate most of the MAS fees with the exception of the debt advice levies.

7.4 Fee-block MA02 – Debt advice levy – Home finance providers and administrators

What is the GBP value of all regulated and non-regulated residential loans to individuals – the sum of gross unsecuritised and securitised balances – that the applicant firm estimates for the end of the first year of authorisation?

Amount	
Confirm amount in words	

The ombudsman service general levy

For the purpose of the ombudsman service general levy, a firm will fall into one or more industry blocks depending on its FCA regulated activities. This levy only covers business conducted with consumers. As a result, the data reported under the ombudsman general levy can be lower than that reported under the FCA fee. We define Relevant Business as business conducted with consumers only. If the applicant firm will not conduct any business with eligible complainants it may apply for ombudsman service exemption (see Question 7.12)

7.5 Fee-block I001 Deposit acceptors, home finance providers and administrators

How many relevant accounts does the applicant firm estimate it will have at the end of the first year of authorisation?

Number	
Confirm number in words	

7.6 Fee-block I016 Home finance providers, advisers and arrangers

How much relevant annual income does the applicant firm estimate for the first year of business in relation to home finance mediation?

Amount	
Confirm amount in words	

7.7 Fee-block I017 General insurance distribution

How much relevant annual income does the applicant firm estimate for the first year of business in relation to its non-investment insurance contracts (including pure protection) business?

Amount	
Confirm amount in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy only covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be lower than that reported under the FCA fee. If the applicant firm will not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption, see Question 7.13.

7.8 Class SB02 – General insurance distribution

How much annual eligible income does the applicant firm estimate for the first year of business in relation to non-investment mediation insurance contracts (excluding pure protection)?

Amount	
Confirm amount in words	

7.9 Class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of business in relation to pure protection business?

Amount	
Confirm amount in words	

7.10 Class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of business in relation to home finance mediation?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

7.11 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is

irrespective of whether it is trading, or even if it has notified us of intention to case trading or submitted an application to cancel.

☐ Yes

Declaration of FSCS and the ombudsman service exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

7.12 The ombudsman service exemption – if the applicant firm will not carry on business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is ombudsman service exempt

7.13 FSCS exemption – if the applicant firm will not carry on business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

Supplement for advisers and arrangers of wholesale funds

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	8
3	Financial resources	12
4	Personnel	17
5	Compliance arrangements	19
6	Fees and levies	22

1

Regulatory business plan

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 Please explain why the applicant firm wishes to carry on regulated activities at this time.

Include information about:

- the background to the business;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on; and
- the background and experience of all the individuals who will be performing senior management functions and how this will help them with their roles. This should include employment background. You must provide details of any relevant qualifications/examinations.

1.2 Please explain why the applicant firm falls outside of MiFID**Proposed Regulated Business****1.3 Will the applicant firm be giving advice on investments to customers who are fund or portfolio managers?**

- ☐ No ▶ Continue to Question 1.4
- ☐ Yes ▶ You must give details of the customers the applicant firm intends to act for in relation to this activity. Please include the following:-
- the name of the customer;
 - the type of the customer e.g. charity, UK investment company, overseas collective investment scheme, venture capital (private equity) fund etc;
 - the geographical location of the customer;
 - a copy of any investment advisory agreement;
 - the size of the fund being advised in terms of the funds under management;
 - whether there will be any limited powers of discretion given to the applicant firm; and
 - who is responsible for managing the fund.

If you are unable to provide any of the above details at this time, please indicate below when you will be able to do so.

1.4 Will the applicant firm be marketing regulated and unregulated collective investment schemes to prospective investors where advice may be given by the applicant firm?

- ☐ No ▶ Continue to Question 1.5
- ☐ Yes ▶ You must give details below of how the advice will be given (e.g. face-to-face meetings, seminars, written research, newsletters containing investment advice, approving research produced by third parties).

1.5 Will the applicant firm be arranging for prospective investors to make investments in collective investment schemes?

- ☐ No
- ☐ Yes

1.6 List the types of regulated or unregulated collective investment schemes the applicant firm will give advice on and/or arrange for customers to invest in. e.g. UK authorised funds, UK unregulated collective investment schemes, overseas collective investment schemes, venture capital (private equity) funds, pension funds.

- Where the applicant firm intends to market collective investment schemes, please provide a flowchart illustrating how the applicant firm intends to market these products and identifying any third parties which will be involved in the marketing.
- State the number of investment schemes that the applicant firm will be marketing.
- Enclose any material that will be used for marketing.

- ☐ Flowchart attached
- ☐ Marketing material attached

1.7 You must give details of the types of investors that the applicant firm will advise and/or arrange investments for e.g. insurance companies, endowment funds, high net worth individuals, retail clients etc. Please include the details of the geographical location where they are/will be based.

1.8 You must describe below how the applicant firm intends to obtain customers.

1.9 How will the applicant firm be remunerated?

Give details of the applicant firm's proposed fee structure e.g. fixed fees, performance fees, commission-based fees, fees calculated as a percentage of funds under management.

1.10 Does the applicant firm have any plans to begin further regulated activities during the first 12 months after authorisation?

- ☐ No ▶ Continue to Question 1.11
- ☐ Yes ▶ You must give full details below.

Unregulated Business Activities**1.11 Does the applicant firm intend carrying on any other business activities that are unregulated activities?**

- ☐ No ▶ Continue to Question 1.12
- ☐ Yes ▶ You must give details, including the percentage of the applicant firm's total income that will be derived from regulated and unregulated activities

Outsourcing with third parties**1.12 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.13.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?**1.13.2 How will the applicant firm's senior management ensure that:**

- **fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and**
- **it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

1.13.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

Incapacity of Key Staff

1.14 What arrangements will the applicant firm put in place to safeguard the interests of its customers in the event of the absence, illness, disability or death of any essential member of staff?

Branches

1.15 Will the applicant firm have any branches in the UK that intend conducting regulated activities?

- ☐ No ▶ Continue to Question 1.16
☐ Yes ▶ You must give details below.

Business Risks

1.16 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, unsuitable senior management, economic factors, competitors and their reaction to the applicant firm's presence in the market.

--

Scale of Business

1.17 You must give details of the number of customers the applicant firm intends to act for:

at authorisation	
6 months after authorisation	
12 months after authorisation	

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the Scope of Permission it requests will cover all the activities it wants to do.

Permission profile

A permission profile is set out on the next page for the applicant firm to complete by ticking the relevant boxes that apply to their proposed business. This lists all the investment types, regulated activities and client types that would be relevant for the most firms undertaking arranging and advising activities related to Investment management.

If the applicant firm carries on a regulated activity that is outside its scope of its Scope of Permission notice, it could be in breach of the Financial Services and Markets Act (FSMA). So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.1 You must confirm that the applicant firm has completed the Permission Profile table

☐ Yes

INVESTMENT TYPE				
	Advising (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Arranging safeguarding and administration of assets
<u>SECURITY</u>				
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government and Public Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CONTRACTUALLY-BASED INVESTMENT</u>				
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spread Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rolling Spot Forex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>CLIENT TYPE</u>				
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other regulated activities and investment types

- 2.2 If the applicant firm wants to include other regulated activities and investment types on its permission notice not included in the permission profile table (on page 9) you must give details here.**

Client Money

The applicant firm's Scope of Permission notice must reflect whether or not it is permitted to hold and/or control client money.

- 2.3 Is the applicant firm seeking permission to control client money?**

- ☐ No ▶ Continue to Question 2.4
☐ Yes ▶ You must give details below

- 2.4 Is the applicant firm seeking permission to hold client money?**

- ☐ No ▶ Continue to Question 2.6
☐ Yes ▶ You must give details below

- 2.5 Please state for the next 12 months (from application submission date) the applicant firm's project highest total amount of client money at any one point in time.**

£

Venture Capital/Corporate Finance Business

- 2.6 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital business and wishes to adopt the standard requirement below.**

- ☐ 'The firm must not carry on designated investment business other than venture capital business'

2.7 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital and corporate finance business and wishes to adopt the standard requirement below.

☐ 'The firm must not carry on designated investment business other than venture capital and corporate finance business'

Standard requirement for firms that will be exempt from MiFID

2.8 You must tick the box below if the applicant firm is exempt from MiFID by virtue of one or more exemptions in article 2 MiFID.

☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis.

The above requirement will be contained in your Scope of Permission Notice.

Agreeing to carry on a regulated activity

As a matter of course, a wholesale fund adviser / arranger firm will carry on the regulated activity of 'Agreeing to carry on a regulated activity' (which is limited to carrying on only the other regulated activities specified in its Scope of Permission Notice).

2.9 You must confirm that the applicant firm requests permission to carry on this regulated activity.

☐ Yes

Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in rights to or interests in investments (security and/or contractually based, as appropriate) is attached to each regulated activity that a wholesale fund adviser/arranger firm is authorised to carry on.

2.10 You must confirm that the applicant firm requests the attachment of this limitation to each regulated activity specified in its completed Permission Profile table.

☐ Yes

Other limitations or requirements

2.11 If the applicant firm wants to include other limitations or requirements on its permission notice, please give details here.

--

3 Financial Resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them on an ongoing basis.

Financial Resources

All applicants are required to comply with Chapter 5 IPRU (INV).

Prudential sub categories

3.1 You must confirm the prudential sub-category below applies to the applicant firm

The applicant firm's prudential sub-category determines the prudential rules that will apply to it. You can find the details of the prudential sub-category in the notes to this supplement.

☐ Chapter 5 IPRU (INV)

Financial resources

This section asks how the applicant firm will meet its financial resources/capital resources requirement.

3.2 What type of firm is the applicant firm?

- | | |
|--|----------------------------|
| <input type="checkbox"/> Limited company | ▶ Continue to Question 3.3 |
| <input type="checkbox"/> Sole trader | ▶ Continue to Question 3.5 |
| <input type="checkbox"/> Partnership | ▶ Continue to Question 3.6 |
| <input type="checkbox"/> Limited liability partnership | ▶ Continue to Question 3.7 |
| <input type="checkbox"/> Other | ▶ Continue to Question 3.9 |

Limited Company

3.3 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

* Audit may not be required if exempt under the Companies Act 1985

3.4 You must attach the following:

Companies House form SH01

- ☐ Attached
☐ Applicant firm not yet capitalised

Continue to Question 3.10

Sole trader

3.5 You must attach the following:

Statement of personal assets and liabilities (see notes) ☐ Attached
Statement of business assets and liabilities (see notes) ☐ Attached

Continue to Question 3.10

Partnership

3.6 You must attach the following:

Statement of personal assets and liabilities (see notes) (one per partner) ☐ Attached
Statement of partnership business assets and liabilities (see notes) (one only) ☐ Attached

Continue to Question 3.10

Limited Liability Partnership

3.7 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

3.8 You must attach the following:

Members' capital agreement (see notes)

☐ Attached

Continue to Question 3.10

Other applicant firms

3.9 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.

Subordinated loans

3.10 Does the applicant firm have any subordinated loans?

☐ No ▶ Continue to Question 3.11

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms see IPRU (INV) Annex D Required Forms

If there is more than one subordinated loan you must use a separate sheet of paper.

If you have used separate sheets of paper you must indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of loan provider	
Amount	
Date of agreement	
Nature of loan	
Repayment terms, including number of instalments and final payment date	
Interest payable	%

Other funding

3.11 Does the applicant firm have other external funding?

☐ No ▶ Continue to Question 3.12

☐ Yes ▶ You must give details of other external funding

If the applicant firm has external funding but has not drawn down on the external funding, you must still answer the questions below.

If there is more than one source of external funding, you must use a separate sheet of paper if required.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

Name of funding provider(s)	
Amount	
Nature of funding	
Repayment terms, including number of instalments and final payment date	
Interest payable	%

Documents

3.12 You must attach the following:

Opening and closing balance sheet ☐ Attached

A monthly profit and loss forecast and details of the assumptions used for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure;
- c) profit before taxation; and
- d) projected regulatory capital and regulatory capital requirement calculations, please also provide supporting assumptions.

A monthly cash flow forecast for the first 12 months of trading ☐ Attached

3.13 Is the applicant firm currently trading?

- ☐ No ▶ Continue to Section 4.
- ☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts.
 - ☐ Attached

4

Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff of adequate quality, skills and experience at all levels to ensure that it satisfies and will continue to satisfy threshold condition 4 (adequate resources) and threshold condition 5 (suitability).

Senior Management Functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	

SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.3 You must fill in 'Form A – Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Questions 4.1 and 4.2, see <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many Form As are being sent with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

The applicant firm must have a documented set of compliance procedures for meeting its obligations under the regulatory regime, as it applies to the applicant firm's proposed business. In compiling a set of compliance procedures tailored to reflect its proposed authorised business, the applicant firm must refer to our Handbook of rules and guidance (in particular, but not limited to COBS, ML SUP, SYSC and TC). It may also wish to seek assistance from a professional adviser.

You are not required to send compliance procedures with this application but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check it complies – and continues to comply – with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application.

The compliance monitoring programme must be relevant to the regulated activities and tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with our rules and guidance at all times. In particular, it must describe:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm you have attached a compliance monitoring programme.

☐ Yes

Compliance arrangements

5.3 You must confirm that all senior management of the applicant firm are aware of and understand the compliance procedures.

☐ Yes

Financial crime

5.4 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime. This includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

You must include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management functions effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation to all its clients;
- the systems and controls that will be in place to ensure that 'know your business' information (see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.



Market Conduct

5.5 You must briefly describe the steps the applicant firm has put in place to counter the risk that it or its staff may engage in activity which constitutes market abuse.

You must include the following;

- the controls and procedures the applicant firm will have in place to mitigate the risk of market abuse.
- details of the anti-market abuse training the applicant firm will provide for its relevant staff.

The arrangements for monitoring the market abuse controls and procedures.

--

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's FCA fees. We will also use this information to calculate the levies for Money Advice Service (MAS), Financial Ombudsman Service (the Ombudsman Service) and the the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee Block A.12 / A.13 – Advisers / Arrangers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

Number	
Confirm number in words	

6.2 Fee Block A.14– Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

Number	
Confirm number in words	

The ombudsman service general levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the FCA fee. The Handbook Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.6).

6.3 The ombudsman service's industry block I008/I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers? Please exclude income from corporate finance business.

Number	
Confirm number in words	

6.4 Fee block I010 – Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

Number	
Confirm number in words	

Declaration of ongoing FCA fees liability

6.5 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of Financial Ombudsman Service exemption

Please note that if the applicant firm conducts business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants.

6.6 The Ombudsman service exemption – if the applicant firm will not carry on business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is exempt from the ombudsman service

End of supplement

Application for Authorisation

Supplement for investment managers

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

Purpose of this form

This supplement collects information that is specific to the type of business the applicant firm is applying for.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not applicable'.

Contents of this form

1	Regulatory business plan	2
2	Scope of Permission required	12
3	Financial resources	17
4	Personnel	18
5	Compliance arrangements	20
6	Fees and levies	23

1

Regulatory business plan

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

1.1 Please explain why the applicant firm wishes to carry on regulated activities at this time.

Include information about:

- the background to the business;
- whether the applicant firm has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- what experience the principals of the applicant firm have of the type of regulated activities the applicant firm wishes to carry on; and
- the background and experience of all the individuals who will be performing senior management functions and how this will help them with their role. This should include employment background. You must provide details of any relevant qualifications/examinations.

1.2 Please explain why the applicant firm falls outside the scope of MiFID.

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Proposed Regulated Business**1.3 Which of the following will the applicant firm be establishing or managing?**

- | | | |
|--|------------------------------|-----------------------------|
| A regulated collective investment scheme | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| An unregulated collective investment scheme | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Discretionary individual client portfolios | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Non-discretionary individual client portfolios | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

You must enclose a copy of any draft fund prospectus, draft offering memorandum or similar marketing material, terms of business or investment management agreement with your application.

- ☐ Attached
- ☐ Not attached – You must give reasons why below
- ☐ To follow ▶ You must give the date below (dd/mm/yyyy)

		/			/				
--	--	---	--	--	---	--	--	--	--

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1.4 You must give details of the customer(s) (i.e. funds) the applicant firm intends to act for when managing investments/establishing collective investment schemes. Please include the following:

- the name of the customer and corporate structure;
- the type of the customer e.g. charity, UK investment company, overseas collective investment scheme, venture capital (private equity) fund etc;
- the geographical location of the customer; and
- the name of the person(s) expected to provide the initial funding.

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1.5 Will the applicant firm or any of its controllers have a direct interest in any customer(s) e.g. seats on the board, member of investment decision making committee, etc?☐ No ▶ Continue to Question 1.5☐ Yes ▶ You must give details below and explain how any conflicts of interest will be managed
1.6 You must provide details below of the independent directors of the fund with a short biography.**1.7 Will the customer(s) have a prime broker(s)?**☐ No ▶ Continue to Question 1.8☐ Yes ▶ You must give the names and addresses of any prime brokers.

Name of prime broker

Address of prime broker

If regulated, name of regulator

1.8 Will the customer(s) have an administrator?☐ No ▶ You must provide a date when an administrator will be appointed (dd/mm/yyyy)
☐ Yes ▶ You must give the name and address of the firm concerned and state whether it is regulated.

Name of firm

Address of firm

If regulated, name of regulator

1.9 Does the applicant firm intend to delegate any investment management duties?☐ No ▶ Continue to Question 1.10☐ Yes ▶ You must give details of what will be delegated, to whom and enclose copies of any agreements made in relation to this delegation.**1.10 Does the applicant firm's customer(s) intend to delegate any custodial duties?**☐ No ▶ Continue to Question 1.11☐ Yes ▶ Regarding this delegation, you must give the name and address of the firm concerned.

Name of firm

Address of firm

If regulated, name of regulator

1.11 Give details of the applicant firm's intended investment strategy.

You must include the following:

- whether the applicant firm will be making leveraged investments;
- which sector(s) and geographical areas investments will be made in;
- whether the applicant firm will be making long-term investments;
- what the expected returns for investors are;
- investors minimum subscription levels;
- a description of the due diligence carried out on the potential investments;
- whether the applicant firm will have direct interests in any investee companies; and
- whether the applicant firm will invest in illiquid securities and how these will be valued.

1.12 You must give details of the types of the intended investors in the fund(s) that the applicant firm will be managing.

You must include the following:

- the type(s) of these intended investors e.g. insurance companies, endowment funds, high net worth individuals, private customers; and
- details of their geographical location.

Continue on a separate sheet of paper if necessary.

Details of type(s) intended investor

Geographical location

1.13 Will the applicant firm be giving investment advice to prospective investors in regulated or unregulated collective investment schemes?

☐ No ▶ Continue to Question 1.14

☐ Yes ▶ You must give details below of how the advice will be given (e.g. face-to-face meetings, seminars, written research, newsletters containing investment advice, approving research produced by third parties).

1.14 Will the applicant firm be marketing or advising on the fund(s) it is managing?

☐ No ▶ Continue to Question 1.15

☐ Yes ▶ You must provide details of how the intended investors will be obtained.

1.15 How will the applicant firm be remunerated?

Give details of the applicant firm's proposed fee structure e.g. fixed fees, performance fees, commission-based fees, fees calculated as a percentage of funds under management.

1.16 Does the applicant firm have any plans to begin further regulated activities during the first 12 months after authorisation?

- ☐ No ▶ Continue to Question 1.17
- ☐ Yes ▶ You must specify the details below.

Unregulated Business Activities**1.17 Does the applicant firm intend carrying on any other business activities that are unregulated activities?**

- ☐ No ▶ Continue to Question 1.18
- ☐ Yes ▶ You must give details, including the percentage of the applicant firm's total income that will be derived from regulated and unregulated activities

Outsourcing with third parties**1.18 What functions (if any) will the applicant firm outsource?**

You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

1.19.1 How has the fair treatment of customers influenced the development of the applicant firm's business plan?

1.19.2 How will the applicant firm's senior management ensure that:

- fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and
- it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

1.19.3 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

Incapacity of key staff

1.20 What arrangements will the applicant firm put in place to safeguard the interests of its customers in the event of the absence, illness, disability or death of any essential member of staff?

Business risks

1.21 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, unsuitable senior management, economic factors, competitors and their reaction to the applicant firm's presence in the market.

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Scale of business

1.22 You must give details of the applicant firm's expected total funds under management:

at authorisation	
12 months after authorisation	
24 months after authorisation	

1.23 You must give details of the number of customers, i.e. funds the applicant firm intends to have:

at authorisation	
6 months after authorisation	
12 months after authorisation	

1.24 You must give details of the number of transactions the applicant firm expects to conduct per month:

at authorisation	
6 months after authorisation	
12 months after authorisation	

1.25 You must give details of the anticipated number of investors in the fund(s) that the applicant firm will manage:

at authorisation	
6 months after authorisation	
12 months after authorisation	

Hedge fund techniques

1.26 Does the applicant firm consider that it will be using hedge fund techniques to manage investments?

The notes to this supplement contain guidance on what are considered to be hedge fund management techniques.

- ☐ No ▶ Continue to Section 2
☐ Yes ▶ Continue to Question 1.28

1.27 Will the applicant firm be managing a fund of hedge funds?

- ☐ No ▶ Continue to Question 1.28
☐ Yes ▶ You must give details below

1.28 Will the applicant firm be managing any other funds in addition to hedge funds?

- ☐ No
☐ Yes

1.29 Has the applicant firm been formed under the umbrella of another authorised firm before seeking direct authorisation?

- ☐ No ▶ Continue to Question 1.30
☐ Yes ▶ You must give full details of the other authorised firm.

1.30 Does the applicant firm plan to manage funds involving leveraged investments?

- ☐ No ▶ Continue to Question 1.31
☐ Yes ▶ You must give details of what will be the maximum intended leverage levels in each fund.

1.31 You must give details of the fund auditor(s)

Auditor's name

Auditor's address

1.32 Does the fund that the applicant firm will manage plan to invest in the following types of securities?

Distressed debt	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Illiquid emerging market investments	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Mortgage-backed securities	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If you have answered yes to any of the above you must give details below including how these securities will be independently valued.

1.33 Does the applicant firm plan to make use of 'side pockets'?

☐ No ▶ Continue to Question 1.34
☐ Yes ▶ You must give details below

If you have answered yes to any of the above you must give details below including how these securities will be independently valued.

1.34 Does the applicant firm plan to launch additional new funds over the course of the first two years?

☐ No ▶ Continue to Section 2
☐ Yes ▶ You must give details below

2

Scope of Permission required

Why we ask the questions in this section

If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on;
- the types of investment products;
- the client types;
- any limitations; and
- any requirements.

It is the applicant firm's responsibility to ensure the Scope of Permission it requests will cover all the activities it wants to do.

Permission profile

A permission profile is set out on the next page for the applicant firm to complete by ticking the relevant boxes that apply to their proposed business. This lists all the investment types, regulated activities and client types that would be relevant for most firms undertaking investment management or investment management related activities.

If the applicant firm carries on a regulated activity that is outside its Scope of Permission Notice, it could be in breach of the Financial Services and Markets Act (FSMA). So it is important to let us know if there are any other regulated activities, investment types and/or customer types the applicant firm might wish to apply for.

2.1 You must confirm that the applicant firm has completed the Permission Profile table

☐ Yes

INVESTMENT TYPE	REGULATED ACTIVITY										
	Advising (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Managing investments	Safeguarding and administration of assets	Arranging safeguarding and administration of assets	Managing a UCITS	Establishing, operating, winding up an unregulated collective investment scheme	Establishing, operating, winding up a regulated collective investment scheme	Acting as the depositary or sole director of an open-ended investment company
								<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>SECURITY</u>											
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Government and Public Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<u>CONTRACTUALLY-BASED INVESTMENT</u>											
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Contract for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Spread Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Rolling Spot Forex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<u>CLIENT TYPE</u>											
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				

Other regulated activities and investment types

- 2.2 If the applicant firm wants to include other regulated activities and investment types on its permission notice not included in the Permission Profile table (on page 13), please give details here.**

Client Money

The applicant firm's Scope of Permission notice must reflect whether or not it is permitted to hold and/or control client money.

- 2.3 Is the applicant firm seeking permission to control client money?**

- ☐ No ▶ Continue to Question 2.4
☐ Yes ▶ You must give details below

- 2.4 Is the applicant firm seeking permission to hold client money?**

- ☐ No ▶ Continue to Question 2.7
☐ Yes ▶ You must give details below

- 2.5 Please state for the next 12 months (from application submission date) the applicant firm's projected highest total amount of client money at any one point in time.**

£

Safe custody assets / Custody assets

- 2.6 Is the applicant firm seeking permission to safeguard and administration of assets?**

- ☐ No ▶ Continue to Question 2.7
☐ Yes ▶ Please state for the next 12 months (from application submission date) the applicant firm's projected highest total value of safe custody assets at any one point in time.

£

Venture capital / corporate finance business

- 2.7 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital business and wishes to adopt the standard requirement below.**

☐ 'The firm must not carry on designated investment business other than venture capital business.'

- 2.8 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital and corporate finance business and wishes to adopt the standard requirement below.**

☐ 'The firm must not carry on designated investment business other than venture capital and corporate finance business'

- 2.9 You must tick the box(es) below if the applicant firm is seeking authorisation for advising retail clients, but it is only advising retail clients on venture capital business and/or corporate finance business (otherwise the applicant firm is likely to fall within the scope of the Retail Distribution Review if its advice relates to retail investment products).**

☐ 'The firm must not conduct any designated investment business with retail clients other (or except) than corporate finance business.'

☐ 'The firm must not conduct any designated investment business with retail clients other (or except) than venture capital business.'

Standard requirement for firms that will be exempt from MiFID

- 2.10 You must tick the box below if the applicant firm is exempt from MiFID by virtue of one or more exemptions in article 2 MiFID.**

☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis.

The above requirement will be contained in your Scope of Permission Notice.

Standard requirement for UCITS Firms

- 2.11 You must tick the box below if the applicant firm is a UCITS firm.**

☐ The firm is only permitted to carry on the activities specified in COLL 6.9.9R (1) to (6) or any successor provision.

The above requirement will be contained in your Scope of Permission Notice.

Agreeing to carry on a regulated activity

As a matter of course, an Investment Management firm will carry on the regulated activity of 'Agreeing to carry on a regulated activity' (which is limited to carrying on only the other regulated activities specified in its Scope of Permission Notice).

- 2.12 You must confirm that the applicant firm requests permission to carry on this regulated activity.**

☐ Yes

Standard limitation - investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in rights to or interests in investments (security and/or contractually based, as

appropriate) is attached to each regulated activity that an Investment Management firm is authorised to carry on.

2.13 You must confirm that the applicant firm requests the attachment of this limitation to each regulated activity specified in its completed Permission Profile table.

☐ Yes

Other limitations or requirements

2.14 If the applicant firm wants to include other limitations or requirements on its permission notice, please give details here.

--

3

Financial resources

Why we ask the questions in this section

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them on an ongoing basis.

Financial resources

All applicant firm's are required to comply with Chapter 5 IPRU (INV). UCITS investment firms are subject to UPRU.

Prudential requirements/sub-categories

3.1 Which prudential requirements/sub-category apply to the applicant firm?

The applicant firm's prudential sub-category determines the prudential rules that will apply to it. You can find details of the prudential sub-categories in the notes to this supplement

You must tick the prudential sub-category that applies to the applicant firm:-

☐ Chapter 5 IPRU (INV)

☐ UCITS firm

Documents

3.2 You must attach the following:

Opening and closing balance sheet

☐ Attached

A monthly profit and loss forecast and details of the assumptions used for the first 12 months of trading. As a minimum, the profit and loss forecast must disclose the following on a monthly basis:

☐ Attached

- a) gross income, analysed between regulated and un-regulated activities;
- b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- c) profit before taxation.
- d) projected regulatory capital and regulatory capital requirement calculations, please also provide supporting assumptions.

A monthly cash flow forecast for the first 12 months of trading

☐ Attached

3.3 Is the applicant firm currently trading?

☐ No ▶ Continue to Section 4

☐ Yes ▶ You must provide the applicant firm's latest end of year accounts and up-to-date management accounts.

☐ Attached

4 Personnel

Why we ask the questions in this section

We must be satisfied that the applicant firm has staff of adequate quality, skills and experience at all levels to ensure that it satisfies and will continue to satisfy threshold condition 4 (adequate resources) and threshold condition 5 (suitability).

Senior management functions

4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below..

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
-----------------------------	--

You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	
SMF 29	Limited Scope Function	

4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	

SMF 27	Partner	
--------	---------	--

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.3 You must fill in 'Form A – Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1' See <https://www.handbook.fca.org.uk/handbook/SUP/10C> for more information.

How many Form As are being sent with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

Compliance procedures

The applicant firm must have a documented set of compliance procedures for meeting its obligations under the regulatory regime, as it applies to the applicant firm's proposed business. In compiling a set of compliance procedures tailored to reflect its proposed authorised business, the applicant firm must refer to the Handbook of rules and guidance (in particular, but not limited to COB, ML SUP, SYSC and TC). It may also wish to seek assistance from a professional adviser.

You are not required to send compliance procedures with this application but the applicant firm must be able to produce a copy at any time while we are assessing the application or in the future.

5.1 You must confirm the applicant firm has documented compliance procedures in place.

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry out a programme of actions to check it complies – and continues to comply – with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application.

The compliance monitoring programme must be relevant to the regulated activities and tailored to the applicant firm's business.

A compliance monitoring programme must describe the actions the holder of the compliance oversight function and their staff will take to ensure the applicant firm complies with our rules and guidance at all times. In particular, it must describe:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by us;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

5.2 You must confirm you have attached a compliance monitoring programme.

☐ Yes

Compliance arrangements

5.3 You must confirm that all senior management of the applicant firm are aware of and understand the compliance procedures.

☐ Yes

Financial crime

5.4 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime. This includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime (SYSC 3.2.6 and 6.3).

You must include the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively;
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of and undertake all necessary due diligence exercises in relation to all its clients;
- the systems and controls that will be in place to ensure that 'know your business' information (see SYSC 3.2.6 and 6.3) is made available to the applicant firm's MLRO;
- the anti-money laundering training the applicant firm will provide for its relevant staff; and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring.

A large empty rectangular box with a thin black border, intended for the applicant firm to describe the procedures to counter the risks of financial crime.

Market conduct

5.5 You must briefly describe the steps the applicant firm has put in place to counter the risk that it or its staff may engage in activity which constitutes market abuse.

You must include the following;

- the controls and procedures the applicant firm will have in place to mitigate the risk of market abuse;
- details of the anti-market abuse training the applicant firm will provide for its relevant staff; and
- the arrangements for monitoring the market abuse controls and procedures.

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6 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual FCA fees. We will also use this information to calculate the levies for the Money Advice Service (MAS), the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

FCA fees

6.1 Fee block A.7 - Portfolio managers

How much total funds under management does the applicant firm estimate for the first year of authorisation?

Amount	£
Confirm amount in words	

6.2 Fee block A.9 - Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes

How much total Gross Income does the applicant firm estimate it will receive from the activities relating to fee block A.9 for the first year of authorisation?

Amount	£
Confirm amount in words	

6.3 Fee block A.10 – Dealers as Principal

How many traders does the firm estimate it will have at the end of its first year of authorisation?

Number	
Confirm number in words	

6.4 Fee Block A.13 – Advisers, arrangers, dealers or brokers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

Amount	
Confirm amount in words	

6.5 Fee block A.14 - Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

Amount	
Confirm amount in words	

The ombudsman levy

For the purpose of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has FCA permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the ombudsman service's levy can be lower than that reported under the FCA fee. The Handbook Glossary defines 'relevant business' as business done **with consumers only**. If the applicant firm will not conduct any business with eligible complainants, it may apply for an exemption (see Question 6.15).

6.6 Fee block I005 - Portfolio Managers

How much relevant funds under management does the applicant firm estimate for the first year of authorisation?

Amount	£
Confirm amount in words	

6.7 Fee block I006 - Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes

How much relevant gross income does the applicant firm estimate for the first year of authorisation?

Amount	£
Confirm amount in words	

6.8 Fee block I007 - Dealers as Principal

How many relevant traders does the firm estimate it will have at the end of its first year of authorisation?

Number	
Confirm number in words	

6.9 Fee block I008/I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers? Please exclude income from corporate finance business.

Number	
Confirm number in words	

6.10 Fee block I010 – Corporate finance advisers

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

Number	
Confirm number in words	

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be different to that reported under the FCA fee. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant it may apply for FSCS exemption (see Question 6.16).

Newly authorised firms do not contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

6.11 Class SC02 – Life and pensions mediation

How much annual eligible income does the firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

Amount	
Confirm amount in words	

6.12 Class SD01 – Investment provision

How much annual eligible income does the firm estimate for the first year of authorisation in relation to fund management business?

Amount	
Confirm amount in words	

6.13 Class SD02 – Investment mediation

How much annual eligible income does the firm estimate for the first year of authorisation in relation to investment mediation business only?

Amount	
Confirm amount in words	

Declaration of ongoing FCA fees liability

6.14 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.

☐ Yes

Declaration of FSCS and the ombudsman service exemption

Please note that if the applicant firm has selected retail clients in Section 2 to this supplement then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible claimants and/or complainants.

6.15 The ombudsman service exemption – if the applicant firm will not conduct business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is exempt from the ombudsman service

6.16 FSCS Exemption – if the applicant firm will not conduct business that could give rise to a protected claim by an eligible claimant and do not foresee doing so in the immediate future, please tick the box below.

☐ Applicant firm is FSCS exempt

End of supplement

Application for Authorisation

MiFID Annex

Legal name of applicant firm

Important information you should read before completing this form

This MiFID Annex can be used to provide information:

1. required by the RTS under 7(4) of MiFID II (as defined below);
2. as part of an application for authorisation (known as Part 4A permission) to enable us to assess whether the applicant firm satisfies conditions known as the threshold conditions (COND 2.2). We will only authorise a firm if we are satisfied that it meets these conditions;
3. we need to process the application and prepare for the ongoing supervision of the firm (such as information relating to fees and prudential categories).

Please keep a copy of your completed forms and any supporting documents you include in your application pack for future reference.

Please note that when providing information specified under the RTS you should refer to both the head office of the firm and its potential branches and tied agents, in respect of the information required under Articles 1 and 6 of the RTS. See Article 7 of the RTS.

The notes that accompany this Annex will help you complete the questions. They also explain why we require the requested information.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

It is important that you provide accurate and complete information. Knowingly or recklessly giving the FCA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R (where applicable) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided. If necessary, please take appropriate professional advice before supplying information to us.

Terms in this application pack

In this application pack we use the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm
- 'the applicant firm' refers to the firm applying for authorisation
- 'we', 'us', 'our' or 'FCA' refers to the Financial Conduct Authority
- 'FSMA' refers to the Financial Services and Markets Act 2000
- 'MiFID' refers to the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council)
- 'RTS' refers to Regulatory Technical Standards under Article 7(4) as adopted by the European Commission on 14 July 2016:
http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160714-rts-authorisation_en.pdf.
- 'MTF' refers to Multilateral Trading Facility
- 'OTF' refers to Organised Trading Facility

Filling in the form

1 If you are using your computer to complete the pack:

- use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- save all the parts of the pack you have completed and attach to your application

2 If you think a Question is not relevant to you, write 'not applicable' and explain why.

3 If you leave a Question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

4 If there is not enough space on the forms you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

5 Ensure you have:

- completed the MiFID Authorisation Form
- completed the MiFID List of Members of the Management Body Form and any Form As
- completed the MiFID Annex
- completed any appendices necessary
- completed the fees and levies supplement
- completed the checklist form
- completed any other forms required under MiFID
- attached any supporting documents, and
- paid the application fee via Connect (please see the Connect pages for more information)

When you are required to attach supporting documents (e.g. structure chart and financial information) to your application, failure to do so will mean we will have to treat the application as incomplete. This will increase the time taken to assess your application.

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1

General Information

This section is to be used to provide the information required under Article 1 (General Information) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form that you have provided the relevant information in this section of the Annex.

Note: some information specified in Article 1(a) of the RTS will have been provided on the first page of the MiFID Authorisation Form.

Applicant firm names

1.1 Does the applicant firm intend to change the registered name given on the front of this form upon authorisation?

- ☐ No
☐ Yes ▶ Give details below

Name	
------	--

1.2 Does the applicant firm intend to use any trading names in addition to the name given on the front of this form?

- ☐ No
☐ Yes ▶ Give details below

Name	
------	--

Legal status of the applicant firm

1.3 What type of firm is the applicant firm?

- ☐ Sole trader ▶ Continue to Question 1.6
☐ Private limited company
☐ Partnership (other than limited partnership or limited liability partnership)
☐ Limited liability partnership
☐ Public limited company
☐ Limited partnership
☐ Unincorporated association
☐ Other ▶ You must detail below the legal status of the applicant firm

--

1.4 Date of incorporation or formation (dd/mm/yyyy)

				/			/				
--	--	--	--	---	--	--	---	--	--	--	--

1.5 Where was the applicant firm incorporated or formed?

- ☐ England/ Wales
☐ Scotland
☐ Northern Ireland
☐ Outside the UK ▶ Give details below

--

Contact details**1.6 Contact details for a person within the applicant firm for the Financial Services Register**

This individual will be entered on the Financial Services Register as the complaints contact. He or she must perform a senior management function for the applicant firm.

Title		
First name(s)		
Surname		
Job title		
Business address		
Postcode		
Phone number (including STD code)		
Email address		

Details of professional advisers

1.7 Has the applicant firm used a professional adviser to help with this application?

- ☐ No ▶ Continue to Question 1.12
☐ Yes

1.8 Name of professional adviser's firm

--

1.9 Do you want us to copy all correspondence to the professional adviser?

- ☐ No ▶ Continue to Question 1.11
☐ Yes

1.10 Name and contact details of professional adviser

Title		
First name(s)		
Surname		
Business address		
Postcode		
Phone number (including STD code)		
Mobile number (optional)		
Email address		

1.11 If the applicant firm becomes authorised will it continue to use a professional adviser (either the adviser listed above or another one)?

- ☐ No
☐ Yes

Other details

1.12 Principal place of business of applicant firm

Principal place of business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

1.13 Does the applicant firm have a head office?

- ☐ No
☐ Yes, it is the same as address given in Question 1.12
☐ Yes, it is different from the address given in Question 1.12 ▶ Give details below

Head office address	
Postcode	

1.14 Is the applicant firm an incorporated company?

- ☐ No
☐ Yes ▶ Is the registered office address the same as the address given in Question 1.12 or Question 1.13?
☐ Yes, it is the same address given in Question 1.12 (principal place of business)
☐ Yes, it is the same address given in Question 1.13 (head office)
☐ No ▶ Give details below

Registered office address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

1.15 Does the applicant firm have a website address?

- ☐ No
- ☐ Yes, live ▶ Give address below
- ☐ Yes, being developed ▶ Give address (if known) and launch date below

--

1.16 Please attach the following

Certificate of incorporation

Copy of Partnership agreement deeds (if applicable)

Copy of Limited Liability Partnership agreement deeds (if applicable)

☐ Attached☐ Attached☐ Attached

1.17 Does the applicant firm have a registered number, e.g. Companies House number?

- ☐ No
- ☐ Yes ▶ Give details below

[illegible]

1.18 Please confirm that all the details given in Questions 1.3-1.5 and 1.16-1.17 match companies house records

- ☐ Yes
- ☐ No ▶ Give details below

--

1.19 Does the applicant firm have a Legal Entity Identifier (LEI) code?

- ☐ No
- ☐ Yes ▶ Give details below

[illegible]

Financial year end

1.20 Date of the applicant firm's financial year end (dd/mm)

□ □ / □ □

Branches

1.21 Will the applicant firm have any branches in the UK that intend to conduct regulated activities?

- ☐ No
☐ Yes ▶ Give details below

--

Appointed representatives

1.22 Does the firm intend to use an appointed representative?

☐ No

☐ Yes ▶ Give details below

Permission profile

To answer Question 1.23 you must refer to the relevant permission profiles table (1 or 2) on the following pages. These show the range of regulated activities, investment types and client types applicable to the applicant firm. For each regulated activity the applicant firm is requesting permission to carry on, you must tick:

- the investment types in which it is seeking to carry on that regulated activity, and
- client types for which it is seeking to carry on that regulated activity

1.23 You must confirm that the applicant firm has completed one of the two Permission Profiles on pages 10-11, depending on their type of business

- ☐ Permission Profile 1 (MiFID firms)
- ☐ Permission Profile 2 (Article 3 MiFID exempt firms and Personal Investment Firms)

Please note that if the applicant firm intends to do any of the following activities, you will be asked in the relevant retail supplement about these:

- non-investment insurance contract
- regulated mortgage contract
- advising on pension transfers/op-outs
- advising on Peer-to-Peer agreements
- funeral plan contracts
- providing basic advice on stakeholder products
- assisting in the administration and performance of non-investment insurance contracts;
- dealing as agent in non-investment insurance contracts
- home reversions plans
- home purchase plans, and/or
- regulated sale and rent back agreements

If the applicant firm is a Small Authorised UK AIFM (Alternative Investment Fund Manager) you must complete and attach to your application the Supplement for Small Authorised UK AIFM: <https://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-form.docx>

Please note you will be asked in this supplement about the following activities:

- Establishing, operating, winding up a collective investment scheme;
- Managing an Authorised AIF; and/or
- Managing an Unauthorised AIF.

☐ Attached

Permission Profile table 1 – MiFID firms

You must tick all the investment types and regulated activities that the applicant firm intends to conduct.

INVESTMENT TYPE	REGULATED ACTIVITY										
	Advising (excluding pension transfers/opt-outs)	Arranging (bringing about) deals in investments	Making arrangements with a view to transactions in investments	Dealing in investments as agent	Dealing in investments as principal	Managing investments	Safeguarding and administration of assets	Arranging safeguarding and administration of assets	Operating a MTF	Operating an OTF	Bidding in emissions auctions
SECURITY											
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alternative debentures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Government and public security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Emissions allowances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
CONTRACTUALLY-BASED INVESTMENT											
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Contract for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Binary Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Spread Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rolling spot forex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Emissions auction product											<input type="checkbox"/>
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structured deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>					
CLIENT TYPE											
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

Permission Profile table 2 – Article 3 MiFID exempt firms and PIF firms

You must tick all the investment types and regulated activities that the applicant firm intends to conduct.

INVESTMENT TYPE	REGULATED ACTIVITY		
	Advising (excluding pension transfers/opt-outs)	Making arrangements with a view to transactions in investments	Arranging (bringing about deals)
Share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government and public security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Warrant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificates representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option (excluding a commodity option)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future (excluding a commodity future)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract for difference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (security)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spread Bet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative Debentures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stakeholder pension scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal pension schemes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Life policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rights to or interests in investments (contractually-based investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structured deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLIENT TYPE			
Retail (investment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eligible counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1.24 You must complete the following table to supply a list of MiFID investment services and activities and financial instruments the applicant firm intends to provide

FINANCIAL INSTRUMENT	LIST OF INVESTMENT SERVICES AND ACTIVITIES									
	Reception and transmission of orders in relation to one or more financial instruments	Execution of orders on behalf of clients	Dealing on own account	Portfolio management	Investment advice	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	Placing of financial instruments without a firm commitment basis	Operation of an MTF	Operation of an OTF	
(1) Transferable securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(2) Money-market instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(3) Units in collective investment undertakings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rate or yields, emissions allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, an MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(8) Derivative instruments for the transfer of credit risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(9) Financial contracts for differences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regards to whether, <i>inter alia</i> , they are traded on a regulated market, an OTF, or an MTF	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(11) Emissions allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

MTF / OTF

1.25 Is the applicant firm seeking permission to carry on the regulated activity of operating a MTF or operating an OTF?

- ☐ No ▶ Continue to Question 1.27
☐ Yes

1.26 You must complete and attach the MTFs and OTFs table, see <https://www.fca.org.uk/publication/forms/mifid-mtf-table-form.docx> (this should be saved and attached to the application on Connect)

- ☐ Completed and attached

You may also wish to apply for a waiver from pre-trade transparency and if so will be required to complete a Transparency Waiver Form <https://www.fca.org.uk/publication/forms/mifid-transparency-waiver-form.docx> (this should be saved and attached to the application on Connect)

- ☐ Completed and attached

Other regulated activities

1.27 Is the applicant firm seeking permission to carry on any regulated activities not included in the Permission Profile table?

- ☐ No
☐ Yes ▶ List the regulated activities not given in the Permission Profile table (with the corresponding investment and client types) below

--

Agreeing to carry on a regulated activity

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. As a matter of course, an applicant firm will carry on this regulated activity (which is limited to agreeing to carry on only the other regulated activities specified in its Scope of Permission Notice). Please note that this is not applicable for operating a MTF or operating an OTF.

1.28 You must confirm that the applicant firm requests permission to carry on this activity.

- ☐ Yes

Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in the investment type of 'rights to or interests in investments' is attached to each regulated activity that an applicant firm is authorised to carry on.

1.29 You must confirm that the applicant firm requests the attachment of this limitation to each regulated activity specified in its completed Permission Profile table.

☐ Yes

Standard requirement – client money

The applicant firm's Scope of Permission Notice will reflect whether or not it is permitted to hold and/or control client money.

1.30 Is the applicant firm seeking permission to hold and/or control client money?

Please note that Article 3 MiFID exempt firms are not permitted to hold client money in relation to MiFID business

- ☐ No
☐ Control client money only
☐ Hold and control client money

Standard requirement for firms that will be exempt from MiFID

1.31 You must tick the box below if the applicant firm is exempt from MiFID by virtue of the exemption in article 3 MiFID.

☐ Must comply with the requirements in regulation 4C (or any successor provision) of FSMA (Markets in Financial Instruments) Regulations 2007.

The above requirement will be contained in your Scope of Permission Notice

1.32 The following limitations apply to the regulated activity of operating an OTF. Which limitations are relevant to the applicant firm?

Please note if any of the following limitations are relevant to the applicant firm they will be included in the applicant firm's Scope of Permission.

☐ **(a) Dealing on own account - OTF**

'Unable to engage in dealing on own account, as defined in article 4.1(6) MiFID II, unless in respect of:

- (i) sovereign debt instruments for which there is not a liquid market'; or
- (ii) bonds, structured finance products, emission allowances and derivatives, which have not been declared subject to the clearing obligation in accordance with EMIR, when:
 - (a) engaging in 'matched principal trading' as defined in the Glossary of defined expressions used in the FCA's Handbook; and
 - (b) the client has consented to such trading'.

☐ **(b) Dealing on own account in sovereign debt - OTF**

'Unable to engage in dealing on own account, as defined in article 4.1(6) MiFID II, unless in respect of sovereign debt instruments for which there is not a liquid market.'

☐ **(c) Matched principal trading - OTF**

'Unable to engage in dealing on own account, as defined in article 4.1(6) MiFID II, unless in respect of bonds, structured finance products, emission allowances and derivatives, which have not been declared subject to the clearing obligation in accordance with EMIR, when:

- (i) engaging in 'matched principal trading' as defined in the Glossary of defined expressions used in the FCA's Handbook; and
- (ii) the client has consented to such trading'.

☐ **(d) Limited activity**

'May only deal on own account in MiFID financial instruments for the purpose of (i) fulfilling or executing a client order, or (ii) gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.'

Other limitations/requirements

1.33 Is the applicant firm seeking to attach any other limitations to any of its regulated activities, or any other requirements on its permission?

☐ No

☐ Yes ▶ Give details below

History of applicant firm

- 1.34** Has the applicant firm ever been refused or had revoked any licence, membership, authorisation, registration or other permission granted by a financial services regulator or government body in the UK or overseas?

☐ No
☐ Yes

- 1.35** Has the applicant firm ever, after making an application to a regulatory body, for:

- a licence
 - authorisation
 - registration
 - notification
 - membership, or
 - other permission granted by a regulatory body
- decided not to proceed with it?

☐ No
☐ Yes

- 1.36** If the answer to Question 1.34 or 1.35 is yes, please give a full explanation of the events below.

Make sure this includes:

- the question number the event refers to
- the date of the event
- any amounts involved
- the outcome, and
- an explanation of the circumstances

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2

Information on capital

This section is to be used to provide the information required under Article 2 (Information on Capital) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form that you have provided the relevant information in this section of the Annex.

Please refer to the flowchart as this will help you to work out the prudential category of the firm, see:

(<https://www.fca.org.uk/publication/documents/mifid-ii-application-notification-guide.pdf#page=84>)

2.1 What is the applicant firm?

- ☐ IFPRU firm (other than exempt IFPRU commodities firm) ▶ Continue to Question 2.2
- ☐ BIPRU firm (other than exempt BIPRU commodities firm) ▶ Continue to Question 2.6
- ☐ Exempt IFPRU commodities firm ▶ Continue to Question 2.7
- ☐ Exempt BIPRU commodities firm ▶ Continue to Question 2.7
- ☐ Exempt CAD firm ▶ Continue to Question 2.7
- ☐ Article 3 MiFID exempt firm ▶ Continue to Question 2.7
- ☐ Local firm ▶ Continue to Question 2.7

IFPRU Firms

2.2 You must state the gross amount of each source of capital in accordance with the relevant CRR Articles (Part 2 of CRR).

Please tick	Source	Amount
<input type="checkbox"/>	Common Equity Tier 1 capital (CRR Articles 26 to 31)	
<input type="checkbox"/>	Additional Tier 1 capital (CRR Articles 51 to 55)	
<input type="checkbox"/>	Tier 2 capital (CRR Articles 62 to 65)	
Total		

2.3 Does the applicant firm meet the criteria of a significant IFPRU firm?

- ☐ No
- ☐ Yes

2.4 Is the firm required to report FINREP?

- ☐ No
- ☐ Yes

2.5 You must complete the following two forms and attach them to your application:-

- CRR Permissions form - www.fca.org.uk/your-fca/documents/forms/crr-permission-application-form
- Common Equity Tier 1 issuance application form - www.fca.org.uk/static/documents/forms/crr-article-26-3-self-assessment-form.doc

☐ Attached
Continue to Question 2.8**BIPRU firms****2.6 You must state the gross amounts of each source of capital in accordance with GENPRU 2.2 requirements. The gross amount is the total amount in issuance i.e. before any deductions.**

Please tick	Source	Amount
<input type="checkbox"/>	Core tier one capital	
<input type="checkbox"/>	B1 hybrid capital	
<input type="checkbox"/>	B2 hybrid capital	
<input type="checkbox"/>	C hybrid capital	
	Total tier one capital	
<input type="checkbox"/>	Upper tier two capital	
<input type="checkbox"/>	Lower tier two capital	
	Total tier two capital	
<input type="checkbox"/>	Upper tier three capital	
<input type="checkbox"/>	Lower tier three capital	
	Total tier three capital	
	Total	

Continue to Question 2.8

Exempt CAD Firms / Article 3 MiFID exempt firms / Sole Traders / Local Firms / Exempt IFPRU commodities firms/ Exempt BIPRU commodities firms

2.7 You must state the gross amounts of each source of capital in accordance with Chapters 3, 5, 9 or 13 of IPRU (INV)

Please tick	Source	Amount
<input type="checkbox"/>	Ordinary share capital	
<input type="checkbox"/>	Preference share capital	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Profit and loss account (verified)	
<input type="checkbox"/>	Partners' current and capital accounts	
<input type="checkbox"/>	Sole trader capital	
<input type="checkbox"/>	Eligible LLP members' capital	
<input type="checkbox"/>	(Audited) reserves	
<input type="checkbox"/>	Subordinated loans Debt capital (chapter 13)	
<input type="checkbox"/>	Approved bank bonds (for chapter 3)	
<input type="checkbox"/>	Approved undertakings (for chapter 3)	
<input type="checkbox"/>	Qualifying arrangements (for chapter 5)	
<input type="checkbox"/>	Qualifying property (for chapter 5)	
	Total	

All firms**2.8 What type of firm is the applicant firm?**

- | | | |
|--|---|--|
| <input type="checkbox"/> Limited company | You must attach a Companies House form (SH01) | <input type="checkbox"/> Attached
<input type="checkbox"/> Applicant firm not yet capitalised |
| <input type="checkbox"/> Partnership | You must attach the following:
Statements of personal assets and liabilities (see notes) (one per partner) | <input type="checkbox"/> Attached |
| | Statement of partnership business assets and liabilities (see notes) (one only) | <input type="checkbox"/> Attached |
| <input type="checkbox"/> Limited liability partnership | You must attach the members' capital agreement (see notes) | <input type="checkbox"/> Attached |
| <input type="checkbox"/> Sole trader | You must attach the following:
Statement of personal assets and liabilities (see notes) | <input type="checkbox"/> Attached |
| | Statement of business assets and liabilities (see notes) | <input type="checkbox"/> Attached |
| <input type="checkbox"/> Other | You must attach details of the applicant firm's constitution | <input type="checkbox"/> Attached |

Subordinated loans

2.9 Does the applicant firm have any subordinated loans?

☐ No

☐ Yes ▶ You must give details below of any subordinated loans

For subordinated loan agreement forms for firms other than IFPRU and BIPRU firms see the relevant section of IPRU (INV) Annex D Required Forms.

If there is more than one subordinated loan you must use a separate sheet of paper.

If you have used separate sheets of paper you must indicate how many below.

Number of additional sheets	
Name of funding provider	
Amount	
Date of agreement	
Nature of funding	
Repayment terms, including number of instalments and final payment date	
Interest payable	%

Other funding

2.10 Does the applicant firm have other sources of external funding?

☐ No

☐ Yes ▶ Please provide information on the use or expected use of any other borrowed funds including the name of the relevant lenders and details of the facilities granted or expected to be granted, including maturities, terms, pledges and guarantees, along with information on the borrowed funds (or funds expected to be borrowed) where the lender is not a supervised financial institution

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Prudential sub-category

The applicant firm's prudential sub-category determines the prudential rules that will apply to it. You can find the details of the prudential sub-categories in the notes to this supplement.

All applicant firms, apart from exempt CAD firms or local firms, who are subject to MiFID are required to comply with GENPRU and BIPRU and/or IFPRU/CRR.

Applicant firms that are exempt CAD firms will be required to comply with Chapter 9 or Chapter 13 IPRU (INV).

Applicant firms that are Article 3 MiFID exempt firms will usually be required to comply with Chapter 3 or Chapter 13 IPRU (INV).

Its prudential sub-category will be determined by its Scope of Permission, which will in turn be determined by its proposed business.

The applicant firm's nominated prudential sub-category should correspond with its Scope or Permission (as requested in Section 1 of this Annex) and the description of its proposed business in Section 6 of this Annex. If it is not clear to us how it does so, then we will query this with you.

2.11 Is the applicant firm a Personal Investment Firm?

- ☐ No
☐ Yes ▶ Continue to Question 2.13

2.12 Which prudential sub-category applies to the applicant firm?

You must tick the prudential sub-category that applies to the applicant firm:

Section A

As a BIPRU investment firm you must confirm that the applicant firm is a BIPRU €50K limited licence firm.

- ☐ BIPRU €50K limited licence firm

Section B

Prudential sub-categories for MiFID Firms under the IFPRU rules

As an IFPRU investment firm you must tick the relevant box to confirm which category applies to you to determine your base capital requirement.

- (a) ☐ €50K firm
 (b) ☐ €125K firm
 (c) ☐ €730K firm

You must also tick the relevant box to confirm which category applies to you to calculate your capital resources requirement.

- (a) ☐ IFPRU limited licence firm
 (b) ☐ IFPRU limited activity firm
 (c) ☐ Full Scope IFPRU investment firm

Section C

Prudential sub-category for MiFID firms not generally subject to the GENPRU, BIPRU, or IFPRU rules

- ☐ Exempt CAD firm that is not a personal investment firm
☐ Exempt CAD firm that is a personal investment firm
☐ Local firm
☐ Exempt IFPRU commodities firm - subject to the prudential requirements in IPRU (INV) Chapter 3
☐ Exempt BIPRU commodities firm - subject to the prudential requirements in IPRU (INV) Chapter 3

If you are an Exempt IFPRU commodities firm or an Exempt BIPRU commodities firm, please tick one of the following boxes to specify which category is relevant for your business:

- ☐ Broad scope firm
☐ Derivative fund manager
☐ Energy market participant
☐ Oil market participant
☐ adviser
☐ arranger/ arranger also giving advice
☐ Other, please specify in the box below

Personal Investment Firm

2.13 You must select the prudential category or categories that apply to each type of business. The prudential category determines how much capital the applicant firm will need to hold. The details of the prudential categories can be found in the notes to this supplement.

A category B firm that is a personal investment firm other than an exempt CAD firm (non-MiFID)

B3 firm category applies to firms **not intending** to hold or control client money

- ☐ B3 firm (with managing permission): personal investment firm (manages investments in respect of portfolios containing only life policies or delegate such activity to an investment firm)
☐ B3 firm (without managing permission)

For Article 3 MiFID exempt firms opting into MiFID to benefit from the EU passport:

- ☐ Exempt CAD firm

Home Finance firm category

- ☐ Home Finance Intermediary that does not hold client money for its mortgage and home finance business
- ☐ Home Finance Intermediary (that holds client money for its mortgage and home finance business)

Non-investment insurance contracts categories

- ☐ Insurance intermediary
- ☐ Insurance intermediary (that holds client money for its non-investment insurance business only)

2.14 What is the applicant firm's resource requirement?

IPRU (INV) only - Where the applicant firm does not intend to hold client money, the financial resources requirement will be calculated on the basis of the higher of the minimum capital requirement or the income-based requirement.

IPRU (INV) and MIPRU - Where a firm is subject to both IPRU (INV) and MIPRU, in accordance with IPRU (INV) 13.13.3, it must calculate its requirement as the higher of:

- (g) 20,000 (under the transitional arrangement this is £15,000 until 30 June 2017); and
- (h) The sum of 1) the requirement computed based on its business subject to IPRU (INV) plus 2) the requirement computed based on its business subject to MIPRU (excluding the minimum fixed amounts specified in MIPRU).

Resource Requirement	
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This will be the applicant firm's resource requirement.

Requirements**Standard requirement for BIPRU firms****2.15 You must confirm below that the applicant firm requires the following requirement:**

Unable to carry on the MIFID investment service and activity of placing of financial instruments without a firm commitment basis (Annex 1, Section A7 of MiFID)

- ☐ Yes

Standard requirement for exempt CAD firms

2.16 You must tick the appropriate box below if the applicant firm is seeking authorisation to be an 'exempt CAD firm'.

Firms that are arranging and advising on investments

- ☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments or investment advice

Firms that are only arranging deals in investments

- ☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments

Firms that are only providing investment advice

- ☐ Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except investment advice in relation to one or more financial instruments

Requirements - specific business categories

The description of the applicant firm's proposed business in Section 6 of this Annex, with its completed Permission Profile table, should correspond with the specific business category indicated by the applicant firm. If it is not clear how they correspond we will request further information from you.

Energy and oil market participants**2.17 Is the applicant firm seeking authorisation to carry on business in any of the following specific categories only:**

- **Energy market participant**
- **Oil market participant**

☐ Yes ▶ Indicate which ones below

- ☐ Energy market participant
☐ Oil market participant

In each of these cases, the applicant's specific business category will be reflected by a requirement in its Scope of Permission Notice.

☐ No

Venture capital / corporate finance business**2.18 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital business and wishes to adopt the standard requirement below.**

☐ 'The firm must not conduct designated investment business other than venture capital business.'

2.19 The applicant firm must tick the box below if it is seeking authorisation only to carry on corporate finance business and wishes to adopt the standard requirement below.

☐ 'The firm must not conduct designated investment business other than corporate finance business.'

2.20 The applicant firm must tick the box below if it is seeking authorisation only to carry on venture capital and corporate finance business and wishes to adopt the standard requirement below.

☐ 'The firm must not carry on designated investment business other than venture capital and corporate finance business'

2.21 You must tick the box(es) below if the applicant firm is seeking authorisation for advising retail clients, but it is only advising retail clients on venture capital business and/or corporate finance business

☐ 'The firm must not conduct any designated investment business with retail clients other (or except) than corporate finance business.'

☐ 'The firm must not conduct any designated investment business with retail clients other (or except) than venture capital business.' (Note that where an applicant firm is seeking authorisation for advising retail clients on retail investment products it is likely to fall within the scope of the Retail Distribution Review.)

Local firms

2.22 You must tick the box below if the applicant firm is seeking to be authorised as a local firm

Please note this requirement will be included in the applicant firm's Scope of Permission.

☐ 'The firm is dealing for its own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets, or dealing for the accounts of other members of those markets and being guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such a firm is assumed by clearing members of the same markets'

Limitations – Dealing as a Principal

2.23 The following limitations apply to the regulated activity of dealing in investments as principal in relation to MiFID instruments and are relevant to the applicant firm's prudential status. Which limitations are relevant to the applicant firm?

Please note these limitations if applicable to the applicant firm will be included in the applicant firm's Scope of Permission.

☐ (a) Unable on a regular basis to:
(i) deal on own account in relation to MiFID financial instruments, and
(ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis

☐ (b) Unable to:
(i) hold investors' financial instruments for own account unless they meet the 'matched principal exemption conditions' as defined in the Glossary of definitions in the FCA Handbook, and
(ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis

☐ (c) May only deal on own account in MiFID financial instruments for the purpose of (i) fulfilling or executing a client order, or (ii) gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.

3

Information on shareholders

This section and the controller forms are to be used to provide the information required under Article 3 (Information on shareholders) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form that you have provided the relevant information in this section of the Annex and list the relevant controller forms.

In some cases, a Form A may be provided instead of a controller form, as explained further in the notes to this section.

This section helps us to understand who controls/owns the applicant firm, i.e. its controllers, and the relationships or close links the applicant firm might have with other individuals or entities. Often there will be some overlap between the applicant firm's controllers and close links. For example, an individual who owns or controls 10% or more of the voting rights or capital of the applicant firm is both a controller and a close link of that firm.

3.1 How many controllers do you have?

- ☐ One to five controllers ▶ Give details of the controllers below
- ☐ More than five controllers ▶ Give details of the controllers below. If the nature of the relationship between the applicant firm and each of the controllers cannot be clearly shown below, please provide a structure chart on a separate sheet of paper. The structure chart should show the nature of the relationship between the applicant firm and each of its controllers. It must also include the information asked for below.

In all cases, for corporate controllers that are members of a group, the firm should submit a structure chart that:

- includes information on the main activities of each firm within the group
- identifies any regulated entities
- names the relevant regulator, and
- provides information on the relationship between the financial and other non- financial entities within the group

- ☐ Structure chart provided on separate sheet

For indirect holdings please also provide both

- the name of the person through which the stake is held, and
- the name of the final holder

Please indicate how many separate sheets of paper you have used to complete Question 3.1.

Number of additional sheets	
-----------------------------	--

Controller 1

Name

Legal status of controller, e.g. individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Controller 2

Name

Legal status of controller, e.g. individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Controller 3

Name

Legal status of controller, e.g. individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Controller 4

Name

Legal status of controller, e.g. individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

Controller 5

Name

Legal status of controller, e.g. individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

3.2 What type of controllers does the applicant firm have?

☐ Body corporate, partnership or trust ▶ Provide a copy of the latest financial statements (typically the accounts for the most recent accounting period)

☐ Attached

☐ Individual ▶ Provide documentation to show your financial position (e.g. loan agreement or bank statement)

☐ Attached

Controller forms**3.3 Applicant firms must submit with this application the appropriate controller forms for each of its controllers. These forms will be provided on Connect.**

For each of the controllers, applicant firms must submit:

- a legal person controller(s) – Controllers appendices – Legal persons and partnerships
- a natural person controller (s) – Controllers appendices – Natural persons
- a trust controller(s) – Controllers appendices - Trust

☐ Controller forms attached

Close links

3.4 Does the applicant firm have close links?

- ☐ No ▶ Continue to Question 3.7
- ☐ Yes

3.5 You must provide a structure chart to show

- **the nature of the relationship between the applicant firm and each close link**
- **the business type of the close link.**

If you are also providing a structure chart for Question 3.1 to illustrate the applicant firm's controller(s) or group, that chart should include all of the applicant firm's close link(s).

- ☐ Structure chart provided on separate sheet
- ☐ Information added to the structure chart provided in Question 3.1

Please indicate how many separate sheets of paper you have used.

Number of additional sheets	
-----------------------------------	--

3.6 Are you aware of any information to suggest that any close link is likely to prevent our effective supervision of the applicant firm?

- ☐ No
- ☐ Yes ▶ Give details below

--

Third country banking/investment group

3.7 Is the applicant firm applying to be a BIPRU or an IFPRU firm?

- ☐ No ▶ Continue to Section 4
- ☐ Yes

3.8 Is the applicant firm a member of a third country banking and investment group?

- ☐ No
- ☐ Yes ▶ You must provide:
- an up-to-date group structure chart showing all group entities and each entity's country of incorporation ☐ Attached
 - a list of group entities that are regulated (or mark them on the group structure chart above), showing the name of the regulator and the nature of business for each regulated entity ☐ Attached
☐ On group structure chart
 - the country of incorporation and the name of the highest non-EEA parent undertaking that is either ☐ Attached

a financial holding company, credit institution or investment firm

- if applicable, full details of any previously notified equivalence assessments (see GENPRU 3.2.3) other methods (see GENPRU 3.2.4) under the Financial Groups Directive by any EEA regulator (you must include details of the EEA regulator and date of notification), and ☐ Attached
☐ Not applicable
- if applicable, details of any group supervision on a consolidated basis by any non-EEA regulator including the name of the consolidating supervisor and a brief description of how the consolidating supervisor undertakes group supervision ☐ Attached
☐ Not applicable

Financial conglomerates

3.9 Is the applicant firm a member of a group?

- ☐ No ▶ Continue to Section 4
☐ Yes

3.10 In relation to the activities of the controller, or the group the controller is part of, is the controller or any firm in the group an EEA investment firm, an EEA credit institution, an EEA insurance undertaking, an EEA management company, an EEA regulated market or the parent of any such firm?

- ☐ No ▶ Continue to Section 4
☐ Yes ▶ Complete and attach 'Classification of groups' form (the link to this form is found within the MiFID Annex notes)
☐ Attached

3.11 Is the applicant firm a member of a financial conglomerate?

- ☐ No ▶ Continue to Section 4
☐ Yes

3.12 Is the applicant firm a member of a third country financial conglomerate?

- ☐ No ▶ Continue to Section 4
☐ Yes ▶ You must provide:
- an up to date group structure chart showing all group entities and each entity's country of incorporation ☐ Attached
 - a list of group entities that are regulated (or mark them on the group structure chart above), showing the name of the regulator and the nature of business for each regulated entity ☐ Attached
☐ On group structure chart
 - the country of incorporation and the name of the highest non-EEA parent undertaking that is either a mixed financial holding company or a regulated entity ☐ Attached
 - if applicable, full details of any previously notified equivalence assessments (see GENPRU 3.2.3)/ other methods (see GENPRU 3.2.4) under the Financial Groups Directive by any EEA regulator ☐ Attached
☐ Not applicable

(you must include details of the EEA regulator and date of notification)

- if applicable, details of any conglomerate supervision on a consolidated basis by any non-EEA regulator including the name of the consolidating supervisor and a brief description of how the consolidating supervisor undertakes conglomerate supervision ☐ Attached
☐ Not applicable

4

Information on the management body and persons who direct the business

This section and the Form As are to be used to provide the information required under Article 4 (Information on the management body and persons who direct the business) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form that you have provided the relevant information in this section of the Annex and list the relevant Form As.

Senior management functions

- 4.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the relevant box below. The type of firm you are will determine the table you will need to complete.**

UK core firms ▶ Continue to 4.1.1

Third country firms ▶ Continue to 4.1.2

Enhanced firms ▶ Continue to 4.1.3

The applicant firm will not necessarily need to have all these senior management functions listed in the relevant box below.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

Number of additional sheets	
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You should also indicate the country where the person will primarily be based if this is other than the UK.

4.1.1 UK core firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 3	Executive Director	
SMF 9	Chairman of the governing body	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 27	Partner	

SMF 29	Limited Scope Function	
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4.1.2 Third country firms

Function	Description of Senior Management Function	Name of individual
SMF 3	Executive Director	
SMF16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 19	Head of Third Country Branch	
SMF 27	Partner	

4.1.3 Enhanced firms

Function	Description of Senior Management Function	Name of individual
SMF 1	Chief Executive	
SMF 2	Chief Finance	
SMF 3	Executive Director	
SMF 4	Chief Risk	
SMF 5	Head of Internal Audit	
SMF 7	Group Entity Senior Manager	
SMF 9	Chairman of the governing body	
SMF 10	Chair of the Risk Committee	
SMF 11	Chair of the Audit Committee	
SMF 12	Chair of the Remuneration Committee	
SMF 13	Chair of the Nomination Committee	
SMF 14	Senior Independent Director	
SMF 16	Compliance Oversight	
SMF 17	Money Laundering Reporting Officer	
SMF 18	Other overall responsibility function	
SMF 24	Chief Operations	
SMF 27	Partner	

4.3 You must fill in a 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Questions 4.1 and 4.2. This will be provided on Connect.

How many 'Form As' are being sent with this application?

4.4 Please briefly describe the human and financial resources the applicant firm intends to devote on an annual basis to the induction and training of the individuals who will perform senior management functions

4.5 Will the applicant firm advise and/or deal in derivatives to 'retail clients'?

☐ No

☐ Yes ▶ You must provide evidence that the advisers carrying out this activity have been assessed as competent to undertake such an activity and possess a complete qualification as per the provisions of TC 2.1.7R

☐ Attached

Staff organisational structure chart

The applicant firm must demonstrate that it has an effective management structure and clear reporting lines to senior managers.

4.6 Is the applicant firm a sole trader or a sole director of a limited company with no employees?

☐ Yes ▶ You must provide the details of the person empowered to substitute immediately the sole trader or the sole director if the latter becomes incapacitated.

☐ No ▶ You must provide a staff organisational structure chart, clearly indicating senior management, decision makers, headcount of the internal management and control bodies on a separate sheet of paper.

☐ Attached

5

Financial Information

This section is to be used to provide the information required under Article 5 (Financial Information) and Article 6(c)(iv) (Programme of operations) (in respect of prudential requirements) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form that you have provided the relevant information in this section of the Annex.

5.1 All applicant firms must provide the following:

A forecast balance sheet for the first 3 business years ☐ Attached

A forecast monthly profit and loss accounts for the first year and then a year end account for years 2 and 3 business years. As a minimum, the profit and loss forecast must disclose the following on a monthly basis: ☐ Attached

a) gross income, analysed between regulated and un-regulated activities

b) business expenditure, relevant annual expenditure, analysis of the major overheads expenditure, and

c) profit before taxation.

A monthly cash flow forecast for the first business year and then a year end cash flow forecast for years 2 and 3 ☐ Attached

Monthly calculation of the applicant firm's financial resources/capital resources against its financial resources/capital resources requirement, demonstrating how the former meets the latter, projected over a one year period after authorisation. This must include working papers showing the assumptions on which the calculations are based. ☐ Attached

Liquidity

5.2 Is the applicant firm an IFPRU or BIPRU investment firm?

☐ No ▶ Continue to Question 5.8

☐ Yes ▶ Please confirm that you have considered and comply with the liquidity requirements applicable to your firm under BIPRU 12.1 to BIPRU 12.4:

☐ Yes, we have arrangements in place to comply with BIPRU 12.1 to BIPRU 12.4 including:

- a liquidity policy
- a treasury policy
- a liquidity risk assessment framework
- a liquidity risk appetite and stress testing methodology
- a contingency funding plan

We may require further information on your liquidity arrangements to progress the application. Your case officer will contact you to discuss this further.

Information on the group of the applicant firm

5.3 Is the applicant firm part of a group?

- ☐ No ▶ Continue to Question 5.8
☐ Yes

5.4 Is any firm in the group subject to regulation by another competent authority?

- ☐ No ▶ Continue to Question 5.6
☐ Yes

5.5 In relation to the activities of the group the applicant firm is part of, is any firm in the group (as defined in paragraph 5 of schedule 3 to FSMA) an EEA investment firm, an EEA credit institution, an EEA insurance undertaking, an EEA management company, an EEA regulated market or the parent of any such firm?

- ☐ No
☐ Yes

5.6 Please identify which competent authority will be the consolidated supervisor after authorisation

- ☐ the FCA ▶ You must submit the information under 5.1 at consolidated group and sub-consolidated levels. You must also provide details on which group entities will be included in the scope of consolidated requirements post-authorisation and at which level within the group these requirements will apply on a full or sub-consolidated basis.
☐ other EU competent authority ▶ Please specify:

--	--

5.7 Please complete and attach the Consolidation Group Form:

- www.fca.org.uk/your-fca/documents/forms/uk-consolidation-form
☐ Attached

Planning assumptions

5.8 You must give details on the following:

	At authorisation	12 months after	24 months after	36 months after
Number of customers				
Number of transactions per month				
Expected assets under management				
Number of investors in the fund(s) that the applicant firm will manage				

5.9 Is the applicant firm currently trading?

☐ No ▶ Continue to Question 5.10

☐ Yes ▶ You must provide the applicant firm's end of year accounts, and where applicable, at consolidated group and sub-consolidated levels, for the last three years or since the beginning of the activity. This should include the following:

Balance Sheet

☐ Attached

Profit and Loss accounts

☐ Attached

Audited annual reports

☐ Attached

☐ N/A

A report by the company auditor of the last three years or since the beginning of the activity

☐ Attached

☐ N/A

ICAAP

5.10 Is the applicant firm an IFPRU or BIPRU investment firm?

☐ No

☐ Yes ▶ In accordance with IFPRU 2.2 and BIPRU 2.2 the applicant firm is required to develop and maintain an Internal Capital Adequacy Assessment Process (ICAAP). Please tick the boxes below to confirm you have complied with the following requirements

☐ Yes, we have implemented an ICAAP and we have written evidence of the adequacy of this process, and

☐ Yes, the level of internal capital we will hold is consistent with our risk profile and strategy.

☐ N/A, the applicant firm is an exempt IFPRU commodity firm or an exempt BIPRU commodity firm therefore IFPRU 2.2 /BIPRU 2.2 do not apply

Is the applicant firm a €730K firm?

☐ Yes ▶ You must attach a copy of your ICAAP

☐ Attached

☐ No ► You are not required to send your ICAAP documentation with this application but you must be able to produce a copy, if we ask you to, at any time while we are assessing the application or in the future.

ILAA

5.11 Is the applicant firm an ILAS BIPRU firm?

☐ No

☐ Yes ► In accordance with BIPRU 12.5 an ILAS BIPRU firm must carry out an individual liquidity adequacy assessment (ILAA). Please confirm that you have carried out an ILAA

☐ Yes ► You are not required to send your ILAA documentation with this application but you must be able to produce a copy, if we ask you to, at any time while we are assessing the application or in the future

6

Information on the organisation of the firm

This section is to be used to provide most of the information required under Article 6 (Programme of operations) of the RTS, in addition to related information that we need for domestic purposes.

As such, please refer to that Article when completing this section and satisfy yourself that you have provided all the information specified.

When you are satisfied, please ensure you specify in the MiFID Authorisation Form where you have provided the relevant information in this section of the Annex.

The notes to this Annex indicate the information specified in Article 6 that will be provided through other parts of the MiFID application pack.

6.1 Please provide details of the business the applicant firm proposes to carry on for the first three years of authorisation

In describing its proposed business, the applicant firm must:

- Outline – in clear, plain language – the sort of transactions in which the applicant firm will typically be involved.
- Indicate whether these transactions will be carried on exchange and or/over the counter, and whether the applicant firm will require membership of any exchange (in which case, the status of the applicant firm's application for membership of the exchange(s) must be provided).
- Explain the applicant firm's own role in these transactions.
- Identify the various other parties to, and their roles in, these transactions, indicating which of these parties will be the applicant firm's clients.
- Itemise the various different financial instruments to which these transactions will relate.
- Illustrate this transaction process in diagrammatic/flow-chart form with the applicant firm's role in the transaction clearly distinguished. Indicate whether the applicant firm will be acting as a 'systematic internaliser'.
- Explain how the applicant firm's proposed business corresponds with the regulated activities it is applying for permission to carry on. The description should also include the respective investment and client types in, and for which, it will carry on each regulated activity (it will not necessarily carry on business in and for the same investment and client types for each regulated activity).
- Indicate whether any components of the applicant firm's proposed business will not be regulated (and for which it will not therefore be authorised).
- Indicate the overall percentage split of the applicant firm's income between its authorised and unregulated business.

The above should also be provided when the applicant firm intends to be authorised as a firm selling investments and/or home finance and/or non-investment insurance contracts.

The above should also be provided for the activities that the applicant firm intends to carry out and are outside the MiFID scope.

If the applicant firm intends to carry on investment management activities you should also include details of the intended investment strategy, including the following:

- whether the applicant firm will make leveraged investments
- which sector(s) and geographical areas investments will be made in
- whether the applicant firm will make long-term investments
- the expected returns of investors
- investors minimum subscription levels
- a description of the due diligence carried out on the potential investments
- whether the applicant firm will have direct interests in any investee companies, and
- whether the applicant firm will invest in illiquid securities and how these will be valued

If the applicant intends to be authorised as a local firm you should also include details with regard to:

- whether the applicant firm will become a member of a recognised futures and options exchange
- and if yes which clearing member(s) of the futures and options exchange(s) will act as guarantor for the performance of the applicant firm's contracts?

6.2 Does the applicant firm intend to passport into another EEA state under MiFID by:

- providing cross-border services, and/or
- establishing a branch, and/or
- appointing a tied agent

☐ No

☐ Yes ► Give details below, including scale of the activity and the countries where it will be carried on (see notes for further information)

Clients

6.3 Describe (in terms of both geographical location and their own commercial/business activities) the types of individuals/businesses and their regulatory classification the applicant firm expects to become its clients

6.4 Explain how the applicant firm will source its clients (referring to any existing contacts/relationships) and market its services to prospective new clients for the first three years

This should include details about:

- the marketing and promotional activity and arrangements
- the languages the marketing is offered in
- the member states where advertisements are most visible and frequent
- type of promotional documents, and
- the identity of direct marketers, financial investment advisers and distributors, and the geographical localisation of their activity

Fair treatment of customers

All firms must be able to show that fair treatment of customers is consistently at the heart of their business model. There are six consumer outcomes that firms should strive to achieve to ensure fair treatment of customers.

6.5 How has the fair treatment of customers influenced the development of the applicant firm's business plan?

--

6.6 How will the applicant firm's senior management ensure that:

- **fair treatment of customers, in particular vulnerable customers, is embedded in the culture of the firm, and**
- **it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

--

6.7 What have the management of the applicant firm identified as the key risks in its model that may impact on its ability to treat customers fairly?

--

Details of auditor / reporting accountant**6.8 Does the applicant firm have an auditor or reporting accountant?**
☐ No

☐ Yes ▶ Give details below

Firm name of auditor/reporting accountant			
Contact name			
Address			
Postcode			
Phone number (including STD code)			

Details of the applicant firm's organisational structure and internal control systems

6.9 Please provide an organisational structure chart with details of the heads of internal functions.

☐ Organisational structure chart provided on separate sheet

For each individual included on the organisational structure chart provide information on their relevant education, professional training and experience below

--

6.10 Please provide a description of the resources allocated to the various activities

--

Client asset safeguarding arrangements

6.11 Is the applicant firm seeking permission for safeguarding and administration of assets?

☐ No

☐ Yes ▶ Give the applicant firm's expected highest total value of safe custody assets at any one time over the next 36 months (from application submission date) below

£

6.12 If the applicant firm is seeking permission to hold client money (please refer to Question 1.30), what is the applicant firm's projected highest total amount of client money at any one point in time over the next 12 months from date of authorisation

£

6.13 Is client money held by the firm in compliance with CASS 7.13.3R?

☐ Yes, the client money has been placed into one or more accounts opened with:

☐ a central bank

☐ a CRD credit institution

☐ a bank authorised in a third country

☐ a qualifying money market fund

☐ No ▶ You must explain why below

--

6.14 What is the anticipated CASS firm classification?

☐ Large

☐ Medium

☐ Small ▶ Continue to Question 6.16

6.15 Has the applicant firm assigned to an individual performing a senior management function the Prescribed Responsibility for compliance with CASS?

☐ Yes

☐ No ► You must explain why below

6.16 Does the applicant firm intend to delegate any custodial duties?

☐ No

☐ Yes ► Regarding this delegation, you must provide copies of the custodial agreements in place and give the name and address of the firm concerned below

Name of firm

Address of firm

If regulated, name of regulator

☐ Copies of the custodial agreements attached

Outsourcing with third parties

6.17 What functions (if any) will the applicant firm outsource?

Include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions below

Conflicts of Interest

6.18 How will the applicant firm be remunerated?

Tick all boxes that apply:

- ☐ Fixed fees
- ☐ Percentage-based fees
- ☐ Commissions
- ☐ Spreads
- ☐ Other –give further information below, including:

- details regarding the applicant firm's remuneration structure, including both monies received from clients and from any provider firms used
- percentages, frequency and type of remuneration (where applicable)
- any other activities from which the applicant firm intends to generate income

6.19 If the applicant firm's income will be derived other than by charging its clients, how will it disclose/explain to its clients its arrangements for receiving remuneration?

6.20 What measures will the applicant firm use to identify and prevent or manage conflicts of interest?

6.21 What arrangements of product governance will the applicant firm have in place?

Locum arrangements

6.22 Does the applicant firm have more than one adviser?

☐ Yes

☐ No ► Give details below of the applicant firm's locum arrangements, including the Firm Reference Number of the firm that will provide the service,

IT systems

6.23 Please provide a description of the key IT systems in use at the applicant firm which will support regulated activities, including off-the-shelf and bespoke packages

Please provide any relevant supporting documentation such as high-level IT architecture diagrams

☐ Attached

You will be asked to complete a MiFID IT Self-Assessment form on Connect which will request more detailed information relating to the use of technology and business continuity arrangements. The answers you give will determine any further questions or requests for supporting evidence.

Business risks

6.24 What are the main business risks for the applicant firm and how does it intend to manage those risks?

Examples of business risks include key person risk, ongoing financial solvency not being met, clients being given unsuitable advice, inadequate systems and controls, unsuitable senior management, economic factors, competitors and their reaction to the applicant firm's presence in the market.

Compliance arrangements

You are not required to send compliance procedures with this application. However, the applicant firm must be able to produce a copy at any time while we are assessing the application, or in the future.

6.25 You must confirm the applicant firm has documented compliance procedures in place

☐ Yes

Compliance monitoring programme

The applicant firm must establish, maintain and carry on a programme of actions to check it carries on, and continues to carry on, its business in line with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application.

6.26 You must confirm you have attached a compliance monitoring programme

☐ Yes

Internal control and risk management systems**6.27 You must provide a brief description of the internal control and risk management systems**

Please be aware you may be requested to provide hard copies of the internal control and risk management procedures.

Financial crime**6.28 You must briefly describe the procedures the applicant firm has put in place to counter the risks that it might be used by third parties to further financial crime, including any offence involving:**

- a) fraud or dishonesty,**
- b) misconduct in, or misuse of information relating to, financial markets,**
- c) handling the proceeds of crime (SYSC 6 (for common platform firms), or**
- d) terrorist financing.**

You must include the following in your description below:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer knows his/her duties and is able to perform his/her senior management function effectively
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of, and undertake all necessary due diligence exercise in relation to, all its clients

- the systems and controls that will be in place to ensure that 'know your business' information (see SYSC 6.3) is made available to its Money Laundering Reporting Officer
- the anti-money laundering training the applicant firm will provide for its relevant staff, and
- the disciplinary procedures for any member of staff who fails to report promptly to the Money Laundering Reporting Officer any suspicion or belief that money laundering is occurring

Market conduct

6.29 You must briefly describe the steps the applicant firm has put in place to counter the risk that it or its staff may engage in activity which constitutes market abuse

You must include the following:

- controls and procedures the applicant firm will have in place to mitigate the risk of market abuse
- details of the anti-market abuse training the applicant firm will provide for its relevant staff, and
- arrangements for monitoring the market abuse controls and procedures

Records management

6.30 You must provide a brief description of the records management policies and procedures the applicant firm will have in place, including record retention policies

Manual of procedures

6.31 You must provide a brief description of the manual of procedures the applicant firm will have in place

Recovery Resolution plan

6.32 Is the applicant firm an IFPRU €730K firm?

- ☐ No
- ☐ Yes ▶ The applicant firm is required to submit to us a recovery plan and information for resolution plans in accordance with SUP 16.20.5R
- ☐ We acknowledge our obligation to submit a recovery plan and information for resolution plans in accordance with SUP 16.20.5R

Regulatory returns – Gathering Better Regulatory Information Electronically (GABRIEL)

All regulated firms have to supply regular regulatory returns. GABRIEL is the mandatory reporting tool that the applicant firm must use when completing and submitting the majority of these regulatory returns. To complete the returns the applicant firm must have access to a computer with an internet connection.

6.33 You must confirm that the applicant firm has the ability to complete its regulatory returns via GABRIEL

- ☐ Yes

6.34 Does the applicant firm agree to submit to us, at regular and stated intervals, financial information that can be used to help supervise and assess the applicant firm on an ongoing basis as specified in the Handbook?

- ☐ Yes

6.35 Does the applicant firm agree to submit this information using GABRIEL in a timely manner?

- ☐ Yes



Supplementary Form

Name of applicant firm

Important information you should read before completing this form

This form is for use by firms applying for consumer credit regulated activities in addition to other regulated activities. We require all applicant firms which require consumer credit permissions to provide these details as part of their application for authorisation (known as Part 4A permission).

Purpose of this form

The information in this pack is required to enable us to assess whether the applicant firm satisfies the threshold conditions in relation to its regulated credit activities.

You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'.

Contents of this form

- 1 Scope of Permission required
- 2 Fees and levies
- 3 Regulatory business plan
- 4 IT Self-Assessment
- 5 Consumer buy-to-let

1

Scope of Permission required

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

1.1 Activity Category

☐ Consumer Credit

1.2 Regulated activities

Agreeing to carry on a regulated activity

☐

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. As a matter of course, a firm will carry on the regulated activity of "Agreeing to carry on a regulated activity" (which is limited to carrying on only the other regulated activities in its Scope of Permission Notice). You must apply for this activity and limitation by selecting these below.

Credit Broking

☐ ▶ Q 1.8

Operating an electronic system related to lending

☐ ▶ Q 1.8

Debt Adjusting

☐ ▶ Q 1.5

Debt Counselling

☐ ▶ Q 1.4

Debt Collecting

☐ ▶ Q 1.8

Debt Administration

☐ ▶ Q 1.8

Entering into regulated credit agreement as Lender (excluding high-cost short term credit, bill of sale loan agreement and home collected credit loan agreement)

☐ ▶ Q 1.3

Exercising or having the right to exercise the lender's rights and duties under a regulated credit agreement (excluding high-cost short term credit, bill of sale loan agreement and home collected credit loan agreement)

☐ ▶ Q 1.3

Entering into a regulated home credit loan agreement as Lender

☐ ▶ Q 1.3

Exercising or having the right to exercise the lender's rights and duties under a regulated home credit loan agreement

☐ ▶ Q 1.3

Entering into high-cost short term credit as a lender

☐ ▶ Q 1.3

Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short-term lending

☐ ▶ Q 1.3

Entering into a bill of sale loan agreement as a lender

☐ ▶ Q 1.3

Exercising or having the right to exercise the lender's rights and duties under a bill of sale loan agreement

☐ ▶ Q 1.3

Entering into Regulated Consumer Hire Agreements as owner

☐ ▶ Q 1.8

Exercising or having the right to exercise the owner's rights and duties under a regulated consumer hire agreement ☐ ▶ Q 1.3

Providing Credit Information Services ☐ ▶ Q 1.8

Providing Credit References ☐ ▶ Q 1.8

Advising on a regulated credit agreement the purpose of which is to acquire land ☐ ▶ Q 1.8

Limitations

- 1.3 Will the applicant be limited to debt purchase activities?** ☐ ▶ Q 1.8
This permission is limited to activities in relation to existing regulated credit agreements or variations supplements or replacements of such agreements
- 1.4 Will the applicant be limited to debt counselling with no debt management plans?** ☐ ▶ Q 1.8
This permission is limited to debt counselling plans with no debt management activity
- 1.5 Will the applicant be limited to debt adjusting with no debt management?** ☐ ▶ Q 1.8
This permission is Limited to debt adjusting with no debt management activity
- 1.6 Will the applicant be carrying out debt management services?** ☐ ▶ Q 1.8
Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16).
- 1.7 Will the applicant be carrying out credit repair services?** ☐ ▶ Q 1.8
Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16)

Requirements

- 1.8 Will the firm be canvassing any regulated borrower-lender-supplier agreements or regulated consumer hire agreements it supplies or for which it carries out broking activities off trade premises?**
☐ No
☐ Yes ▶ If 'yes' the following requirement must be included in the applicants scope of permission:
- Not permitted to canvass off trade premises** ☐
The firm is not permitted to canvass regulated borrower-lender-supplier agreements or regulated consumer hire agreements off trade premises

2

Fees and levies

We require this information so that we can calculate the Applicant's annual FCA fees once authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS), the levies for the Ombudsman Service, and the Illegal Money Lending Levy.

For further help on this section please see the Guidance Notes, the FEES section of the Handbook, or refer to the FCA website, which includes a fee calculator (<https://www.fca.org.uk/firms/calculate-your-annual-fee/fee-calculator>)

2.1 Projected annual income

How much annual income does the applicant firm estimate for the first year of authorisation in relation to credit related regulated activities? Annual income for credit related regulated activities is defined in FEES 4 Annex 11B R.

Amount (GBP)	
Confirm amount in words	

3

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

Background

The applicant must provide a regulatory business plan.

You will only need to attach one regulatory business plan but you must ensure that it covers all the regulated activities being applied for.

It is important that this is tailored to the applicant's business, otherwise it may lead to delays.

As a guide, the business plan should include:

All firms

- the background to the business;
- why the applicant wishes to carry on regulated activities at this time;
- whether the applicant has identified a particular business opportunity or identified a specific customer base;
- any long-term strategy and expansion plans for the business generally;
- where customers will be sourced from (e.g. existing client base or purchase of client bank) including the use of any lead generators or brokers;
- the applicant's plans in relation to financial promotions and communications. This should include how they will ensure these are compliant with CONC 3;
- current business lines being transacted with any existing clients;
- the types of products or credit a lender or broker offers and the types of services or debt solutions that a debt manager offers and any other services (both regulated and non-regulated) that the Applicant will be selling. You should identify the areas that the Applicant may specialise in;
- what experience the governing body or senior management of the Applicant have of the type of regulated activities the Applicant wishes to carry on;
- the background and experience of all the persons performing senior management functions and how this will help them with their role. This should include employment background. You must enclose copies of any relevant qualifications/examinations; and
- details of all fees that could be payable by the customer and how they are explained to the customer.

All credit lenders

- a summary of the positioning of your firm in the credit market and how your credit products compare to your competitors;
- a summary of any security or guarantees the Applicant will be taking and how this is notified to customers;
- details of how you are going to deal with any customers who are in arrears on their repayment (including methods to contact the customer, assessments of whether the customer is in financial difficulty and details of any forbearance);
- details of any second charge mortgage business;
- full details of how employees or agents of the applicant firm will be remunerated; and
- details of any payments to be made to lead generators or brokers.
- if the Applicant is an interim authorised firm please provide details of the Applicant's current loan book, including the proportion of this (by value and by number of debts) which are in default or arrears.

Lenders involved in pawnbroking:

- details of the procedures in place to mitigate the risk of fraud/crime (for example how the ownership of the item pledged is established)
- details of how applicant will ensure accurate valuation of items
- details of the applicant's procedures if the customer wishes to redeem their item at any time including how the interest charged and other charges are calculated and how this is stated to the customer before the contract is completed.

Home collected credit firms

- the number of agents who distribute the Applicant's loans;
- the geographical spread of the Applicant's activities; and
- how the applicant will oversee its agents including training, monitoring, any required documentation, remuneration of the agents, recruitment (including due diligence carried out on the agent), complaints handling, collection of the debt (including assessment of whether the customer is in financial distress and when to apply forbearance).

High-cost short-term credit

- details of the applicant's procedures in relation to refinancing of its short term high cost credit agreements
- details of the expected remuneration of the applicant – how much income is expected from good debts repaid, how much from fees/charges for late payment and the reasons for these assumptions
- details of the expected remuneration of the applicant – how much income is expected from good debts repaid, how much from fees/charges for late payment and the reasons for these assumptions. (Existing question in red) – add following this 'If the applicant is currently an interim authorised firm please include details of the actual split of the applicant's income to date'.
- details of the estimated percentage of loans which will not be repaid on (or before) the original due date and the reason for this assumption - if the Applicant is currently an interim authorised firm please include details of the actual experience of the applicant to date.

Bill of Sale (Logbook) firms

- details of when the asset is taken in the event of arrears (and any forbearance considered in relation to this)
- the allowance for depreciation of asset.

Firms which are Operating an Electronic System in relation to lending

- full details of the procedures to carry out a credit worthiness assessment on a prospective borrower
- details of how debts will be collected including arrears of debts.

Brokers

- full details of the Applicant's procedures to assess the affordability of the credit and that the product is not unsuitable for the customer. This should include details of how the Applicant will assist customers to shop around for credit.

Debt Counselling, Debt Adjusting and Credit Information Services

- full details of the Applicant's plans to promote their debt management activities or other services. Please include copies of any drafts you may have
- full details of the Applicant's debt counselling process and copies of the documents you will provide to the customers.

Firms which are intending to be a principal

- full details of the Applicant's plans relating to appointed representatives, including how these will be recruited, the initial and ongoing assessment of these, the staff to carry this out, the fees to be charged to the appointed representatives and the numbers and geographical spread of the appointed representatives.

3.1 Please confirm that a regulatory business plan is attached and also covers these points

☐ Yes

Please answer the following questions in relation to the consumer credit activities of the applicant

3.2 Which sales channels does the applicant intend to use and what will each method of sale be as a percentage of total sales?

Method of Sale	Approximate % of total sales
Face-to-face	%
Telephone sales	%
Internet based sales	%
Postal	%
Other	%

If you selected 'Other' from the table above, please give details below of the channel(s) the applicant intends to use and the approximate percentages:

3.3 How will the applicant source customers?

Website advertising	
Third parties	
Lead generator	
Word of mouth/personal recommendations	
Other	

If Other please specify:

3.4 The applicant must provide the following:

- a brief description of the disclosure documents (eg. Initial Disclosure Document, Terms of business) that the applicant will give to its clients;
- information on which stage of the sales process the disclosure documents will be provided; and
- statements about services and charges

3.5 How will the applicant be remunerated?

Please give precise details regarding the applicants remuneration structure, including both monies received from the client and from any provider firms used

3.5.1 If the applicant intends to generate income from any other activities please provide percentages (where applicable)

Fixed fees	%
Percentage based fees	%
Commissions	%
Other	%

If Other please specify:

Additional Questions**3.6 Does the applicant make any use of premium rate numbers?**☐ Yes☐ No

Please provide full details below

3.7 If the applicant will be undertaking any distance marketing as part of its regulated credit activities please provide full details (including how this is carried out to comply with CONC 2.7 and 11.1)

3.8 Is the applicant currently taking over the business of any other firm or are there any plans for the applicant to do so? (Or if already trading, has the applicant acquired the business of any other firms in the last 5 years?)☐ Yes☐ No

Please provide full details below

3.9 Will the applicant be conducting any regulated credit business in the home of a customer (or a prospective customer)?☐ Yes☐ No☐ N/A

Please provide full details below of any business to take place in the home, who will be carrying this out and the Applicant's procedures to monitor and maintain records of this business.

3.10 Does the applicant have procedures to determine whether to make a loan to a customer?☐ Yes☐ N/A

Please provide full details of the applicant's procedures to assess whether to provide a loan. This must be sufficient to show that the firm is compliant with the responsible lending requirement in CONC 5

3.11 Will the applicant be increasing the amount of credit during agreements?

- ☐ Yes
☐ No
☐ N/A

Please provide full details of the circumstances where this will occur and the Applicant's procedures to assess whether to provide an increase to the loan. This must be sufficient to show that the firm is compliant with the requirements in CONC 6.2

3.12 Does the applicant make use of continuous payment authorities (CPA) when collecting payments?

- ☐ Yes
☐ No
☐ N/A

Please provide full details of the terms and conditions related to the use of CPA in the applicant's credit agreements, including how these are stated to the borrower

3.13 Please provide full details of how the applicant will make use of CPA in the event of the borrower being in arrears (sufficient to show that the procedures for the use of this are compliant with CONC 7.6).

3.14 Will the applicant be providing high-cost-short-term credit?

- ☐ Yes
☐ No

Please provide details of the type(s) of customer the applicant is intending to provide with short term high cost credit. Please also provide the Applicant's plans to reach these customers, including any involvement of lead generators or brokers and the use, placing and timing of financial promotions (whether by the Applicant or any lead generator or broker on the applicant's behalf) and the monitoring of the results of lead generation and promotions

3.15 Will any of the loan agreements offered under the system operated by the applicant be high-cost short-term credit agreements?

- ☐ Yes
☐ No
☐ N/A

3.16 If the applicant is involved in Pawnbroking please attach a draft of the pre-contract information to be provided

- ☐ Attached

4

IT Self Assessment

High Cost Short Term Credit applicants

4.1 Is the nature of the applicant business such that it requires its IT systems in order to conduct regulated business?

☐ Yes

☐ No

4.2 Will there be financial consumer detriment if the IT system the applicant is relying on becomes unavailable?

☐ Yes

☐ No

4.3 Will the applicant's customers be able to transact business over internet or through some other remote electronic medium?

☐ Yes

☐ No

4.4 What percent of the market does your business cover?

Operating an electronic system relating to lending

4.5 What is the estimated annual volume of loans?

What is the estimated annual number of loans?

What is the estimated annual total value of loans?

Providing Credit References

4.6 How many credit firms does the applicant expect to use its service?

Complex IT Form

- 4.7 If the applicant is Operating an electronic system relating to lending or Providing Credit References or is a High Cost Short Term and has answered Yes to any of the questions 4.1-4.3 above:**

You must complete the detailed IT Controls Form

Note: The Detailed IT Controls Form, found here:

<http://www.fca.org.uk/your-fca/documents/forms/detailed-it-controls-form>

Please confirm that the 'Detailed IT Controls Form' is ready to send to the FCA if requested.

Yes ☐

5

Consumer buy-to-let

Some firms will have a standard requirement added to their scope of permission if they are not a registered consumer buy-to-let mortgage firm.

Please refer to the [CBTL webpage](#) if you want to find out more about consumer buy-to-let mortgages and how that differs from a BTL mortgage contract.

5.1 Is the applicant also applying to do regulated mortgage business?

- ☐ Yes ▶ End of form (covered in the home finance supplement)
☐ No ▶ Continue to Question 5.2

5.2 Does the applicant also want to register as a consumer buy-to-let firm?

- ☐ Yes ▶ The applicant firm must complete the separate CBTL registration form found on the FCA website and submit with this application
☐ No – If the applicant firm has applied for one or more of the regulated activities listed below the following standard requirement will be added to the firm's scope of permission
- *The firm must not carry on any activity that would constitute consumer buy-to-let mortgage business as defined in Part 3 of the Mortgage Credit Directive Order 2015 (SI 910/2015) unless registered as a consumer buy-to-let mortgage firm*

Regulated activity subject to a standard requirement

Credit broking

Entering into regulated credit agreement as Lender (excluding high-cost short term credit, bill of sale loan agreement and home collected credit loan agreement)

Entering into a regulated home credit agreement as Lender

Entering into a bill of sale loan agreement as a lender

Exercising or having the right to exercise the lender's rights and duties under a regulated credit agreement (excluding high-cost short term credit, bill of sale loan agreement and home collected credit loan agreement)

Exercising or having the right to exercise the lender's rights and duties under a regulated home credit loan agreement

Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short term lending

Exercising or having the right to exercise the lender's rights and duties under a bill of sale agreement

Exercising or having the right to exercise the lender's rights and duties under a regulated consumer hire agreement

Advising on a regulated credit agreement the purpose of which is to acquire land

Variation of Permission (VOP) Application

Investment Business

Firm Name

Firms Reference Number

Important information you should read before completing this form

Purpose of this form

This form is only for firms wishing to change the scope of their permission for **Investment Business**. You must answer all sections.

If your application is for Mortgage and General Insurance business, or Insurance Business, Banking, E- Money, Lloyds Market and Funeral Plan Providers, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, and 10-13.

The notes that accompany the forms will help you complete the questions. They also explain why we need the information we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.

Submit your application by post to:

Permissions Department
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON E14 5HS

<u>Contents of this form</u>	<u>Page</u>
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Variation of Permission – Client Money	5
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Threshold Conditions	7
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1 Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

Contact for this application

1.1 Details of the person we should contact about this application.

Title

First names

Surname

Job title

Business address

Postcode

Phone number (including STD code)

Email address

Timings for this application

1.2 Does the applicant firm have any timing factors that it would like us to consider?

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

2 Variation of permission – Investment Business activities

Tell us what it is you wish to do to change your firm's permission

2.1 Answer this section if you wish to do the following:

- add a new investment business activity to your permission;
- add a customer type or investment type to a current activity on your permission;
- delete an activity from your permission; or
- change, add or delete a limitation.

If you wish to add or amend several activities in different ways, copy this page and attach it to this form.

Select Investment business activity(ies)			
Add New Activity	Amend Current Activity	Delete Activity	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acting as the depositary or sole director of an open-ended investment company
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acting as trustee of an authorised unit trust scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on investments (except pension transfers and opt outs)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on pension transfers and opt outs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) deals in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging safeguarding and administration of assets
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Causing dematerialised instructions to be sent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as agent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as principal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a personal pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a stakeholder pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a regulated collective investment scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a unregulated collective investment scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to transactions in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Operating a multilateral trading facility
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Providing basic advice on stakeholder products
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Safeguarding and administration of assets
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sending dematerialised instructions

Select customer type(s)		
Add	Delete	COBS Client Types
<input type="checkbox"/>	<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	<input type="checkbox"/>	Professional
<input type="checkbox"/>	<input type="checkbox"/>	Eligible counterparty
<input type="checkbox"/>	<input type="checkbox"/>	Retail (basic advice only)

Select investment type(s)					
Add	Delete		Add	Delete	
<input type="checkbox"/>	<input type="checkbox"/>	Alternative debenture	<input type="checkbox"/>	<input type="checkbox"/>	Option (excluding a commodity option and an option on commodity futures)
<input type="checkbox"/>	<input type="checkbox"/>	Certificate representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	Personal pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	Rights to or interests in investments – contractually based investment
<input type="checkbox"/>	<input type="checkbox"/>	Commodity option and option on commodity future	<input type="checkbox"/>	<input type="checkbox"/>	Rights to or interests in investments – security
<input type="checkbox"/>	<input type="checkbox"/>	Contract for differences (excl. a spread bet and a rolling spot forex contract)	<input type="checkbox"/>	<input type="checkbox"/>	Rolling spot forex
<input type="checkbox"/>	<input type="checkbox"/>	Debenture	<input type="checkbox"/>	<input type="checkbox"/>	Share
<input type="checkbox"/>	<input type="checkbox"/>	Funeral plan contract	<input type="checkbox"/>	<input type="checkbox"/>	Spread bet
<input type="checkbox"/>	<input type="checkbox"/>	Future (excl. a commodity future and a rolling spot forex)	<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	Government or public security	<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder products (basic advice only)
		Life policy	<input type="checkbox"/>	<input type="checkbox"/>	Unit
			<input type="checkbox"/>	<input type="checkbox"/>	Warrant

2 Variation of permission – Investment Business activities (cont'd)

Tell us what it is you wish to do to change your firm's permission

Limitation(s) on your firm's activity(ies)	
<input type="checkbox"/>	Add a new limitation
<input type="checkbox"/>	Delete a current limitation
<input type="checkbox"/>	Amend a current limitation
Enter the limitation(s) below, clearly indicating the amendments if applicable.	

Requirements

2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.

2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:

☐ Standard requirement from Appendix A:

Ref Number	Short description

☐ Non-standard requirement:

--

2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.

If you are deleting a current requirement on your firm's permission, enter it in the box below.

--

3 Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's permission.

3.1 Does your firm wish to change your client money or assets permission?

- ☐ No > Continue to Section 4.
- ☐ Yes > Answer the relevant questions in this section.

3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

3.3 Are you applying to stop holding client money?

- ☐ No > Continue to next question
- ☐ Yes > You must include a report from your auditors confirming that you have done this and that it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.
- Have you attached this report?
- ☐ Yes > Continue to Section 4.
- ☐ No > Explain why below..

3.4 Are you applying to hold client money?

- ☐ No > Continue to Section 4.
- ☐ Yes > Continue to next question.

3.5 What type of account will your firm use to hold client money? (tick one)

- ☐ Statutory trust > Continue to next question
- ☐ Non-statutory trust > Continue to next question
- ☐ Other > Provide further details below.

3.6 Is the account held at an approved bank that meets the requirements imposed under CASS?

- ☐ Yes > Continue to next question.
- ☐ No > Explain why below.

3.7 Have you read and understood the Client Money rules that you are required to follow?

- ☐ Yes > Continue to Section 4.
- ☐ No > Explain why below.

4 Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

5 Threshold conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.

Table B of the document **'Investment Business – Notes'** gives details on what we may ask you to provide to support your application.

5.1 Have you reviewed Table B of the Notes, and submitted the supporting information as indicated by your type of application?

- ☐ Yes > Continue to next question.
- ☐ No > **Submitting the information now will significantly speed up the application process.**

Location of Offices

Confirm the following:

5.2 - if you are a body corporate, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are not a body corporate and your Head Office is in the United Kingdom, that you carry on business in the United Kingdom.

- ☐ Yes > Continue to next question.
- ☐ No > Give further details below.

Effective supervision

5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?

- ☐ No > Continue to next question.
- ☐ Yes > Give further details below.

Appropriate resources

5.4 Prudential category

5.4.1 What is your firm's current prudential category?

5.4.2 Will the firm's prudential category change as a result of this application?

- ☐ No > Continue to question 5.5.
- ☐ Yes > What prudential category will your firm be in?

5.4.3 What will be the firm's new capital resource requirement?

5.4.4 Is the firm currently able to meet this new capital requirement?

- ☐ Yes > Continue to the next question.
- ☐ No > Explain why below.

5.5 Professional Indemnity Insurance

5.5.1 Are you required to have in place professional indemnity insurance (PII)?

- ☐ No > Continue to question 5.6.
- ☐ Yes > Do you hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying?
- ☐ Yes > Continue to next question.
- ☐ No > Explain why below.

Suitability

5.6 Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

5.6.1 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?

- ☐ Yes > Continue to next question.
- ☐ No > Explain why below.

5.7 Conduct of Business Requirements –Conduct of Business (COBS) Sourcebook

5.7.1 Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if applicable to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?

- ☐ Yes > Continue to next question.
- ☐ No > Explain why below.

5.8 Systems and Controls (SYSC) Requirements

5.8.1 Does the firm continue to meet the SYSC requirements?

- ☐ Yes > Continue to next question.
- ☐ No > Explain why below.

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

6 Approved Persons

If a firm changes its permission it may need to have new Approved Persons and/or additional Controlled Functions or it may no longer need some existing Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help, please call the FCA Contact Centre on 0300 500 0597 or email firm.queries@fca.org.uk

6.1 Will the change require new approved persons or additional controlled functions for existing approved persons in relation to the application?

- ☐ No > Continue to question 6.2.
- ☐ Yes > Have you submitted the required Approved Person 'Form A' application form?
- ☐ Yes > Provide the names of applicant(s) and new controlled functions below.
- ☐ No > Explain why below.

6.2 Have any individual(s) proposed to perform a new role (whether an approved person or not) has been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?

- ☐ No > Explain why below.
- ☐ Yes > Has this individual carried on this role before (e.g. at another firm)?
- ☐ Yes > Continue to question 6.3.
- ☐ No > Provide information below on how they have been assessed as competent.

6.3 Does the firm have locum arrangements in place, to cover controlled functions such as Investment Advisers and Investment Managers?

- ☐ Yes > Provide the firm name below.
- ☐ No > Explain why below.

6.4 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?

- ☐ Yes > Continue to Section 7.
- ☐ N/A, as no change to controlled functions. > Continue to Section 7.
- ☐ No > Explain why below.

7 EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

EEA Notifications

7.1 Is the firm connected with a firm outside the UK but within the EEA?

- ☐ No > Continue to next question.
- ☐ Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

Third-Country Banking and Investment Groups

7.2.1 Is the firm a BIPRU / IFPRU / UK designated investment firm?

- ☐ No > Continue to Section 8.
- ☐ Yes > Continue to next question.

7.2.2 Is the firm a member of a third-country (i.e outside of the EEA) banking and investment group?

- ☐ No > Continue to Section 8.
- ☐ Yes > We will ask you to give further details once we have received this application.

8 Markets in Financial Instruments Directive (MiFID) and the Capital Requirements Regulation (CRR) / Capital Requirements Directive (CRD)

We need to know the firm has considered the effect of MiFID and the CRR/CRD, and whether it will change as a result of this application.

MiFID Status

8.1 Is your firm subject to MiFID, and is it subject to the CRR/CRD, or will it become subject to them as a result of this application?

- ☐ Yes > Continue to question 8.2.
- ☐ No > Does your firm wish to remain a MiFID exempt firm?
- ☐ Yes > Section complete.
- ☐ No, firm wishes to opt-in to MiFID. > We will contact you for further information. Continue to next question.

8.2 Will your firm be acting as a 'Systematic Internaliser'?

- ☐ No > Continue to next question.
- ☐ Yes > Continue to next question.
- ☐ N/A as not dealing on own account > Continue to next question.

8.3 CRD / CRR categorisation

8.3.1 Are you required to submit FINREP?

- ☐ No > Continue to next question.
- ☐ Yes > Continue to next question.
- ☐ N/A as not an IFPRU firm > Continue to next question.

8.3.2 Are you a Significant IFPRU Firm under the following rules of the FCA IFPRU sourcebook: 1.1.20R and 1.1.21R?

- ☐ No > Continue to next question.
- ☐ Yes > Continue to next question.
- ☐ N/A as not an IFPRU firm > Continue to next question.

8.3.3 Indicate below what is the firm's current categorisation under the CRR / CRD and what it will be if this application is granted, selecting one Capital Resource Requirement and one Base Capital Resource Requirement:

Capital Resource Requirement	Current Category	Proposed Category
Full Scope	<input type="checkbox"/>	<input type="checkbox"/>
Limited Activity	<input type="checkbox"/>	<input type="checkbox"/>
Limited Licence	<input type="checkbox"/>	<input type="checkbox"/>
Exempt CAD firm	<input type="checkbox"/>	<input type="checkbox"/>
UCITS Investment firm	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

Base Capital Resource Requirement	Current Category	Proposed Category
CAD exempt firm (Article 31(1))	<input type="checkbox"/>	<input type="checkbox"/>
CAD exempt firm (Article 31(2))	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €50k	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €125k	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €730k	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU firm	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

9 Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within five working days of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.

9.1 Which fee block(s) is the firm currently in?

9.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

9.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

☐

Yes

☐

No, I will pay using a credit/debit card

Cheques should be made payable to the [Financial Conduct Authority](#), with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit/debit card, please do not enter the details on this form. We will contact you to ask for the details.

10 Declaration and Signature

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398A and 400A of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA/PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA/PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA/PRA on request.
- ✓ I will notify the FCA/PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Date	
Name of signatory¹	
Position² of signatory	
Individual Registration Number (if applicable)	
Signature	

¹ The signatory must be a suitable person of appropriate seniority at the firm.

² e.g. Director, Sole Trader, Compliance Officer, etc.

Variation of Permission (VOP) Application

Home Finance and General Insurance distribution Activities

Firm Name

Firm Reference Number

Important information you should read before completing this form

Purpose of this form

This form is **only** for firms wishing to change the scope of their permission for **Home Finance and/or General Insurance Distribution Business**. You must answer all sections.

If your application is for Investment business, or Insurance Business, Banking, E-Money, Lloyds Market and Funeral Plan Providers, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, 11-13.

The notes that accompany the forms will help you complete the questions. They also explain why we need the information that we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.

Submit your application by post to:

If the appropriate regulator is the FCA send to:

Variation of Permission Team
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

If the appropriate regulator is the PRA send to:

Assessment and Monitoring Team
The Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

1

Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

Contact for this application**1.1 Details of the person we should contact about this application.**

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

Timings for this application**1.2 Does the applicant firm have any timing factors that it would like us to consider?**

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

Tell us what it is you wish to do to change your firm's permission.

- add a new investment business activity to your permission;
- add a customer type or investment type to a current activity on your permission;
- delete an activity from your permission; or
- change, add or delete a limitation.

If you wish to add or amend several activities in different ways, copy this page and attach it to this form.

Select activity(ies)			
Add new activity	Amend current activity	Delete activity	
			<u>Home Finance Activities</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into regulated mortgage contracts (mortgage lending)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a regulated sale and rent back agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a regulated sale and rent back agreement
			<u>General Insurance Activities</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on investments (except pension transfers and opt outs)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) deals in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to transactions in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as agent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Assisting in the administration of insurance

Select customer type(s)		
Add customer	Delete customer	
<input type="checkbox"/>	<input type="checkbox"/>	<u>Home Finance Activities</u>
		Customer
<input type="checkbox"/>	<input type="checkbox"/>	<u>General Insurance Activities</u>
<input type="checkbox"/>	<input type="checkbox"/>	Retail (General Insurance business only)
<input type="checkbox"/>	<input type="checkbox"/>	Commercial (General Insurance business only)

Select investment type(s)		
Add	Delete	
		<u>Home Finance Activities</u>
<input type="checkbox"/>	<input type="checkbox"/>	Regulated mortgage contract
<input type="checkbox"/>	<input type="checkbox"/>	Home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	Home purchase plan
		<u>General Insurance Activities</u>
<input type="checkbox"/>	<input type="checkbox"/>	Non-investment insurance contract

☐ ☐ Life policy (assisting in administration only)

2

Variation of Permission – Home Finance and General Insurance distribution activities (cont'd)

Tell us what it is you wish to do to change your firm's permission.

Limitation(s) on your firm's activity(ies)

- ☐ Add a new limitation
☐ Delete a current limitation
☐ Amend a current limitation

Enter the limitation(s) below, clearly indicating the amendments if applicable.

Requirement(s)

2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.

2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:

- ☐ Standard requirement from Appendix A:

Ref Number	Short description

- ☐ Non-standard requirement:

2.2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.

If you are deleting a current requirement on your firm's permission, enter it in the box below.

3

Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's client money permission.

3.1 Does your firm wish to change your client money or assets permission?

- ☐ No > Continue to Section 4.
☐ Yes > Answer the relevant questions in this section.

3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money for home finance business only	<input type="checkbox"/> Hold and control client money for home finance business only
<input type="checkbox"/> Hold and control client money for Insurance distribution only	<input type="checkbox"/> Hold and control client money for Insurance distribution
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

3.3 Are you applying to stop holding client money?

- ☐ No > Continue to next question.
☐ Yes > Continue below.

- Please tick this box if you have included a report from your auditors confirming that you have done this and it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it. ☐
- Or, if you are applying to cease holding client money for Insurance distribution as you have Risk Transfers in place, and you have NEVER held or controlled client money, please tick here to confirm the Risk Transfer Agreement in place with your Insurer covers ALL Client Money. This includes any claims monies received by your firm and any refund of premiums. ☐

If you cannot answer 'Yes' to either of the above two options, explain further below.

3.4 Are you applying to hold client money?

- ☐ No > Continue to Section 4.
☐ Yes > Continue to next question.

3.5 What type of account will your firm use to hold client money? (tick one)

- ☐ Statutory trust > Continue to next question.
☐ Non-statutory trust > Continue to next question.
☐ Other > Provide further details below.

3.6 Is the account held at an approved bank that meets the requirements imposed under CASS?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

3.7 Have you read and understood the Client Money rules that you are required to follow?

- ☐ Yes > Continue to Section 4.
☐ No > Explain why below.

4

Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

5

Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.

Tables B and C of the document **'Home Finance and General Insurance distribution Business– Notes'** gives details on what we may ask you to provide to support your application.

5.1 Have you reviewed Tables B and C of the Notes, and submitted the supporting information as indicated by your type of application?

- ☐ Yes > Continue to next question.
☐ No > **Submitting the information now will significantly speed up the application process.**

Location of Offices

5.2 Confirm the following:

- if you are a body corporate, that your firm's Registered Office (or if you have no Registered Office, your Head Office) is located within the United Kingdom;
- if you are natural person, that your Head Office is in or you are resident in the United Kingdom.

- ☐ Yes > Continue to next question.
☐ No > Give further details below.

Effective Supervision

5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?

- ☐ No > Continue to next question.
☐ Yes > Give further details below.

Appropriate resources

5.4 Prudential category

5.4.1 What is your firm's current prudential category?

5.4.2 Will the firm's prudential category change as a result of this application?

- ☐ No > Continue to question 5.5.
☐ Yes > What prudential category will your firm be in?

5.4.3 What will be the firm's new capital resource requirement?

5.4.4 Is the firm currently able to meet this new capital requirement?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

5.5 Professional Indemnity Insurance

5.5.1 Are you required to have in place professional indemnity insurance (PII)?

- ☐ No > Continue to question 5.7.
☐ Yes > Do you hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying?
 ☐ Yes > Continue to next question.
 ☐ No > Explain why below.

Suitability

5.6 Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies, and continues to comply, with regulations.

5.6.1 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

5.7 Conduct of Business Requirements – Mortgage Business (MCOB) and Insurance distribution (ICOB) Sourcebooks

5.7.1 Is the firm ready, willing and organised to comply with the relevant provisions in MCOB and/or ICOB (delete as appropriate), and, if relevant to this application, does the firm have in place the relevant customer documentation, such as Key Facts and Initial Disclosure Requirements Documentation, for the permission you are applying for?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

5.8 Systems and Controls (SYSC) Requirements

5.8.1 Does the firm continue to meet the SYSC requirements?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

Insurance distribution Applications only:

- 5.9** Firms carrying on insurance distribution business are required to establish on reasonable grounds that all people in its management structure and any staff directly involved in their insurance distribution activity are of good repute. And they must ensure that a reasonable proportion of people within their management structure who are responsible for its insurance distribution activity, and all other people directly involved in it, demonstrate the knowledge and ability necessary to perform their duties. **Is the firm compliant with the Insurance distribution Directive requirements?**

- ☐ Yes > Continue to next section.
☐ No > Explain why below.

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

6

Approved Persons

If a firm changes its permission it may need new Controlled Functions and Approved Persons or it may no longer require certain Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help from the FCA, please call the FCA Contact Centre on +44 (0) 300 500 0597 or email firm.queries@fca.org.uk. If you are a dual regulated firm and require help from the PRA, please call PRA Firm Enquiries on +44 (0) 203 461 7000 or email PRA.firmenquiries@bankofengland.co.uk

- 6.1 Each firm that carries on Insurance Distribution business must appoint an approved person who will be responsible for insurance mediation at the firm. This responsibility must be allocated to an individual performing a FCA governing function (excluding a non-executive) or the limited scope function.**

What is the name of the individual the firm has appointed to be responsible for insurance distribution?

- 6.2 Have any individual(s) proposed to perform a new role, for the firm's Home Finance business or Insurance distribution business, been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?**

- ☐ Yes > Continue to 6.3.
☐ No > Explain why below.

- 6.3 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?**

- ☐ Yes > Continue to Section 7.
☐ N/A, as no change to controlled functions. > Continue to Section 7.
☐ No > Explain why below.

7

EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

EEA Notifications**7.1 Is the firm connected with a firm outside the UK but within the EEA?**

- ☐ No > Continue to next question.
☐ Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

Third-Country Banking and Investment Groups**7.2.1 Is the firm a BIPRU firm?**

- ☐ No > Continue to Section 8.
☐ Yes > Continue to next question.

7.2.2 Is the firm a member of a third-country (i.e outside of the EEA) banking and investment group?

- ☐ No > Continue to Section 8.
☐ Yes > We will ask you to give further details once we have received this application.

8

Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.

8.1 Which fee block(s) is the firm currently in?

8.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

8.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

- ☐ Yes
☐ No, I will pay using a credit card

Cheques should be made payable to the Financial Conduct Authority, with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit card, please do not enter the details on this form. We will contact you to ask for the details.

9 Declaration and Signature

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA and/or PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA and/or PRA on request.
- ✓ I will notify the FCA and/or PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Date	<input type="text"/>
Name of signatory¹	<input type="text"/>
Position² of signatory	<input type="text"/>
Individual Registration Number (if applicable)	<input type="text"/>
Signature	<input type="text"/>

¹ The signatory must be a suitable person of a Senior Management level at the firm.

² e.g. Director, Sole Trader, Compliance Officer, etc.



Variation of Permission (VOP) Application

Applications for Insurance Business, Banking, Electronic Money, Lloyd's Market and Funeral Plan Providers

Firm Name

Reference Number

Important information you should read before completing this form

Purpose of this form

This form is **only** for firms wishing to change the scope of their permission for **Insurance Business, Banking (accepting deposits), Electronic Money, Lloyd's Market and Funeral Plan Providers**. You must answer all sections.

If your application is for Mortgage and General Insurance business, or Investment Business, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, 10-12.

The notes that accompany the forms will help you complete the questions. They also explain why we need the information we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.

Electronic Money firms and Funeral Plan Providers should send the form to the FCA and all other firms should send their form to the PRA. Submit your application by post to the appropriate regulator at:

Assessment and Monitoring Team	Permissions Department
Prudential Regulation Authority	Financial Conduct Authority
20 Moorgate	25 The North Colonnade
London	Canary Wharf
EC2R 6DA	London E14 5HS

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1

Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

Contact for this application**1.3 Details of the person we should contact about this application.**

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

Timings for this application**1.4 Does the applicant firm have any timing factors that it would like us to consider?**

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

Variation of Permission – activities

Tell us what it is you wish to do to change your firm's permission.

2.1 Answer this section if you wish to do the following:

- add a new investment business activity to your permission;
- add a customer type or investment type to a current activity on your permission;
- delete an activity from your permission; or
- change, add or delete a limitation.

If you wish to add or amend several activities in different ways, copy this page and attach it to this form.

Select activity(ies)			
Add new activity	Amend current activity	Delete activity	
			<u>Insurance Business</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Effecting contracts of insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Carrying out contracts of insurance
			<u>Accepting Deposits</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Accepting deposits
			<u>Issuing Electronic Money</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Issuing electronic money
			<u>The Lloyd's Market</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on syndicate participation at Lloyd's
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) deals in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to transactions in investments
			<u>Funeral Plan Providers</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering as provider into a funeral plan contract

Select customer type(s)		
Add	Delete	
		<u>COBS Client Types</u>
<input type="checkbox"/>	<input type="checkbox"/>	Retail client
<input type="checkbox"/>	<input type="checkbox"/>	Professional client
<input type="checkbox"/>	<input type="checkbox"/>	Eligible counterparty

Select investment type(s)		
Add	Delete	
		<u>Insurance Business</u>
<input type="checkbox"/>	<input type="checkbox"/>	Accident
<input type="checkbox"/>	<input type="checkbox"/>	Aircraft
<input type="checkbox"/>	<input type="checkbox"/>	Aircraft liability
<input type="checkbox"/>	<input type="checkbox"/>	Assistance
<input type="checkbox"/>	<input type="checkbox"/>	Capital redemption
<input type="checkbox"/>	<input type="checkbox"/>	Collective insurance
<input type="checkbox"/>	<input type="checkbox"/>	Credit
<input type="checkbox"/>	<input type="checkbox"/>	Damage to property
<input type="checkbox"/>	<input type="checkbox"/>	Fire and natural forces
<input type="checkbox"/>	<input type="checkbox"/>	General liability
<input type="checkbox"/>	<input type="checkbox"/>	Goods in transit
<input type="checkbox"/>	<input type="checkbox"/>	Land vehicles
<input type="checkbox"/>	<input type="checkbox"/>	Legal expenses
<input type="checkbox"/>	<input type="checkbox"/>	Liability of ships
<input type="checkbox"/>	<input type="checkbox"/>	Life and annuity
<input type="checkbox"/>	<input type="checkbox"/>	Linked long term
<input type="checkbox"/>	<input type="checkbox"/>	Marriage and birth
<input type="checkbox"/>	<input type="checkbox"/>	Miscellaneous financial loss
<input type="checkbox"/>	<input type="checkbox"/>	Motor vehicle liability
<input type="checkbox"/>	<input type="checkbox"/>	Pension fund management
<input type="checkbox"/>	<input type="checkbox"/>	Permanent health
<input type="checkbox"/>	<input type="checkbox"/>	Railway rolling stock
<input type="checkbox"/>	<input type="checkbox"/>	Ships
<input type="checkbox"/>	<input type="checkbox"/>	Sickness
<input type="checkbox"/>	<input type="checkbox"/>	Social insurance
<input type="checkbox"/>	<input type="checkbox"/>	Suretyship
<input type="checkbox"/>	<input type="checkbox"/>	Tontines

2

Variation of Permission – activities (continued)

Tell us what it is you wish to do to change your firm's permission.

Select investment type(s) (Continued)			
Add	Delete	Add	Delete
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Accepting deposits</u>		<u>Funeral Plan Providers</u>	
	Deposit		Funeral plan contract
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>The Lloyd's Market</u>		<u>Issuing electronic money</u>	
<input type="checkbox"/>	Membership of a Lloyd's syndicate		Electronic money
<input type="checkbox"/>	Underwriting capacity of a Lloyd's syndicate		
<input type="checkbox"/>	Rights to or interests in investment		

Limitation(s) on your firm's activity(ies)	
<input type="checkbox"/>	Add a new limitation
<input type="checkbox"/>	Delete a current limitation
<input type="checkbox"/>	Amend a current limitation
Enter the limitation(s) below.	

Requirement(s)

2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.

2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:

☐ Standard requirement from Appendix A:

Ref Number	Short description

☐ Non-standard requirement:

--

2.2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.

If you are deleting a current requirement on your firm's permission, enter it in the box below.

--

3

Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's client money permission.

3.1 Does your firm wish to change your client money or assets permission?

- ☐ No > Continue to Section 4.
☐ Yes > Answer the rest of the questions in this section.

3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

3.3 Are you applying to stop holding client money?

- ☐ No > Continue to next question.
☐ Yes > You must include a report from your auditors confirming that you have done this and that it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.
Have you attached this report?
☐ Yes > Continue to Section 4.
☐ No > Explain why below.

3.4 Are you applying to hold client money?

- ☐ No > Continue to Section 4.
☐ Yes > Continue to next question.

3.5 What type of account will your firm use to hold client money? (tick one)

- ☐ Statutory trust > Continue to next question.
☐ Non-statutory trust > Continue to next question.
☐ Other > Provide further details below.

3.6 Is the account held at an approved bank that meets the requirements imposed under CASS?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

3.7 Have you read and understood the Client Money rules that you are required to follow?

- ☐ Yes > Continue to Section 4.
☐ No > Explain why below.

4

Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- how this change will affect your firm, business model, business plans and the long term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

5

Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.

Legal Status (Banks and Insurers only)**5.1 Please confirm that after this application your firm will retain its existing legal status.**

- ☐ Yes > Continue to next question.
☐ No > Give details of how the legal status of the firm will change below.

Location of Offices**5.2 Confirm the following:**

- if you are a body corporate, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are not a body corporate and your Head Office is in the United Kingdom, that you carry on business in the United Kingdom.

- ☐ Yes > Continue to next question.
☐ No > Give further details below.

Effective Supervision**5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?**

- ☐ No > Continue to next question.
☐ Yes > Give further details below.

Appropriate resources / Business to be conducted in a prudent manner**5.4 Prudential category****5.4.1 What is your firm's current prudential category?**

5.4.2 Will the firm's prudential category change as a result of this application?

- ☐ No > Continue to question 5.6
☐ Yes > What prudential category will your firm be in?

5.4.3 What will be the firm's new capital resource requirement?

5.4.4 Is the firm currently able to meet this new capital requirement?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

Suitability

5.5 Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

5.5.1 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which the firm is applying?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

5.6 Conduct of Business (COBS) Requirements - Conduct of Business (COBS) Sourcebook

5.6.1 Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if relevant to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

5.7 Systems and Controls (SYSC) Requirements

5.7.1 Does the firm continue to meet the SYSC requirements?

- ☐ Yes > Continue to next section.
☐ No > Explain why below.

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

6

Approved Persons

If a firm changes its permission it may need new Controlled Functions and Approved Persons or it may no longer require certain Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help, please call the FCA Contact Centre on 0300 500 0597 or email firm.queries@fca.org.uk

6.1 Will the change require new approved persons or additional controlled functions for existing approved persons in relation to the application?

- ☐ No > Continue to question 6.3.
☐ Yes > Continue to next question.

6.2 Have you submitted the required Approved Person 'Form A' application form?

- ☐ Yes > Provide the names of applicant(s) and their new controlled functions below.
☐ No > Explain why below.

6.3 Have any individual(s) proposed to perform a new role been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?

- ☐ Yes > Continue to next question.
☐ No > Explain why below.

6.4 Does the firm have locum arrangements in place, to cover controlled functions such as Investment Advisers and Investment Managers?

- ☐ Yes > Provide the firm name below.
☐ No > Explain why below.

6.5 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?

- ☐ Yes > Continue to Section 7.
☐ N/A, as no change to controlled functions. > Continue to Section 7.
☐ No > Explain why below.

7

EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

EEA Notifications**7.1 Is the firm connected with a firm outside the UK but within the EEA?**

- ☐ No > Continue to next question.
☐ Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

Third-Country Banking and Investment Groups**7.2.1 Is the firm a BIPRU firm?**

- ☐ No > Continue to Section 8.
☐ Yes > Continue to next question.

7.2.2 Is the firm a member of a third-country (i.e. outside of the EEA) banking and investment group?

- ☐ No > Continue to Section 8.
☐ Yes > We will ask you to give further details once we have received this application.

8

Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.

8.1 Which fee block(s) is the firm currently in?

8.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

3.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

- ☐ Yes
☐ No, I will pay using a credit/debit card

Cheques should be made payable to the Financial Conduct Authority, with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit/debit card, please do not enter the details on this form. We will contact you to ask for the details.

9

Declaration and Signature

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA/PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA/PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA/PRA on request.
- ✓ I will notify the FCA/PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Date	<input type="text"/>
Name of signatory³	<input type="text"/>
Position⁴ of signatory	<input type="text"/>
Individual Registration Number (if applicable)	<input type="text"/>
Signature	<input type="text"/>

³ The signatory must be a suitable person of appropriate seniority at the firm.

⁴ e.g. Director, Sole Trader, Compliance Officer, etc.

Variation of Permission (VOP) Application

Full Scope UK AIFM (Alternative Investment Fund Manager)

Firm Name

Firm Reference Number (FRN)

Important information you should read before completing this form

This form is only for firms who are already authorised under Part 4A of FSMA and are applying for a VOP to become authorised as a full-scope UK AIFM under the Alternative Investment Fund Managers Directive (AIFMD). This includes sub-threshold AIFMs that are applying to opt-in to the full-scope of the AIFMD. This form should not be used by firms that are:

- Sub-threshold AIFMs seeking authorisation under Part 4A of FSMA to become a Small Authorised UK AIFM.
- Firms that are intending to become a Small Registered UK AIFM.

The application / registration process for these types of firms is set out on our website at <http://www.fca.org.uk/firms/markets/international-markets/aifmd>. Further information can also be found in the FCA's Handbook.

Words and phrases used in this form have the same meaning as in the FCA's Handbook unless otherwise stated.

It is important that you provide complete and accurate information and that you disclose all relevant information. If you do not, you may be committing a criminal offence. It may also increase the time taken to assess your application and may call into question your suitability to be authorised.

Applications should be submitted by post to:

The Permissions Department
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON E14 5HS

An electronic copy should also be submitted by email to Authsubmissions@fca.org.uk

Contents of this form

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1

Contact details and timings for this application

We need this information in case we need to contact you when assessing this application.

Contact for this application**1.1 Contact details of the person we will get in touch with about this application.**

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

Timings for this application**1.2 Does the applicant firm have any timing factors that it would like us to consider, either in relation to this application or any related application from a group entity?**

--

We will process your application as quickly as possible, although this can take several months. If you need your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you to explain the reason why. We are committed to determine all applications within three months.

2

Variation of permission requested – Managing an AIF

Tell us what changes you need to your firm's Part 4A permission.

2.1 Please confirm that you are seeking to become authorised as a full-scope UK AIFM under the AIFMD.

- ☐ Yes, our assets under management exceed the relevant threshold and we require authorisation as a full-scope UK AIFM .
- ☐ Yes, our assets under management are below the relevant threshold, but we are applying to opt in to the Directive and require authorisation as a full-scope UK AIFM .
- ☐ No ▶ This is not the correct application form. Please refer to the notes on the front page.

2.2 Please select which permission you are applying for.

- ☐ 'Managing an authorised AIF' only.
- ☐ 'Managing an unauthorised AIF' only.
- ☐ Both 'Managing an authorised AIF' and 'Managing an unauthorised AIF'.

2.3 Will you be an internally-managed AIF?

If you are an internally-managed AIF, we will add a standard requirement to the Part 4A permission of the firm as follows:

Internally-managed AIF requirement:

Must not perform any activities other than the internal management of the AIF in accordance with Annex I of the AIFMD.

- ☐ No ▶ The firm will be an external AIFM.
- ☐ Yes, we will be an internally managed AIF and agree to the FCA adding a standard requirement to our Part 4A Permission as set out above ▶ Proceed to question 2.8.

2.4 Do you intend to carry on the new regulated activity of 'Managing a UCITS'?

The Regulated Activities Order will be changed to create a new regulated activity of 'Managing a UCITS'.

- ☐ Yes, we intend to carry on the regulated activity of 'Managing a UCITS'.
- ☐ No, we do not intend to carry on the regulated activity of 'Managing a UCITS'.

2.5 Do you intend to carry on any regulated activities other than 'Managing an AIF' and in some cases 'Managing a UCITS' as indicated above?

FUND 1.4.3R provides that a full-scope UK AIFM must not engage in any activities other than: (1) AIFM management functions; (2) the additional management of UCITS subject to authorisation under the UCITS Directive; (3) the management of portfolios of investments in accordance with mandates given by investors on a discretionary client-by-client basis, including the management of portfolios of investments for pension funds and institutions for occupation retirement provisions in accordance with article 19(1) of Directive 2003/41/EC; (4) investment advice; (5) safe-keeping and administration in relation to shares or units of collective investment undertakings; and (6) reception and transmission of orders in relation to financial instruments.

If a full-scope UK AIFM does not intend to carry on any of the activities set out in FUND 1.4.3R (3), (4), (5) and (6) and intends only to carry on activities connected with, or the for purposes of, managing an AIF or UCITS it does not require any additional permissions beyond the “Managing an authorised AIF”, Managing an unauthorised AIF” and (where applicable) “Managing a UCITS” permissions.

A full-scope UK AIFM is also permitted to carry on the activity of establishing, operating and winding up a collective investment scheme (Art 51ZE of the Regulated Activities Order). PERG 16.5 provides guidance on the overlap between this activity and the managing an AIF activity. Firms should note that in order to carry on the activities in FUND 1.4.3R (4), (5) or (6) in respect of investments which are financial instruments, they must also be authorised to carry on the activity in FUND 1.4.3R (3) (discretionary portfolio management).

☐ No, we do not intend to carry on any of the activities set out in FUND 1.4.3R (3), (4), (5) and (6) and understand that the only permissions being applied for are those set out above in questions 2.2 and 2.4 and that the FCA will remove all other regulated activities from our Part 4A Permission.

☐ Yes, we intend to carry on some or all of the activities set out in FUND 1.4.3R (3), (4), (5) and (6), or the activity of establishing, operating and winding up a collective investment scheme and have identified the regulated activities that we need to retain below ▶ Note that if the firm wishes to add new regulated activities that have not previously been conducted it should submit a separate VOP application in Connect, unless these activities are being transferred from another group entity.

AIFMD activity	Part II RAO activities
<p>FUND 1.4.3R (3):</p> <p>The management of portfolios of investments in accordance with mandates given by investors on a discretionary client-by-client basis, including the management of portfolios of investments for pension funds and institutions for occupation retirement provisions in accordance with article 19(1) of Directive 2003/41/EC.</p>	<p><input type="checkbox"/> Managing investments (Article 37)</p> <p><input type="checkbox"/> Dealing in investments as principal (Article 14)</p> <p><input type="checkbox"/> Dealing in investments as agent (Article 21)</p> <p><input type="checkbox"/> Arranging (bringing about) deals in investments (Article 25(1))</p> <p><input type="checkbox"/> Making arrangements with a view to transactions in investments (Article 25(2))</p>
<p>FUND 1.4.3R (4):</p> <p>Investment advice</p>	<p><input type="checkbox"/> Advising on investments (except pension transfers & opt-outs) (Article 53)</p>
<p>FUND 1.4.3R (5):</p> <p>Safe-keeping and administration in relation to shares or units of collective investment undertakings.</p>	<p><input type="checkbox"/> Safeguarding and administration of assets (without arranging) (Article 40)</p> <p><input type="checkbox"/> Arranging safeguarding and administration of assets (Article 40)</p> <p><input type="checkbox"/> Sending dematerialised instructions (Article 45)</p> <p><input type="checkbox"/> Causing dematerialised instructions to be sent (Article 45)</p>

<p>FUND 1.4.3R (6):</p> <p>Reception and transmission of orders in relation to financial instruments.</p>	<p><input type="checkbox"/> Arranging deals in investments (Article 25)</p> <p><input type="checkbox"/> Bidding in emissions auctions (Article 24A)</p>
<p>Other activity</p>	<p><input type="checkbox"/> Establishing, operating and winding up a collective investment scheme (Article 51ZE)</p>

2.6 If you want to retain regulated activities set out in question 2.5 (apart from establishing, operating and winding up a collective investment scheme), we will add a standard requirement to the Part 4A permission of the firm as follows:

CPM Investment firm:

The firm is permitted only to carry on the activities specified in FUND 1.4.3R (1) to (6) or any successor provision.

☐ Yes, we want to retain the regulated activities identified above and understand that the FCA will add a standard requirement to our Part 4A Permission as set out above

2.7 If any regulated activities are being retained in question 2.5, please confirm whether any changes are required to the investment types, customer types or limitations that presently relate to these activities. Please check your firm's records on the FCA Register to establish this.

- ☐ No changes are required.
- ☐ Changes are required as described below.

2.8 If there are any requirements on your firm's Part 4A Permission, please confirm below whether these need to be amended or deleted.

- ☐ No current requirements.
- ☐ Requirements exist but do not require any changes.
- ☐ Requirements exist and need to be amended or deleted as explained below.

3

Variation of Permission – Client Money

Tell us whether you want to change your firm's client money permission.

3.1 Do you want to change your firm's client money permission?

- ☐ No ▶ Continue to Section 4
☐ Yes ▶ Answer the relevant questions in this section

3.2 Please identify what the firm is allowed to do now under its current permissions and the change in permission required?

Current position		Future requirement	
<input type="checkbox"/>	Able to hold and control client money	<input type="checkbox"/>	Able to hold and control client money
<input type="checkbox"/>	Able to control but not hold client money	<input type="checkbox"/>	Able to control but not hold client money
<input type="checkbox"/>	Not able to hold or control client money	<input type="checkbox"/>	Not able to hold or control client money

3.3 If the firm is currently allowed to hold client money and it wishes to vary the requirement so that it can no longer hold client money, please confirm that you have obtained an audit report confirming that you no longer hold client money. This should be from an external auditor and provide at least a limited assurance.

- ☐ Yes, we have obtained an audit report confirming that we no longer hold client money.
☐ No ▶ Please explain when the firm will obtain this report.

3.3a Have you attached this audit report?

- ☐ Yes
☐ No ▶ Explain why below.

3.3b Please confirm that the client money previously held was paid back to the clients concerned or transferred to another entity that is authorised to hold client money.

☐ Yes

☐ No ► Explain why below.

3.4 Please confirm that client money held by the firm is held in compliance with CASS 7.4.1R and has been placed into one or more accounts opened with any of the following:

☐ Yes, the client money has been placed into one or more accounts opened with the following (please indicate).

☐ A central bank.

☐ A BCD credit institution.

☐ A bank authorised in a third country.

☐ A qualifying money market fund.

☐ No ► Explain why below.

3.5 Please indicate the anticipated CASS firm classification:

☐ High

☐ Medium

☐ Low

3.6 If the firm anticipates that it will be a CASS High or CASS Medium firm, has it appointed the prescribed responsibility for CASS to an individual holding a senior management function?

☐ Yes

☐ No ► Explain why below.

3.7 Please confirm the name of the Auditor that has been appointed to undertake the CASS audit and report in compliance with SUP 3.10.

4

Regulatory Business Plan

We need to understand how you will conduct your business

4.1 Please provide a copy of your regulatory business plan. This should include the following elements:

- a) The background to the business.
- b) Proposed business and operating model.
- c) Organisational structure of the AIFM – this should include an organisation chart and headcounts for each business unit.
- d) Long-term business strategy and expansion plans for the business.
- e) Appropriateness and scalability of non-financial resources.
- f) Governance and culture – including the role of the board and senior committees (board and senior management) in setting and overseeing the tone of culture and behaviours required for the firm to act honestly, fairly, professionally, independently and in the interest of each AIF and its investors. MI to be produced, and how this will be monitored by senior staff to ensure that the AIFs and their respective investors are being treated fairly.
- g) Systems and controls – in particular those relating to: disclosure to investors and competent authorities, liquidity management, risk management, leverage, prime brokerage, valuation and delegation. This should include a description of investment, risk management and asset valuation policies, including the use of leverage, portfolio management procedures and an explanation of the procedures for changes to investment strategy and policy. The response should consider both the first line controls of the business itself and the interaction of the second and third line controls (e.g compliance and internal audit).
- h) A description of the risks to the AIFs and how these will be monitored and mitigated.

The regulatory business plan must be used to provide commentary and explanation to support your responses to questions 4.2 to 4.39, which are about specific operating requirements in the AIFMD.

Set out your response below or, if you prefer, in a separate clearly marked and referenced document attached to the application form.

Operating Requirements

Please answer the following questions regarding operating requirements set out in the AIFMD and incorporated into FUND. Each question should be

answered Yes or No. In answering these questions, firms must also consider the AIFMD level 2 regulation which lays down rules supplementing these requirements. They should also take into consideration the scale and nature of the business and whether the Directive allows proportionally to be taken into consideration with regards to the firm's compliance with that requirement.

A text box has been provided below each question to be used as follows:

- For all responses marked 'Yes' – to include further supporting details, and where applicable a cross-reference (i.e. a paragraph number) to the related section of your regulatory business plan as set out under question 4.1.
- For all responses marked 'No' – to explain the response and any mitigating actions.

<u>General</u>	Yes	No
4.2 Can the firm demonstrate that, in the context of its intended role as AIFM, it will act honestly, fairly, professionally, independently and in the interest of the AIF and its investors as required by FUND 3.11.5?		
4.3 Does the firm have an effective conflicts of interest policy in place that meets all relevant requirements in SYSC 10?		

<u>Disclosures</u>	Yes	No
4.4 Has the firm adequate and effective systems and controls such that:		
a) for each AIF it manages, it makes available to any AIF investors who make new or additional investments on or after 22 July 2013, the information required by FUND 3.2.2R, as well as any material changes to it, before they invest in the AIF?		
b) for each AIF it manages, it informs investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability as required by FUND 3.2.3R? This should also include procedures to inform investors without delay of any changes with respect to depositary liability.		
c) for each AIF that it manages, it discloses to investors periodically the information required by FUND 3.2.5R?		

d) for each UK AIF or EEA AIF that it manages that employs leverage, and for each non-EEA AIF it markets in the EEA that employs leverage, it discloses on a regular basis the information required by FUND 3.2.6R?		
e) for each AIF that it manages and for each non-EEA AIF it markets in the UK, it makes available an annual report to the AIF investors, the FCA and, in the case of an EEA AIF, to the Home State competent authority of that AIF as required by FUND 3.3?		
f) for each AIF that it manages, it is able to satisfy the continuing reporting obligations to the FCA as set out in FUND 3.4?		

<u>Liquidity management</u>	Yes	No
4.5 Has the firm implemented an appropriate liquidity management system in relation to the AIFs that it manages?		
4.6 Has the firm adopted procedures to ensure that:		
a) its investment strategy, liquidity profile and redemption policy are consistent and enable it to monitor the liquidity risk of the AIF(s)?		
b) the liquidity profile of the investments of the AIF(s) complies with each AIF's underlying obligations?		
c) it will regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable it to assess the liquidity risk of each AIF and monitor that risk accordingly?		

<u>Risk management</u>	Yes	No
4.7 Has the firm functionally and hierarchically separated the functions of risk management from the operating units, including from the functions of portfolio management?		
4.8 Is the firm able to demonstrate that:		
a) specific safeguards against conflicts of interest allow for the independent performance of risk management activities?		
b) the risk management process satisfies the requirements of FUND 3.7 and will be consistently effective?		
4.9 Has the firm implemented adequate risk management systems to identify, measure, manage and monitor all risks relevant to each AIF investment strategy and to which each AIF is or may be exposed?		
4.10 Has the firm implemented an appropriate, documented and regularly updated due diligence process when investing on behalf of the AIF, according to the investment strategy, objectives and risk profile of the AIF?		
4.11 Has the firm implemented adequate and effective systems and controls to ensure that the risks associated with each investment position of the AIF(s) and their overall effect on each AIF's portfolio can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures?		
4.12 Has the firm implemented adequate and effective systems and controls to ensure that the risk profile of the AIF corresponds to the size, portfolio structure and investment strategies and objectives of the AIF as laid down in the instrument constituting the fund, prospectus and offering documents?		
4.13 Has the firm established adequate and effective systems and controls to ensure that it will:		
a) review the risk management systems with appropriate		

frequency and, in any event, at least once a year?		
b) adapt them whenever necessary?		

<u>Leverage</u>	Yes	No
4.14 Has the firm:		
a) set a maximum level of leverage which it may employ on behalf of each AIF it manages?		
b) set out in the leveraging arrangement, where that arrangement allows the right to reuse collateral or the granting of a guarantee, the extent of that right or guarantee?		
4.15 Is the firm able to demonstrate that in establishing a maximum level of leverage it has taken into account relevant matters including: (a) the type of AIF; (b) the investment strategy of the AIF; (c) the sources of leverage of the AIF; (d) any other link or relevant relationship with other financial services institutions which could pose systemic risk; (e) the need to limit the exposure to any single counterparty; (f) the extent to which the leverage is collateralised; (g) the asset-liability ratio; and (h) the scale, nature and extent of the activity of the AIFM on the markets concerned?		
4.16 Is the firm able to demonstrate that:		
a) the maximum level of leverage it has set is reasonable?		
b) it complies with those maximum limits at all times?		

<u>Prime brokerage</u>	Yes	No
4.17 Has the firm appointed, or does it intend to appoint, a prime brokerage firm and use its services on behalf of AIF(s)?		

4.18 Has the firm established adequate and effective systems and controls that will mean it exercises due skill, care and diligence in the selection and appointment of a prime brokerage firm?		
4.19 Have the terms on which the firm uses the services of a prime brokerage firm been set out in a written contract?		
4.20 Does the contract: (a) provide for any possibility of the transfer and reuse of AIF assets in a way which complies with the AIF's instrument constituting the fund; and		
(b) provide for the depositary to be informed of the contract?		

<u>Valuation</u>	Yes	No
4.21 Has the firm established systems and controls in order that any valuation of an AIF's assets is performed impartially and with all due skill, care and diligence?		
4.22 Has the firm established, for each AIF it manages, appropriate and consistent procedures so that, in accordance with rules laid down in the applicable national law of the country where the AIF is established and the instrument constituting the fund: a) a proper and independent valuation of the assets of the AIF can be performed?		
b) the net asset value per unit or share of the AIF is calculated and disclosed to investors?		
4.23 Does the firm's valuation procedure provide for the assets of any AIF under the firm's management to be valued, and the net asset value per unit or share to be calculated:		
a) at least once a year?		

b) in addition for AIFs that are open-ended, at a frequency that is appropriate both to the assets held by the AIF and its issuance and redemption frequency?		
c) in addition, for AIFs that are closed-ended, in the case of an increase or decrease of the capital by the relevant AIF?		
4.24 Has the firm established systems and controls to ensure that investors in the AIFs under its management are informed of the valuations and calculations in the manner set out in the relevant instrument constituting the fund?		
4.25 If the firm is to perform the valuation itself, has it ensured that (a) the valuation task is functionally independent from the portfolio management; and (b) the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees involved is prevented?		
4.26 If the firm does not perform the valuation function itself, has it made arrangements for the function to be performed by an external valuer? If so please confirm the identity of the external valuer in the box below.		
4.27 If the firm does not perform the valuation function itself, is the external valuer a person that is independent from: (a) the AIF in respect of which the valuation function is performed; (b) the AIFM; and (c) any other persons with close links to the AIF or the AIFM?		
4.28 If the depositary has been appointed as an external valuer, has the firm established that (a) it has functionally and hierarchically separated the performance of its depositary functions from its tasks as an external valuer; and (b) the potential conflicts of interests are properly identified, managed, monitored and disclosed to the investors of the AIF?		
4.29 If an external valuer performs the valuation function, is the firm able to demonstrate that (a) the external valuer is subject to mandatory professional registration recognised by law or to legal or regulatory provisions or rules of professional conduct; (b) the external valuer can provide sufficient professional guarantees to be able to perform the relevant valuation function effectively in accordance with this section; and (c) the appointment of the external valuer		

complies with the requirements of the general delegation arrangements in FUND 3.10.2R and the AIFMD level 2 regulation?		

<u>Private Equity</u>	Yes	No
4.30 Does the firm expect any AIF it manages to acquire, hold or dispose of substantial holdings in non-listed companies or issuers such that the firm will be subject to Part 5 (Private Equity) of the AIFMD UK Regulations?		
4.31 If so has the firm established adequate and effective systems and controls to ensure that it will comply with Regulations 38 to 43 of the AIFMD UK Regulations?		

<u>Marketing, Managing and Cross-Border Activity</u>	Yes	No
4.32 Will the firm be subject to any of Articles 31 to 33 (Chapter VI – Rights of EU AIFMs to market and manage EU AIFs in the Union) of the Directive, and if so has it established procedures to comply with the relevant requirements?		
4.33 Will the firm manage or market non-EEA AIFs in the EEA subject to any of Articles 34, 36 or 42 (Chapter VII – Specific rules in relation to third countries) of the Directive, and if so has it established procedures to comply with the relevant requirements?		
4.34 Does the firm intend to market any AIFs to retail investors, and if so has it established procedures to comply with the relevant requirements? If you expect to rely on exemptions to the financial promotions regime, please provide further details.		
4.35 If the firm does not intend to market any AIFs to retail investors, do you have adequate arrangements in place to prevent the AIFs being marketed to retail investors?		

<u>Delegation</u>	Yes	No
4.36 Has the firm delegated any functions to third parties?		
4.37 Does the firm intend to delegate any functions to third parties?		
4.38 If the firm has delegated functions to third parties, is it able to demonstrate that		
a) each delegate is qualified and capable of undertaking the functions in question?		
b) each delegate was selected with all due care?		
c) the AIFM is in a position to monitor the delegated activity effectively at any time, to give further instructions to the delegate at any time, and to withdraw the delegation with immediate effect when this is in the interest of investors?		
4.39 Is the firm satisfied that it has not delegated functions to the extent that, in essence, it can no longer be considered to be the AIFM of the AIF and to the extent that it becomes a letter-box entity?		

4.40 Please provide details about the nature of the functions that you have delegated or intend to delegate.

Risk management

- ☐ The firm has not and currently does not intend to delegate any part of its risk management.
- ☐ The firm has already delegated or intends to delegate all or some part of its risk management.
- ☐ The firm has already delegated or intends to delegate all or some part of its risk management to an undertaking established in a non-EEA state.
- ☐ The firm has already delegated or intends to delegate all or some part of its risk management to an undertaking that is not authorised or registered for the purpose of asset management (within the meaning of Article 78 of the AIFMD level 2 regulation) and therefore the arrangement needs to be approved by the FCA under Regulation 26 of the AIFMD UK Regulations.

Please submit a separate copy of this table for each delegate.

	Comments
Name of delegate.	
Name of the state in which	

the delegate is established, and the state in which the delegated function will be undertaken if different.	
What is the regulatory status of the delegate?	
To what extent will the function be delegated and what will be retained in-house?	
What due diligence was conducted before the delegation?	
What kind of contractual arrangements are in place, or when they will be put in place?	
What are the arrangements for overseeing the delegated function?	
What are the objective reasons for the delegation (please provide a detailed description and explanation with evidence where appropriate)?	
Will any sub-delegation take place and how will this be controlled	

Portfolio management

- ☐ The firm has not and currently does not intend to delegate any part of its portfolio management.
- ☐ The firm has already delegated or intends to delegate all or some part of its portfolio management.
- ☐ The firm has already delegated or intends to delegate all or some part of its portfolio management to an undertaking established in a non-EEA state.
- ☐ The firm has already delegated or intends to delegate all or some part of its portfolio management to an undertaking which is not authorised or registered for the purpose of asset management (within the meaning of Article 78 of the AIFMD level 2 regulation) and therefore the arrangement needs to be approved by the FCA under Regulation 26 of the AIFMD UK Regulations.

Please submit a separate copy of this table for each delegate.

	Comments
Name of delegate.	
Name of the state in which the delegate is established, and the state in which the delegated function will be undertaken if different.	
What is the regulatory status of the delegate?	
To what extent will the function be delegated and what will be retained in-house?	
What due diligence was conducted before the delegation?	
What kind of contractual arrangements are in place, or when they will be put in place?	
What are the arrangements for overseeing the delegated function?	
What are the objective reasons for the delegation (please provide a detailed description and explanation with evidence where appropriate)?	
Will any sub-delegation take place and how will this be controlled?	

Other delegation

- ☐ The firm has not and currently does not intend to delegate other functions.
- ☐ The firm has already delegated or intends to delegate other functions.

Please submit a separate copy of this table for each delegate.

	Comments
Function delegated.	
Name of delegate.	
Name of the state in which the delegate is established, and the state in which the delegated function will be undertaken if different.	
What is the regulatory status of the delegate?	
To what extent will the function be delegated and what will be retained in-house?	
What due diligence was conducted before the delegation?	
What kind of contractual arrangements are in place, or when they will be put in place?	
What are the arrangements for overseeing the delegated function?	
What are the objective reasons for the delegation (please provide a detailed description and explanation with evidence where appropriate)?	
Will any sub-delegation take place and how will this be controlled?	

5

Financial resources

Your capital resources requirements are likely to change as a result of this application.

5.1 Which prudential sourcebook are you currently subject to?

- ☐ BIPRU and GENPRU
☐ IPRU (INV) Chapter 5
☐ UPRU
☐ Other

5.2 What is your current prudential categorisation (e.g. BIPRU €50,000 Limited Licence Firm) within this sourcebook? If you selected 'other', please also confirm which sourcebook you are currently subject to.**5.3 What will your prudential categorisation be when this VOP is approved?**

- ☐ Collective Portfolio Management firm (CPM firm) ▶ The prudential rules for CPM firms will be located in IPRU(INV) Chapter 11.
☐ Collective Portfolio Management Investment firm (CPMI firm) ▶ The prudential rules for CPMI firms will be located in BIPRU and GENPRU.
☐ Internally Managed AIF ▶ The prudential rules for internally managed AIFs will be located in IPRU(INV) Chapter 11.

If you answered 'Yes' to question 2.5 then you will be classified as a CPMI firm, whereas CPM firms should have answered 'No'. Internally managed AIFs will have answered 'Yes' to question 2.3, and agreed to the relevant requirement. Please ensure that your answers are consistent, as any inconsistencies could delay our consideration of your application.

5.4 Please attach a monthly profit and loss forecast covering the first 12 months after authorisation.

- ☐ This has been attached.
☐ Not attached ▶ please explain below.

5.5 Please attach a monthly balance sheet forecast covering the first 12 months after authorisation.

- ☐ This has been attached.
☐ Not attached ▶ please explain below.

5.6 Please attach a monthly forecast covering the first 12 months after authorisation as an AIFM showing the firm's regulatory capital and its regulatory capital resource requirement. This should include calculations of the relevant constituents of the firm's capital resource requirement, such as the funds under management requirement, fixed overheads requirement and professional negligence capital requirement.

☐ This has been attached.

☐ Not attached ▶ please explain below.

5.7 Please confirm how you intend to cover potential professional liability risks as set out in Articles 12 to 15 of the AIFMD level 2 regulation.

☐ Additional own funds ▶ provide details below.

☐ Professional indemnity insurance ▶ provide details below, including any policy excess and business line exclusions.

5.8 Are you currently able to meet these new capital resource requirements?

☐ Yes ▶ Please provide below the current capital resources of the firm and the capital resource requirement, to the nearest thousand pounds sterling.

☐ No ▶ Provide further details below, including how and when you expect to be able to do so.

6

Conditions for authorisation

We must be satisfied that you will meet all relevant conditions for authorisation.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. For full-scope UK AIFMs, there are additional conditions specified in the Directive and the AIFMD UK Regulations that must be met for authorisation to be granted. You must satisfy us that these conditions will be met at the point of authorisation, and will continue to be met on an ongoing basis if we grant the application. You may be asked to provide documentary evidence to support your answers, either during the application process or at a later point.

6.1 Has the legal status of the applicant firm (e.g. Private Limited Company) changed since it was authorised by the FCA (or predecessor bodies), or is it likely to change in the near future as a result of this application?

- ☐ No ▶ Please re-confirm your legal status below.
☐ Yes ▶ Please provide further details below, including the date of any change and the reasons why.

6.2 Please confirm whether the head office and the registered office of the firm are located in the UK.

- ☐ Yes ▶ Continue to next question.
☐ No ▶ Please provide further details below.

6.3 Please confirm that the applicant firm will be the only AIFM of each AIF it manages.

- ☐ Yes ▶ Continue to next question.
☐ No ▶ Please provide further details below.

Under regulation 5(3)(a), in order to be authorised as full-scope UK AIFM the AIFM must be the only AIFM for each AIF that it manages.

6.4 Please confirm whether there have been any new controllers since the list of controllers was last communicated to (and approved by) the FCA or predecessor bodies.

- ☐ No ▶ Continue to next question.
☐ Yes ▶ Please provide further details below.

If you selected 'Yes', you should also consider whether it is necessary to submit a separate 'Change in Control' application to the FCA. New controllers cannot be approved as part of the VOP process.

6.5 Please confirm whether the firm expects there will be any new Controllers as a result of or within three months of this application.

- ☐ No ▶ Continue to next question.
☐ Yes ▶ Please provide further details below.

If you selected 'Yes', you should also consider whether it is necessary to submit a separate 'Change in Control' application to the FCA. New controllers cannot be approved as part of the VOP process.

6.6 Please confirm whether any entity with which your firm has Close Links (as defined for the Investments Funds sourcebook (FUND) of the FCA Handbook) is authorised and regulated by the competent authority of any EEA State other than the UK. For each such entity, please provide the following details:

- a) Name of firm
- b) Address of firm
- c) Name of regulator
- d) Name and contact details (including email) of the firm's contact at the regulator

- ☐ Yes ▶ Please provide further details below.
☐ No ▶ There are no close links with authorised and regulated entities in other EEA States.

6.7 Has the firm made all necessary updates to its compliance manual and compliance monitoring programme as a result of this application and the requirement to comply with the AIFMD?

☐ Yes ▶ Continue to next question.

☐ No ▶ Explain why below, including when you expect this to be done. Please note that these updates should be completed prior to being authorised as a full-scope UK AIFM.

6.8 Please confirm that you have a remuneration policy in place that has been reviewed and adopted by the management body of the AIFM, and which is compliant with SYSC 19B (AIFM remuneration code) of the FCA's Handbook.

☐ Yes ▶ Please provide a summary of your remuneration policy below (this should summarise the key principles only of the policy).

☐ No ▶ Explain why below, including when you expect to have this in place.

6.9 Please provide an assessment of the suitability of your proposed business model for the regulated activities you seek to carry on, having regard to the FCA's operational objectives (guidance on matters firms should consider to satisfy this threshold condition is provided in COND 2.7 of the FCA's Handbook).

7

Approved Persons and other relevant individuals

We need to know about any changes to your Approved Persons and/or Senior management functions as a result of this application, and also any persons who will effectively conduct the business of the AIFM.

You should consider the effect of this change on approved persons before submitting your application. If you need help, please call the firm contact centre on 0300 500 0597 or email firm.queries@fca.org.uk

UK AIFMS which are internally managed AIFs and are not collective investment schemes are subject to the limited-scope senior managers regime.. However, we do still need information relating to the persons who will effectively conduct the business of the AIFM, even where they are not Approved Persons.

In most cases (except for firms subject to the limited scope senior managers regime) we would expect the persons who will effectively conduct the business of the AIFM to be Approved Persons and to hold senior management functions at the firm.

Please see SUP 10C for further guidance on senior management functions and SYSC 4.2 for guidance on the meaning of persons who effectively direct the business.

7.1 Will the change require new approved persons or additional senior management functions for existing approved persons in relation to the application?

- ☐ No ▶ Continue to next question.
- ☐ Yes ▶ Have you submitted the required Approved Person 'Form A' application form(s) on Connect?
- ☐ Yes ▶ Provide the names of applicant(s) and new senior management functions below.
- ☐ No ▶ Explain why below.

--

7.2 Please provide a list of all the persons at the firm who will effectively direct the business of the AIFM. Where these are also Approved Persons, please include their Individual Reference Number (IRN).

Name	IRN

7.3 If your firm is subject to the limited scope senior managers regime , please attach a completed 'Notification of Senior Person Form' for each individual mentioned in question 7.2.

☐ Yes, this has been attached.

☐ No, this is not applicable as we are subject to the core senior managers regime.

You can obtain a copy of the 'Notification of Senior Person Form' at <http://www.fca.org.uk/static/documents/forms/notification-of-senior-person.doc> .

7.4 Please provide a brief summary of the investment strategies being pursued by the AIFs to which you will be appointed AIFM, and elaborate on any experience the individuals listed in question 7.2 have in relation to these.

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7.5 Have all of the Approved Persons at the firm, and in addition all individuals listed in question 7.2 if different, been assessed as competent by the firm to carry out their roles, taking into account their knowledge, skills, qualifications and past experience?

☐ Yes ▶ Continue to next question.

☐ No ▶ Please provide details below, including when you expect the individual(s) to be assessed as competent.

--

8

Alternative Investment Fund (AIF)

We need to know about all AIFs to which you will be appointed as AIFM.

For the purposes of questions 8.1 to 8.3 below, please include details relating to any AIFs subject to transitional arrangements under regulations 74 and 75 of the AIFMD UK regulations. This is because we need to understand your business as a whole, including any UCITS or transitional AIFs that you are managing. For the purposes of question 8.4, there is no need to supply this information in relation to transitional AIFs, as those AIFs are not required to comply with Directive requirements.

8.1 Please confirm in the table below the number of AIFs for which you will be the AIFM.

Total number of AIFs	
<i>Comprised of:</i>	
AIFs established in the UK	
AIFs established in an EEA State other than the UK	
AIFs established in a non-EEA jurisdiction	
Total NAV relating to AIFs (GBP)	

The Net Asset Value (NAV) figure quoted above should be an approximate number based on the most recently available figures. There is no requirement to perform a new valuation in order to complete this application form. The same applies to the 'schedule of AIFs' in question 8.3 below.

8.2 If the firm is also managing UCITS funds, please provide the following information about those funds.

Total number of UCITS funds	
Total NAV relating to UCITS funds (GBP)	

8.3 Please complete the attached template spread sheet 'Schedule of AIFs' with details of all AIFs referenced in question 8.1, which should be submitted at the same time as this application form.

- ☐ Yes ▶ the schedule of AIFs has been completed with details of all AIFs
☐ No, the schedule of AIFs has not been completed with details of all AIFs ▶ Please provide an explanation below.

If a full-scope UK AIFM manages a UK AIF or EEA AIF which is a feeder AIF, the AIFM may only notify the FCA of its intention to market that AIF in the UK in accordance with Article 31 of AIFMD if the master AIF of such a feeder AIF is a UK AIF or an EEA AIF that is managed by a full-scope UK AIFM or a full-scope EEA AIFM.

--

8.4 For each AIF identified the firm must provide the following items to the FCA. These need not be included with the initial application, but will need to be provided to the FCA at least one month prior to the date that you intend to start managing that AIF:

(a) A copy of the rules or instruments of incorporation of the AIF.

☐ Attached for all AIFs.

☐ Attached for some AIFs (marked on the schedule of AIFs). We will provide the remainder on a date no later than one month before the date on which we will start to manage the AIF in question.

☐ Not attached ▶ explanation below.

--

(b) Confirmation that for each depositary listed on the schedule of AIFs, contractual arrangements are in place in accordance with FUND 3.11.19R.

☐ Contractual arrangements are in place with each depositary listed on the schedule for all AIFs and in relation to each AIF listed.

☐ Contractual arrangements are in place with some of the depositaries/AIFs listed on the schedule of AIFs. We will provide confirmation in relation to the remaining depositaries/AIFs on a date no later than one month before the date on which we will start to manage the AIF in question. ▶ Please provide further details below confirming which contracts are in place.

☐ No contractual arrangements are in place. ▶ Please provide an explanation below including when you expect that this contracts can be finalised.

--

(c) All information that will be made available to investors in accordance with FUND 3.2.2R.

☐ Attached for all AIFs.

☐ Attached for some AIFs (as marked on the schedule of AIFs). We will provide the remainder on a date no later than one month before the date on which we will start to manage the AIF in question.

☐ Not attached ▶ explanation below.

--

9

Depositary arrangements

We need to know about your proposed depositary.

We must be satisfied that these arrangements meet all relevant requirements in Article 21 of the Directive. The Directive requires that:

- A full-scope UK AIFM of UK and EEA AIFs must ensure a single depositary is appointed for each AIF that it manages; and
- A full-scope UK AIFM of non-EEA AIFs being marketed in the UK must ensure one or more entities are appointed to carry out the duties referred to in Article 21(7), (8) and (9) of the AIFMD.

References to a 'depositary' below include an entity appointed to carry out the duties referred to in Article 21(7), (8) and (9) of the AIFMD and responses should be tailored accordingly.

If a different depositary is appointed in relation to different AIFs that you manage, please include an additional copy of this section for each depositary you are dealing with.

9.1 Please provide a summary of the due diligence that you have performed on each depositary listed in your 'schedule of AIFs', in order to be satisfied that the depositary arrangements will comply with the requirements of the AIFMD. If you have not yet completed due diligence, please describe what steps you will take prior to the appointment of the depositary.

Name of depositary	Due diligence completed and results available on request Yes/No	Due diligence not completed Yes/No	Summary of due diligence completed or Explanation of steps to be taken to complete due diligence prior to your intended authorisation date)

9.2 Taking into account the AIFs managed by the applicant firm, please confirm the type of depositary services that your depositary(s) will be required to provide.

Name of depositary	
	<input type="checkbox"/> Full-scope Depositary <input type="checkbox"/> Depositary appointed in accordance with FUND 3.11.12R <input type="checkbox"/> Depositary to Non EEA AIFs marketed in UK (FUND 3.11.33R (1)(a)) <input type="checkbox"/> Depositary to Non EEA AIFs marketed in UK FUND 3.11.33R (1)(b)

9.3 Please confirm that you consent to the FCA contacting each depositary identified in question 9.1 in order to discuss the depositary arrangements, and if necessary disclosing information regarding your application in order to do so. You may also wish to contact your depositary to confirm they may discuss any depositary arrangements they have made with your firm.

- ☐ Yes, we consent to the FCA contacting each depositary identified in the table in question 9.1 and disclosing information regarding this application if necessary.
- ☐ No, we do not consent to the FCA contacting each depositary identified in question 9.1 ▶ Provide details of when the FCA can contact each depositary below.

Name of depositary	Contact timings for the FCA

10

Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

You must pay your application fee in full at the same time as submitting your application (by cheque or credit card). If the fee is not paid in full within five working days of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

The new 'Managing an AIF' and 'Managing a UCITS' activities will fall into both fee block A7 (Portfolio Managers) and A9 (Managers and depositaries of investment funds and operators of CIS or pension schemes), except in the case where the firm is classified as a venture capital firm. These fee blocks are both deemed 'Moderately Complex', as such any application that results in a firm moving into one or both of these fee blocks for the first time will result in a fee of £2,500.

An application from a firm that is already in both fee blocks A7 and A9 will attract the £250 administration fee only.

10.1 Please confirm whether you are currently approved for the regulated activity of 'Managing Investments'.

- ☐ Yes ▶ You are in fee block A7.
- ☐ No ▶ Do you believe you fall into fee block A7 for any other reason?
- ☐ Yes ▶ Please confirm why below.
- ☐ No ▶ You are not in fee block A7.

10.2 Please confirm whether you are currently approved for any of the following regulated activities.

- ☐ Establishing, operating or winding up a regulated collective investment scheme.
- ☐ Establishing, operating or winding up an unregulated collective investment scheme.
- ☐ Acting as trustee of an authorised unit trust scheme.
- ☐ Acting as the depositary or sole director of an open-ended investment company.
- ☐ Establishing, operating or winding up a personal pension scheme or a stakeholder pension scheme.

If you did not select any of the activities in question 10.2 then you are not in fee block A9.

10.3 If you did select one or more activities in question 10.2, please confirm whether you fall into any of the exclusions listed in FEES 4 Annex 1A that would exclude you from fee block A9.

- ☐ Yes ▶ Please confirm which exclusion below.
- ☐ No ▶ You are in fee block A9.

10.4 Please confirm the correct application fee.

- ☐ Currently in neither A7 nor A9 ▶ Fee is £2,500 to move into fee blocks A7 and A9.
- ☐ Currently in fee block A7 only ▶ Fee is £2,500 to move into fee block A9.
- ☐ Currently in fee block A9 only ▶ Fee is £2,500 to move into fee block A7.
- ☐ Currently in both A7 and A9 ▶ Administration fee of £250 is applicable.
- ☐ Currently in fee block A7 only and will remain in fee block A7 only ▶ Fee is £250.

10.5 Please confirm that you have enclosed a cheque for the correct application fee.

- ☐ Yes.
- ☐ No. I will pay using a credit or debit card.

Cheques should be made payable to the Financial Conduct Authority, with the firm name and Firm Reference Number (FRN) written on the back and enclosed with this form. To make a payment using a credit or debit card, please do not enter the details on this form. We will contact you to ask for the details.

Please note that only those credit and debit cards listed in FEES 3.2.3R(3) can be used to pay VOP application fees. In addition, any payment by a permitted credit card must include an additional 2% of the sum paid.

Variation of Permission (VOP) Application

Small Authorised UK AIFM (Alternative Investment Fund Manager)

Firm Name

Firm Reference Number (FRN)

Important information you should read before completing this form

This form is only for firms who are already authorised under Part 4A of FSMA and are applying for a VOP to become authorised as a sub-threshold Small Authorised UK AIFM under the Alternative Investment Fund Managers Directive (AIFMD). This form should not be used by firms that are:

- intending to become a Full-Scope UK AIFM.
- intending to become a Small Registered UK AIFM.

The application / registration process for these types of firms is set out on our website at <http://www.fca.org.uk/firms/markets/international-markets/aifmd>.

Words and phrases used in this form have the same meaning as in the FCA's Handbook unless otherwise stated.

It is important that you provide complete and accurate information and that you disclose all relevant information. If you do not, you may be committing a criminal offence. It may also increase the time taken to assess your application and may call into question your suitability to be authorised.

Applications should be submitted by post to:

The Permissions Department
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON E14 5HS

An electronic copy should also be submitted by email to Authsubmissions@fca.org.uk

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1

Contact details and timings for this application

We need this information in case we need to contact you when assessing this application.

Contact for this application**1.1 Contact details of the person we will get in touch with about this application.**

Title	
-------	--

First names	
-------------	--

Surname	
---------	--

Job title	
-----------	--

Business address	
Postcode	

Phone number (including STD code)	
-----------------------------------	--

Email address	
---------------	--

Timings for this application**1.2 Does the applicant firm have any timing factors that it would like us to consider?**

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

2

Variation of permission requested – Managing an AIF

Tell us what changes you need to your firm's Part 4A permission

2.1 Please confirm that you are seeking to become authorised as a small authorised UK AIFM.

- ☐ Yes ▶ our assets under management do not exceed the relevant threshold and we require authorisation as a small authorised UK AIFM.
- ☐ No ▶ This is not the correct application form. Please refer to the notes on the front page.

2.2 Please confirm that you agree to the addition of the standard requirement listed below:

- ☐ Yes, we agree to the addition of this requirement.

Small Authorised UK AIFM (Sub-threshold):

The total value of assets under management by the firm must not exceed the relevant threshold as set out in Article 3(2) of AIFMD (as determined under Chapter II, Section I of the AIFMD level 2 regulation). In the event that the relevant threshold is breached, the firm must submit an application for authorisation as a Full Scope UK AIFM to the FCA.

2.3 Please select which permission you are applying for.

- ☐ 'Managing an authorised AIF' only.
- ☐ 'Managing an unauthorised AIF' only.
- ☐ Both 'Managing an authorised AIF' and 'Managing an unauthorised AIF'.

2.4 Will you be an internally-managed AIF?

- ☐ Yes
- ☐ No ▶ The firm will be an external AIFM.

2.5 Will you also require authorisation for the new regulated activity of 'Managing a UCITS'?

- ☐ Yes ▶ Continue to question 2.6. You may be contacted by the case officer to clarify your required scope of permission, as certain restrictions apply to UCITS firms that are outside the scope of this application.
- ☐ No ▶ Continue to question 2.7

2.6 Please confirm whether you are currently appointed as the manager of one or more UCITS and are authorised under the UCITS Directive to do so.

- ☐ Yes ▶ Proceed to question 2.7
- ☐ No ▶ This is not the correct application form to apply to become authorised under the UCITS Directive for the first time, as significantly more information will be required. Please submit a normal VOP application on our Connect system.

2.7 Will you also require permission for the regulated activity of 'Establishing, operating or winding up a collective investment undertaking'.

- ☐ Yes
- ☐ No

PERG 16.5 provides guidance on the overlap between the regulated activities of managing an AIF and establishing, operating or winding up a collective investment scheme.

If an AIFM intends only to carry on activities connected with, or for the purposes of, managing an AIF or UCITS it does not require any additional permissions beyond the "Managing an authorised AIF", Managing an unauthorised AIF" and (where applicable) "Managing a UCITS" permissions. In that case, all other regulated activities should be removed.

2.8 Do you need to retain any other regulated activities other than those set out above?

- ☐ No ▶ We will remove all other regulated activities as part of this application process.
- ☐ Yes ▶ Please confirm below which regulated activities will need to be retained and briefly explain why.

2.9 If any regulated activities are being retained in question 2.8, please confirm whether any changes are required to the investment types, customer types or limitations that presently relate to these activities. Please check your firm's records on the FCA Register to establish this.

- ☐ No changes are required.
- ☐ Changes are required as described below.

2.10 If there are any requirements on your firm's Part 4A Permission, please confirm below whether these need to be added, amended or deleted. Please check your firm's records on the FCA Register to establish this.

- ☐ No current requirements.
- ☐ Requirements exist but do not require any changes.
- ☐ Requirements exist and need to be amended or deleted as explained below.

3

Variation of Permission – Client Money

Tell us whether you want to change your firm's client money permission.

3.1 Do you want to change your firm's client money permission?

- ☐ No ▶ Continue to Section 4
☐ Yes ▶ Answer the relevant questions in this section

3.2 Please identify what the firm is allowed to do now under its current permissions and the change in permission required?

Current position		Future requirement	
<input type="checkbox"/>	Able to hold and control client money	<input type="checkbox"/>	Able to hold and control client money
<input type="checkbox"/>	Able to control but not hold client money	<input type="checkbox"/>	Able to control but not hold client money
<input type="checkbox"/>	Not able to hold or control client money	<input type="checkbox"/>	Not able to hold or control client money

3.3 If the firm is currently allowed to hold client money and it wishes to vary the requirement so that it can no longer hold client money, please confirm that you have obtained an audit report confirming that you no longer hold client money. This should be from an external auditor and provide at least a limited assurance.

- ☐ Yes, we have obtained an audit report confirming that we no longer hold client money
☐ No ▶ Please explain when the firm will obtain this report

3.3a Have you attached this audit report?

- ☐ Yes
☐ No ▶ Explain why below.

3.3b Please confirm that the client money previously held was paid back to the clients concerned or transferred to another entity that is authorised to hold client money.

☐ Yes

☐ No ► Explain why below.

3.4 Please confirm that client money held by the firm is held in compliance with CASS 7.4.1R and has been placed into one or more accounts opened with any of the following:

☐ Yes, the client money has been placed into one or more accounts opened with the following (please indicate).

☐ A central bank.

☐ A BCD credit institution.

☐ A bank authorised in a third country.

☐ A qualifying money market fund.

☐ No ► Explain why below.

3.5 Please indicate the anticipated CASS firm classification:

☐ High

☐ Medium

☐ Low

3.6 If the firm anticipates that it will be a CASS High or CASS Medium firm, has it appointed the prescribed responsibility for CASS to an individual holding a senior management function? ☐ Yes

☐ No ► Explain why below.

3.7 Please confirm the name of the Auditor that has been appointed to undertake the CASS audit and report in compliance with SUP 3.10.

4

Reason for variation

Tell us why you are applying to change your firm's permission.

**4.1 We need to know why your firm is applying to change its permission.
You should give as much information as possible, including:**

- whether and to what extent you believe you will be able to take advantage of the 12 month transitional arrangements;
- whether you are conducting any cross border business or passporting under any EU directive.

5

Regulatory Business Plan

We need to understand how you will conduct your business

5.1 Please provide a summary regulatory business plan. This should include the following elements:

- a) The background to the business.
- b) Proposed business and operating model.
- c) Organisational structure of the AIFM – this should include an organisation chart and headcounts for each business unit.
- d) Long-term business strategy and expansion plans for the business.
- e) Details of any outsourcing arrangements.

Set out your response below or, if you prefer, in a separate clearly marked and referenced document attached to the application form.

6

Alternative Investment Funds (AIFs)

We need to know about all AIFs to which you will be appointed as AIFM

- 6.1 Please confirm the number of AIFs to which you will be appointed AIFM. This should include any AIFs subject to transitional arrangements under regulations 74 and 75 of the AIFMD UK Regulations.**

- 6.2 Please complete the template spread sheet 'Schedule of AIFs' with details of all AIFs referenced in question 6.1 above.**

☐ Completed and attached

- 6.3 Please confirm whether an offering document, or an extract of an offering document covering the information referred to in Article 5(2)(a) to (c) of the AIFMD level 2 regulation, has also been attached in relation to each AIF.**

- ☐ Offering document attached for all AIFs.
☐ Extract of an offering document attached for all AIFs.
☐ Columns N to W in the Schedule of AIFs completed for all AIFs.

If you can provide an offering document or an extract of an offering document that contains all of the information required by columns N to W of the schedule, then you are not required to separately complete these columns. If the offering document or extract of the offering document does not contain all of the information required in columns N to W, you must provide this information separately in the schedule referred to in question 6.2 above

- 6.4 Please confirm the total assets under management relating to all AIFs to which you will be appointed AIFM, excluding any AIFs subject to transitional arrangements under regulations 74 and 75 of the AIFMD UK Regulations. This should be calculated as set out in Article 2 of the AIFMD level 2 regulation.**

7

Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application. For Small Authorised UK AIFMs, there are additional conditions specified in the Directive and the AIFMD UK Regulation that must be met for authorisation to be granted. You must satisfy us that these conditions will be met at the point of authorisation, and will continue to be met on an on-going basis if we grant the application. You may be asked to provide documentary evidence to support your answers, either during the application process or at a later point.

Legal Person

7.1 What type of Legal Person is the applicant firm?

- ☐ Private Limited Company
- ☐ Limited Liability Partnership (LLP)
- ☐ Public Limited Company
- ☐ Other ▶ you must detail below the legal status of the applicant

Location of Offices

7.2 Confirm the following:

- if you are a body corporate, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are not a body corporate and your Head Office is in the United Kingdom, that you carry on business in the United Kingdom.

- ☐ Yes ▶ Continue to next question.
- ☐ No ▶ Give further details below.

Effective Supervision

7.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?

- ☐ No ▶ Continue to next question.
☐ Yes ▶ Give further details below.

Appropriate resources

Prudential category

7.4 What is your firm's current prudential category?

7.5 Will the firm's prudential category change as a result of this application?

- ☐ No ▶ Continue to question 7.8.
☐ Yes ▶ What prudential category will your firm be in?

7.6 What will be the firm's new capital resource requirement?

7.7 Is the firm currently able to meet this new capital requirement?

- ☐ Yes ▶ Continue to next question.
☐ No ▶ Explain why below.

Suitability

Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

7.8 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?

☐ Yes ▶ Continue to next question.

☐ No ▶ Explain why below.

Conduct of Business Requirements – Conduct of Business (COBS) Sourcebook

7.9 Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if applicable to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?

☐ Yes ▶ Continue to next question.

☐ No ▶ Explain why below.

Systems and Controls (SYSC) Requirements

7.10 Does the firm continue to meet the SYSC requirements?

☐ Yes ▶ Continue to next section.

☐ No ▶ Explain why below.

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

8

Approved Persons and other relevant individuals

If a firm changes its permission it may need to have new Approved Persons and/or additional senior management functions or it may no longer need some existing senior management functions

You should consider the effect of this change on approved persons before submitting your application. If you need help, please call the firm contact centre on 0300 500 0597 or email firm.queries@fca.org.uk.

Internally managed AIFs which are body corporates and are not collective investment schemes are subject to the limited scope senior managers regime. However, we do still need information relating to the persons who will effectively conduct the business of the AIFM, even where they are not Approved Persons.

8.1 Is the senior managers regime applicable to your firm?

- ☐ Yes ▶ Continue to next question.
☐ No ▶ Please provide a list of the persons who effectively conduct the business of the AIFM, and then proceed to question 8.3.

8.2 Will the change require new approved persons or additional senior management functions for existing approved persons in relation to the application?

- ☐ No ▶ Continue to next question.
☐ Yes ▶ Have you submitted the required Approved Person 'Form A' application form(s) on Connect?
☐ Yes ▶ Provide the names of candidates(s) and new senior management functions below.
☐ No ▶ Explain why below.

8.3 Have any individual(s) proposed to perform a new role (whether an approved person or not) has been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?

- ☐ No ▶ Explain why below.
☐ Yes ▶ Has this individual carried on this role before (e.g. at another firm)?
☐ Yes ▶ Continue to question 8.4
☐ No ▶ Provide information below on how they have been assessed as competent.

8.4 Does the firm have locum arrangements in place, to cover certified functions such as Investment Advisers and Investment Managers?

☐ Yes ▶ Provide the firm name below.

☐ No ▶ Explain why below.

9

Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

You must pay your application fee in full at the same time as submitting your application (by cheque or credit card). If the fee is not paid in full within five working days of the date that you submit this form, your application will be returned to you. This fee is non-refundable, and we do not issue invoices for it.

The new 'Managing an AIF' and 'Managing a UCITS' activities will fall into both fee block A7 (Portfolio Managers) and A9 (Managers and depositaries of investment funds and operators of CIS or pension schemes), except in the case where the firm is classified as a venture capital firm. These fee blocks are both deemed 'Moderately Complex', as such any application that results in a firm moving into one or both of these fee blocks for the first time will result in a fee of £2,500.

An application from a firm that is already in both fee blocks A7 and A9 will attract the £250 administration fee only.

9.1 Please confirm whether you are currently approved for the regulated activity of 'Managing Investments'.

- ☐ Yes ▶ You are in fee block A7.
- ☐ No ▶ Do you believe you fall into fee block A7 for any other reason?
- ☐ Yes ▶ Please confirm why below.
- ☐ No ▶ You are not in fee block A7.

9.2 Please confirm whether you are currently approved for any of the following regulated activities.

- ☐ Establishing, operating or winding up a regulated collective investment scheme.
- ☐ Establishing, operating or winding up an unregulated collective investment scheme.
- ☐ Acting as trustee of an authorised unit trust scheme.
- ☐ Acting as the depositary or sole director of an open-ended investment company.
- ☐ Establishing, operating or winding up a personal pension scheme or a stakeholder pension scheme.

If you did not select any of the activities in question 9.2 then you are not in fee block A9.

9.3 If you did select one or more activities in question 9.2, please confirm whether you fall into any of the exclusions listed in FEES 4 Annex 1A that would exclude you from fee block A9.

- ☐ Yes ▶ Please confirm which exclusion below.
- ☐ No ▶ You are in fee block A9.

9.4 Please confirm the correct application fee.

- ☐ Currently in neither A7 nor A9 ▶ Fee is £2,500 to move into fee blocks A7 and A9.
- ☐ Currently in fee block A7 only ▶ Fee is £2,500 to move into fee block A9.
- ☐ Currently in fee block A9 only ▶ Fee is £2,500 to move into fee block A7.
- ☐ Currently in both A7 and A9 ▶ Administration fee of £250 is applicable.
- ☐ Currently in fee block A7 only and will remain in fee block A7 only ▶ Fee is £250.

9.5 Please confirm that you have enclosed a cheque for the correct application fee.

- ☐ Yes.
- ☐ No, I will pay using a credit or debit card.

Cheques should be made payable to the Financial Conduct Authority, with the firm name and Firm Reference Number (FRN) written on the back and enclosed with this form. To make a payment using a credit or debit card, please do not enter the details on this form. We will contact you to ask for the details.

Please note that only those credit and debit cards listed in FEES 3.2.3R(3) can be used to pay VOP application fees. In addition, any payment by a permitted credit card must include an additional 2% of the sum paid.

0

Declaration and signature

Changing your firm's permission can generate an application fee and vary your periodic fee.

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided.

Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that issues are known to us just because they are in the public domain or have previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By submitting this application form:

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA on request.
- ✓ I will notify the FCA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Name of signatory ⁱ	
Position ⁱⁱ of signatory	
Individual Reference number (if applicable)	
Signature	
Date	dd/mm/yy



Variation of Permission (VOP) Application

Firm Name

Firms Reference Number

Purpose of this form

This form is **only** for firms wishing to change the scope of their permission where you have been granted an exemption from using the CONNECT portal. You must answer all sections.

Important information you should read before completing this form

If your application is for Insurance Business, Banking, E-Money or Lloyds Market, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated.**

The notes that accompany the forms will help you complete the questions.

They also explain why we need the information we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

It is important that you provide accurate and complete information. Knowingly or recklessly giving the FCA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R (where applicable) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided. If necessary, please take appropriate professional advice before supplying information to us.

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Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- print out the form you have completed and sign the declaration in Section 11.

2 If you are filling in the form by hand:-

- use black ink;
- write clearly; and
- sign the declaration in Section 11.

3 If you think a Question is not relevant to you, write 'not applicable' and explain why.

4 If you leave a Question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

6 Post the application consisting of:

- this Variation of Permission form;
- supporting documents; and
- the application fee (if paying by cheque) to the FCA at:

**Authorisation Support Team
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS**

1

Contact details and timings for this application

We need this information in case we need to contact you when we assess this application

Contact for this application**1.1 Details of the person we should contact about this application**

This must be someone who works for the applicant firm, and not a professional adviser.

Title	
-------	--

First names	
-------------	--

Surname	
---------	--

Job title	
-----------	--

Business address	
Postcode	

Phone number (including STD code)	
-----------------------------------	--

Mobile number (optional)	
--------------------------	--

Fax number (including STD code)	
---------------------------------	--

Email address	
---------------	--

1.2 Has the firm had a pre-application meeting for this application?

- ☐ No
☐ Yes

2

Permissions

Tell us what it is you wish to do to change your firm's permission

2.1 Does the applicant firm wish to do any of the following?

- add a new investment business activity to your permission;
- add a customer type or investment type to a current activity on your permission; or
- delete an activity from your permission.

☐ No ▶ Continue to Question 2.2.

☐ Yes ▶ You must complete the appropriate tables below. If you wish to add or amend several activities in different ways, copy the relevant page(s) and attach it to this form.

Investment business activities

You must select the relevant regulated activity(ies) you wish to retain, add, amend or delete				
Retain current activity	Add new activity	Amend current activity	Delete activity	Regulated activity
Consumer Credit				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on a regulated credit agreement the purpose of which is to acquire land
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Credit Broking
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Debt adjusting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Debt Administration
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Debt-collecting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Debt-counselling
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into Regulated Consumer Hire Agreements as owner
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exercising or having the right to exercise the owner's rights and duties under a regulated consumer hire agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a bill of sale loan agreement as lender

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exercising or having the right to exercise the lender's rights and duties under a bill of sale loan agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a regulated home credit loan agreement as lender
Retain current activity	Add new activity	Amend current activity	Delete activity	Regulated activity
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exercising or having the right to exercise the lender's rights and duties under a regulated home credit loan agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into regulated credit agreement as Lender (Excluding high-cost short-term credit, bill of sale agreement, and home collected credit agreement)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exercising/having right to exercise lender's rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale agreement, and home collected credit agreement)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into high-cost short-term credit as lender
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short-term credit
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Operating an electronic system in relation to lending
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Providing Credit Information Services
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Providing Credit References
Designated Investment Business				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sending dematerialised instructions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Safeguarding and administration of assets
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Providing basic advice on stakeholder products
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Operating a multilateral trading facility
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Operating an organised trading facility

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing an unauthorised AIF
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing an authorised AIF
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Managing a UCITS
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a personal pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a stakeholder pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Establishing, operating or winding up a collective investment scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as principal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as agent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bidding in emissions auctions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging safeguarding and administration of assets
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) deals in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on pension transfers and opt outs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on Peer to Peer Agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising (ex Pension Transfers and Pension Opt Outs)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acting as trustee or depositary of an unauthorised AIF
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acting as trustee or depositary of an authorised AIF
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Acting as trustee or depositary of a UCITS
Funeral Plan Providers				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering as provider into a funeral plan contract
Insurance Distribution				

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a regulated mortgage contract
Retain current activity	Add new activity	Amend current activity	Delete activity	Regulated activity
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a regulated mortgage contract as lender
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated sale and rent back agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a regulated sale and rent back agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a regulated sale and rent back agreement

Customer type(s)

You must select customer type(s) you wish to add or delete			
Retain current custom er type	Add	Delete	Client Types
Designated Investment Business			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Retail (investment)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Professional
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Eligible counterparty
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Retail (basic advice only)
Insurance Distribution			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Commercial
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Retail (Non-Investment Insurance)

Investment type(s)

You must select the Investment type(s) you wish to retain, add or delete

Retain	Add	Delete		Retain	Add	Delete	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Alternative debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Option (excluding a commodity option)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Certificate representing certain security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Personal pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Commodity future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rights to or interests in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Commodity option	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rights to or interests in investments – security
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contract for differences (excl. a spread bet and a rolling spot forex contract)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rolling spot forex contract
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Debenture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Share
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Emissions allowances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Spread bet
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Emissions auction product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder pension scheme
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Funeral plan contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stakeholder products (basic advice only)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Future (excl. a commodity future and a rolling spot forex)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Structured deposits
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Government and public security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unit
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Life policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warrant
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non-investment insurance contracts				

Limitation(s)**2.2 Does the applicant firm wish to make any changes to its limitations?**☐ No☐ Yes ▶ Please specify whether you are adding a new limitation, deleting or amending a current limitation☐ Add a new limitation☐ Delete a current limitation☐ Amend a current limitation

Enter the limitation(s) below, clearly indicating the amendments if applicable

--

Requirement(s)**2.3 Does the firm wish to make any changes to its requirement(s)?**☐ No ▶ Continue to Question 2.6☐ Yes ▶ Please specify whether you are adding a new requirement, deleting or amending a current requirement☐ Add new requirement ▶ Complete Question 2.4 and continue to Question 2.6.☐ Amend current requirement ▶ Continue to Question 2.5☐ Delete a current requirement ▶ Continue to Question 2.5**2.4 You must select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement**☐ Standard requirement from Appendix A

Ref Number

Short description

--	--

☐ Non-standard requirement

--

2.5 You must give details of the current requirements you are amending or deleting.

--

Consumer Credit

2.6 Is the firm adding any consumer credit activities?

- ☐ No ▶ Continue to Question 2.10
☐ Yes

2.7 You must state the estimated annual income for these activities so that the fee due can be calculated

2.8 Has the applicant completed any credit agreements with consumers to date which would have required the permission now being applied for?

- ☐ No ▶ Continue to Question 2.10
☐ Yes

2.9 Has the applicant applied or is the applicant going to apply for a validation order relating to these agreements? (a validation order also covers an application for compensation/to keep repayments of an unauthorised loan)

- ☐ No
☐ Yes

Please provide an explanation below

Mortgage Business

2.10 Is the firm applying for mortgage business as part of this application?

- ☐ No
☐ Yes ▶ Please confirm what type of mortgage business the applicant firm proposes to undertake?
☐ First charge only
☐ Second charge only
☐ Both first and second charge

3

Client Money

Tell us what the applicant firm wishes to change regarding its client money permission

3.1 Does the firm wish to change its client money permission?

- ☐ No ▶ Continue to Section 4
☐ Yes

3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

3.3 Is the firm applying to stop holding client money?

- ☐ No ▶ Continue to Question 3.7
☐ Yes

3.4 Are the client accounts closed?

- ☐ Yes
☐ No

3.5 You must attach a report from your auditors confirming that you have stopped holding client money and that it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.

- ☐ Attached ▶ Continue to Section 4
☐ No ▶ Explain why below

3.6 Has the firm held client money within a non-statutory trust account, or held client money that has exceeded £30,000 within a statutory trust account

- ☐ No
☐ Yes

3.7 Is the firm applying to hold client money?

- ☐ No ▶ Continue to Section 4
☐ Yes

3.8 What type of account will the firm use to hold client money? (tick one)

- ☐ Statutory trust
☐ Non-statutory trust
☐ Other ▶ Provide further details below

3.9 You must confirm the account is held at an approved bank that meets the requirements imposed under CASS?

☐ Yes

3.10 You must confirm you have read and understood the Client Money rules that you are required to follow?

☐ Yes

3.11 What is the projected highest total amount of client money to be held by the firm in the current calendar year?

£

3.12 What is the projected highest total value of safe custody assets to be held by the firm in the current calendar year?

£

4

Reason for Variation

Tell us why you are applying to change your firm's permission

4.1 We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider, and
- details on any outsourcing.

4.2 Please attach full regulated business plan if relevant

- ☐ Attached
☐ Not applicable

5

Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission

The threshold conditions represent the minimum conditions that a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us that these conditions will continue to be met if the application is granted. You may be asked to provide documentary evidence to support your answers, either during the application process or at a later point.

In the notes to this form you will find details on what we may ask you to provide to support your application.

5.1 You must confirm you have reviewed the Notes to this question

☐ Yes

Location of Offices**5.2 Confirm the following:**

- if you are a body corporate partnership or unincorporated association, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are an individual, that your Head Office is in the UK and that you carry on business in the UK.

☐ Yes

Effective Supervision**5.3 As a result of this application, will there be any impact on the FCA/PRA's ability to effectively supervise the firm?**

☐ No

☐ Yes ▶ Give further details below

5.4 Will the firm have any new close links with another person or firm?

- ☐ No
- ☐ Yes ▶ Give further details below

Appropriate resources**5.5 What is the firm's current prudential category?****5.6 Will the firm's prudential category change as a result of this application?**

- ☐ No
- ☐ Yes ▶ What prudential category will your firm be in?

5.7 What will be the firm's new capital resource requirement?**5.8 You must confirm you are meeting and will continue to meet the firm's new capital resource requirements and have projections available to prove so.**

- ☐ Yes
- ☐ No ▶ Explain why below

5.9 Is the firm required to have in place professional indemnity insurance (PII)?

- ☐ No
- ☐ Yes ▶ Does the firm hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying?
- ☐ Yes
- ☐ No ▶ Explain why not below

Suitability

Business Model

- 5.10 You must confirm that the firm has a suitable business plan available that reflects the firm's current business and proposed changes**

☐ Yes

Compliance

- 5.11 You must confirm that the firm has in place a Compliance manual and a Compliance monitoring Programme that reflects its current business and the proposed change in business, if applicable, for which the firm is applying?**

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

☐ Yes

Conduct of Business Requirements –Conduct of Business (COBS) Sourcebook

- 5.12 You must confirm the firm is ready, willing and organised to comply with the relevant provisions for the permission the firm is applying for. This includes provisions in the Business Standards and Specialist sourcebooks sections of the FCA and PRA handbooks, as applicable to any new regulated activities applied for.**

☐ Yes

Systems and Controls (SYSC) Requirements

- 5.13 You must confirm the firm continues to meet the SYSC requirements**

☐ Yes

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

6

Approved Persons

If a firm changes its permission it may need to have new Approved Persons and/or additional Controlled Functions or it may no longer need some existing Controlled Functions.

6.1 Will the change require new approved persons or additional controlled functions for existing approved persons in relation to the application?

- ☐ No
- ☐ Yes ▶ You must submit a 'Form A' for each new controlled function required.
- ☐ Attached

6.2 Have any individual(s) proposed to perform a new role (whether an approved person or not) been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?

- ☐ No ▶ Explain why not below
- ☐ Yes ▶ Has this individual carried on this role before (e.g. at another firm)?
- ☐ Yes
- ☐ No ▶ Provide information below on how they have been assessed as competent

6.3 Does the firm have locum arrangements in place, to cover controlled functions such as Advisers or Investment Managers?

- ☐ Yes ▶ Provide the firm name below
- ☐ No ▶ Explain why not below

Insurance Distribution activities

6.4 Is the firm applying for Insurance Distribution activities?

- ☐ No ▶ Continue to Question 6.7
- ☐ Yes ▶ Is the firm a sole trader?
- ☐ Yes ▶ Continue to Question 6.7
- ☐ No

6.5 You must give the name of the individual who will be responsible for Insurance Distribution activities.

6.6 Is the individual named in Question 6.5 an existing approved person, a new individual or is already held by an individual at the firm?

- ☐ Existing approved person ▶ You must attach a Short Form A
- ☐ New individual ▶ You must submit a 'Form A – Application to perform controlled functions'
- ☐ Already held by individual at firm

☐ **Appropriate form attached**

MCD intermediation activities

6.7 Is the firm applying for MCD intermediation activities?

- ☐ No ▶ Continue to Section 7
- ☐ Yes ▶ You must give the name of the individual who will be responsible for MCD intermediation activities

6.8 Is the individual named in Question 6.7 an existing approved person, a new individual or is already held by an individual at the firm?

- ☐ Existing approved person ▶ You must attach a Short Form A
- ☐ New individual ▶ You must submit a 'Form A – Application to perform controlled functions'
- ☐ Already by individual at firm

☐ **Appropriate form attached**

7

EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

EEA Notifications**7.1 Is the firm connected with a firm outside the UK but within the EEA?**
☐ No

☐ Yes ▶ Give details of each connection below

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

Third-Country Banking and Investment Groups**7.2 Is the firm a BIPRU/IFPRU firm or will it become one if this variation is approved?**
☐ No ▶ Continue to Section 8

☐ Yes
7.3 Is the firm a member of a third-country (i.e. outside of the EEA) banking and investment group?
☐ No

☐ Yes ▶ We will ask you to give further details once we have received this application

8

Markets in Financial Instruments Directive (MiFID) and the Capital Requirements Regulation (CRR)/Capital Requirement Directive (CRD)

We need to know the firm has considered the effect of MiFID and the CRR/CRD, and whether it will change as a result of this application.

MiFID Status

8.1 Is your firm subject to MiFID?

- ☐ Yes ▶ Continue to 8.2
☐ No ▶ Continue to 8.3

8.2 Will the firm continue to be subject to MiFID based on this variation of permission?

- ☐ Yes ▶ You must complete the table on page 5 of the MiFID Annex for VOP Applications Form with the MiFID investment services the firm wishes to carry on after this variation of permission
<https://www.fca.org.uk/publication/forms/mifid-vop-annex-form.docx>
☐ No

8.3 Will the firm become subject to MiFID based on this variation of permission?

- ☐ No ▶ Continue to 8.4
☐ Yes ▶ You must complete the following forms and attach them to your application
 MiFID Authorisation Application Form:
<https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx>
 MiFID Annex for VOP Applications Form:
<https://www.fca.org.uk/publication/forms/mifid-vop-annex-form.docx>
 MiFID List of members of the management body:
<https://www.fca.org.uk/publication/forms/mifid-members-management-body.docx>
☐ Attached

8.4 Will your firm be acting as a 'Systematic Internaliser'?

- ☐ No
☐ Yes
☐ N/A as not dealing on own account

CRD/CRR categorisation

8.5 Is the firm subject to CRR/CRD, or will it become subject to them as a result of this application?

- ☐ No ▶ Continue to Section 9
☐ Yes

8.6 Are you required to submit FINREP?

- ☐ No
- ☐ Yes
- ☐ N/A as not an IFPRU firm

8.7 Is the firm or are you becoming a Significant IFPRU Firm as defined in the FCA IFPRU sourcebook?

- ☐ No
- ☐ Yes

8.8 Indicate below what is the firm's current categorisation under the CRR / CRD and what it will be if this application is granted, selecting one Capital Resource Requirement and one Base Capital Resource Requirement:

Capital Resource Requirement	Current Category	Proposed Category
IFPRU Full scope	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU Limited Activity	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU Limited Licence	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU	<input type="checkbox"/>	<input type="checkbox"/>
Exempt CAD firm	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

Base Capital Resource Requirement	Current Category	Proposed Category
CAD exempt firm (Chapter 3 of IPRU (INV))	<input type="checkbox"/>	<input type="checkbox"/>
CAD exempt firm (Chapter 9 of IPRU (INV))	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €50k	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €125k	<input type="checkbox"/>	<input type="checkbox"/>
IFPRU €730k	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

9

Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.

9.1 Which fee block(s) is the firm currently in?

9.2 Indicate which of the following applies to your application

New Fee Block	Description	Application Fee
<input type="checkbox"/> A13	Advisors, arrangers, dealers or brokers	Straightforward - £750
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> CC1	Credit-related regulated activities with limited permissions	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Portfolio managers	
<input type="checkbox"/> A9	Managers and depositaries of investment funds, and operators, collective investment schemes or pension transfers	
<input type="checkbox"/> A10	Firms dealing as principal	Complex £12,500
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	
<input type="checkbox"/> A3	Insurers - general	
<input type="checkbox"/> A4	Insurers - life	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> B	MTF operators	£250
<input type="checkbox"/> CC2	Credit-regulated regulated activities	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	No fee
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	

9.3 Are you paying by cheque?

☐ Yes ▶ Please confirm that you have enclosed a cheque for the correct application fee, where one is due. Cheques should be made payable to the Financial Conduct Authority, with the firm name and reference number written on the back.

☐ Cheque enclosed

☐ No, I will pay using a credit/debit card ▶ To make a payment using a credit/debit card please do not enter the details on this form. We will contact you to ask for the details.

10

Supporting Documents

Other documents

10.1 Please list any other documents you have provided.

10.2 Please provide any comments on supporting documents if necessary.

--

Other information

10.3 If there is anything else you would like to tell us about this application please give details below.

--

11

Declaration and Signature

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398A and 400A of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used by the FCA/PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation and may be disclosed to third parties for those purposes.

Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA/PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA/PRA on request.
- ✓ I will notify the FCA/PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Signature one

Name of signatory ⁵	
Position of signatory ⁶	
Individual Registration Number (if applicable)	
Signature	
Date	dd/mm/yy

⁵ The signatory must be a suitable person of appropriate seniority at the firm

⁶ E.g. Director, Sole Trader, Compliance Officer, etc

11

Declaration and signature

Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided.

Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that issues are known to us just because they are in the public domain or have previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By submitting this application form:

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA on request.
- ✓ I will notify the FCA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Name of signatory ⁱⁱⁱ	
Position ^{iv} of signatory	
Individual Reference number (if applicable)	
Signature	
Date	dd/mm/yy

ⁱ The signatory must be a suitable person of appropriate seniority at the firm

ⁱⁱ e.g. Director, Sole Trader, Compliance Officer, etc

ⁱⁱⁱ The signatory must be a suitable person of appropriate seniority at the firm

^{iv} e.g. Director, Sole Trader, Compliance Officer, etc

