

## **MIF001 – Capital**

This form applies to both individual FCA investment firms and to consolidation groups. If completed on behalf of a consolidation group, it should be completed on the basis of the consolidated situation and references to FCA investment firm should be taken to refer to the consolidation group.

### **Basis of completion**

**Cell A1** asks firms to say if the report is on behalf of a consolidation group.

**Cell A2** asks for the FRNs of the firms that form part of the consolidation group.

### **Capital held**

FCA investment firms are required to hold own funds in excess of their total own funds requirement (TOFR). The TOFR includes any additional capital requirement made by or guidance given by the FCA. Own funds held to meet the total own funds requirement must be made up of Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) capital.

#### **Cell A3 – Common Equity Tier 1 capital**

FCA investment firms should enter the amount of CET1 capital they hold for their own funds. CET1 capital should be calculated in accordance with Article 50 of the UK CRR as applied and modified by Section 3.3 of MIFIDPRU – Common equity tier 1 capital. This cell must always be completed with a positive number.

#### **Cell A4 – Additional Tier 1 capital**

FCA investment firms should enter the amount of AT1 capital they hold for their own funds. AT1 capital should be calculated in accordance with Article 61 of the UK CRR as applied and modified by Section 3.4 of MIFIDPRU – Additional tier 1 capital.

FCA investment firms are not required to hold/issue AT1 capital. If no AT1 has been issued, or is held, a zero should be entered in this cell.

#### **Cell A5 – Tier 2 capital**

FCA investment firms should enter the amount of T2 capital they hold for their own funds. T2 capital should be calculated in accordance with Article 71 of the UK CRR as applied and modified by Section 3.5 of MIFIDPRU – Tier 2 capital.

FCA investment firms are not required to hold/issue T2 capital. If no T2 has been issued/is held, a zero should be entered in this cell.

### **Capital requirements**

#### **Cell A6 – total annual fixed overheads**

The fixed overheads requirement is one quarter of the FCA investment firm's previous financial year's annual fixed overheads after the distribution of profits. The annual fixed overheads should be calculated in accordance with [MIFIDPRU 4.5]. The number entered should be the total annual fixed overheads, not the fixed overheads requirement. If we have varied an FCA investment firm's fixed overheads due to a material change in its business model, that is the figure that should be included here.

#### **Cell A7 – variation in fixed overheads**

FCA investment firms should select 'Y' if we have amended its FOR due to a material change in its business model. An example of a material change could include adding or removing permissions during the reporting year. If this is the case, the number entered into Cell A6 should be the equivalent annual fixed overheads for the FCA investment firm's amended FOR.

#### **Cell A8 – Permanent minimum requirement (PMR)**

FCA investment firms should enter one of the following numbers/select one of the following numbers from the drop down:

- 75 if the firm has a PMR of £75,000
- 150 if the firm has a PMR of £150,000
- 750 if the firm has a PMR of £750,000

Where a transitional provision allows an FCA investment firm to substitute an alternative PMR, this figure should reflect its standard requirement (and not the alternative lower figure under the transitional provision).

#### **K-factor requirements – completed by non-SNI firms only**

Where an FCA investment firm does not have permission to carry out the relevant activity, the cell should be left blank.

#### **Cell A9 – Total K-factor requirement**

FCA investment firms should enter the total amount of their K-factor requirement. This figure should be the sum of cells A10 to A23.

#### **Cell A10 – K-AUM**

FCA investment firms should input their K-AUM requirement calculated in accordance with MIFIDPRU [4.7].

#### **Cell A11 –K-CMH (segregated)**

FCA investment firms should input their K-AUM requirement for segregated accounts, calculated in accordance with MIFIDPRU [4.8].

A segregated account is defined in the Handbook Glossary.

#### **Cell A12 –K-CMH (non-segregated)**

FCA investment firms should input their K-CMH requirement for non-segregated accounts, calculated in accordance with MIFIDPRU [4.8].

A non-segregated account is an account that does not satisfy the conditions to be a segregated account.

#### **Cell A13 – K-ASA**

FCA investment firms should input their K-ASA requirement calculated in accordance with MIFIDPRU [4.9].

#### **Client orders handled**

#### **Cell A14 – K-COH (cash trades)**

FCA investment firms should input their K-COH for cash trades calculated in accordance with MIFIDPRU [4.10].

#### **Cell A15 – K-COH (derivative trades)**

FCA investment firms should input their K-COH requirement calculated in accordance with MIFIDPRU [4.10].

## **Daily Trading Flow**

### **Cell A16 – K-DTF (cash trades)**

FCA investment firms should input their K-DTF requirement for cash trades calculated in accordance with MIFIDPRU [4.15].

**Cell A17 – this cell has been deliberately left blank**

### **Cell A18 – K-DTF (derivative trades)**

FCA investment firms should input value of their K-DTF requirement for derivative trades calculated in accordance with MIFIDPRU [4.15].

**Cell A19 – this cell has been deliberately left blank**

### **Cell A20 – K-NPR (K-factor requirement)**

FCA investment firms should input the capital requirement calculated for net position risk in accordance with MIFIDPRU [4.12].

### **Cell A21 – K-CMG**

FCA investment firms should input the total capital requirement calculated for K-CMG in accordance with MIFIDPRU [4.13]. The value given shall be the sum of the individual K-CMG requirements for each portfolio for which the firm has obtained a K-CMG permission from the FCA.

### **Cell A22 – K-TCD**

FCA investment firms should input their total capital requirement calculated for K-TCD in accordance with MIFIDPRU [4.14].

### **Cell A23 – K-CON**

FCA investment firms should input their total capital requirement calculated for K-CON in accordance with MIFIDPRU [5.6].

## **Transitional requirements**

### **Cell A24 – Transitional requirement**

FCA investment firms should enter the current amount of any transitional capital requirement.

Note, that where an FCA investment firm changes its permissions during this period, it will no longer be able to take advantage of any transitional provisions that limit its permanent minimum capital requirement. Investment firms will be assessed on being able to meet the full permanent minimum capital requirement and any other additional requirements that may apply before any change in permission is granted.

### **Cell A25 – Basis of transitional**

FCA investment firms should indicate by reference to the relevant provision in MIPRU which transitional provision or provisions they are relying on for their capital requirement entered in Cell A24.

## **Additional requirements and guidance**

### **Cell A26 – Amount of additional capital requirement**

An FCA investment firm may determine, as a result of the ICARA process, that it needs to hold additional capital to that given by the higher of its permanent minimum requirement (PMR), fixed overheads requirement (FOR) or K-factor requirement (KFR) (if appropriate).

An FCA investment firm may be required by the FCA to hold an additional amount of capital to that that given by the higher of its PMR, FOR or KFR (if appropriate).

In Cell 26, the FCA investment firm should input the higher of these two amounts of capital (to the extent applicable).

**Cell A27 – Amount of additional capital guidance**

The FCA may ask an FCA investment firm that is not an SNI to hold additional capital to ensure that the FCA investment firm does not breach its capital requirements (including any additional capital requirement set).

In Cell A27, the FCA investment firm should put the amount of any additional capital guidance it has been given.

## **MIF002 - Liquidity**

We will calculate the FCA investment firm's basic liquidity requirement based on its annual fixed overheads, as provided in MIF001, and the guarantees provided to clients, as provided in Cell A6 of this return.

This form applies to both individual FCA investment firms and to prudential consolidation groups. Where a prudential consolidation group has a waiver from applying liquidity requirements on a consolidated basis, the investment firms that are within that group must still complete this form on an individual basis.

### **Basis of completion**

**Cell A1** asks FCA investment firms to specify the basis on which this report is being completed.

**Cell A2** asks for the FRNs of all the FCA investment firms that form part of the consolidation group.

### **Liquidity**

#### **Cell A3 – Total liquid assets held**

Enter the total amount, before applying any haircuts, of liquid assets held that meet the criteria set out in MIFIDPRU [6].

#### **Cell A4 – Liquid assets post haircuts**

Enter the total amount, after applying any haircuts in accordance with MIFIDPRU [6], of liquid assets held that meet the criteria set out in MIFIDPRU [6].

#### **Cell A5 – Eligible receivables due within 30 days**

Where an FCA investment firm is allowed to, and does, count up to 50% of its total eligible receivables due within 30 days as up to one third of its total liquid assets held, it should enter this amount.

#### **Cell A6 – Guarantees provided to clients**

Enter the value of guarantees that have been provided to clients, as determined in accordance with the rules in MIFIDPRU [6].

#### **Cell A7 – Amount of additional liquidity requirement**

An FCA investment firm may determine that it needs to hold additional liquid assets to indicated by one month's FOR.

An FCA investment firm may be required by the FCA to hold additional liquid assets greater than that indicated by one month's FOR.

In Cell A7, the investment firm should enter the amount of any additional liquidity requirement.

## **MIF003 – Monitoring metrics**

This form must be completed by all FCA investment firms on an individual basis. It must also be completed by a consolidation group. This enables us to monitor where an investment firm is in relation to the SNI threshold, and any trends in its data.

### **Basis of completion**

#### **Cell A1 – Basis of completion**

The FCA investment firm should indicate whether MIF003 is being completed on an individual or on a group basis.

#### **Cell A2 – details of other firms within the group**

Enter the firm reference numbers of all the FCA regulated entities in the consolidated situation.

### **Metrics**

FCA investment firms should only submit information for the activities they undertake at the time at which the report is submitted. Where the FCA investment firm does not undertake an activity, it should leave the field blank.

#### **Cell A3 – AUM**

Enter the AUM as calculated in accordance with MIFIDPRU 4.7.

#### **Cell A4 – AUM at T**

Enter the assets under management as at the reporting date.

#### **Cell A5 – AUM at T-1 month**

Enter the total assets under management on the last working day of the month before the reporting date.

#### **Cell A6 – AUM at T-2 months**

Enter the total assets under management on the last working day of the second month before the reporting date.

#### **Cell A7 – CMH (segregated)**

Enter the total amount of client money (as defined in the Handbook Glossary) held in connection with the FCA investment firm's MiFID business in segregated accounts, calculated in accordance with MIFIDPRU 4.8.

A segregated account is defined in in the Handbook Glossary.

#### **Cell A8 – CMH (segregated) at T**

Enter the amount of client money held in connection with MiFID business in segregated accounts as at the reporting date.

**Cell A9 – CMH (segregated) at T – 1 month**

Enter the amount of client money held in connection with MiFID business in segregated accounts on the last working day of the month before the reporting date.

**Cell A10 – CMH (segregated) at T – 2 months**

Enter the amount of client money held in connection with MiFID business in segregated accounts on the last working day of the second month before the reporting date.

**Cell A11 – CMH (non-segregated)**

Enter the total amount of client money (as defined in the Handbook Glossary) held in connection with the FCA investment firm's MiFID business in non-segregated accounts, calculated in accordance with MIFIDPRU 4.8.

A non-segregated account is an account that does not satisfy the conditions to be a segregated account.

**Cell A12 – CMH (non-segregated) at T**

Enter the amount of client money held in connection with MiFID business in non-segregated accounts as at the reporting date.

**Cell A13 – CMH (non-segregated) at T – 1 month**

Enter the amount of client money held in connection with MiFID business in non-segregated accounts on the last working day of the month before the reporting date.

**Cell A14 – CMH (non-segregated) at T – 2 months**

Enter the amount of client money held in connection with MiFID business in non-segregated accounts on the last working day of the second month before the reporting date.

**Cell A15 – ASA**

Enter the total amount of assets safeguarded and administered in connection with the FCA investment firm's MiFID business, calculated in accordance with MIFIDPRU 4.9.

**Cell A16 – ASA at T**

Enter the total amount of assets safeguarded and administered in connection with the FCA investment firm's MiFID business as at the reporting date.

**Cell A17 – ASA at T – 1 month**

Enter the total amount of assets safeguarded and administered in connection with MiFID business on the last working day of the month before the reporting date.

**Cell A18 – ASA at T – 2 months**

Enter the total amount of assets safeguarded and administered in connection with MiFID business on the last working day of the second month before the reporting date.

**Cell A19 – COH (cash)**

Enter the total amount of COH (cash) calculated in accordance with MIFIDPRU 4.10

**Cell A20 – COH (derivatives)**

Enter the total amount of COH (derivatives) calculated in accordance with MIFIDPRU 4.10.

**Cell A21 – On- and off-balance sheet total**

Enter the sum of the on- and off-balance sheet assets using figures from the last financial year for which accounts have been finalised and approved by the management body.

Where the accounts have not been finalised and approved after 6 months from the end of the previous financial year, provisional figures may be used.

**Cell A22 – Annual gross revenue from MiFID services and activities**

Enter the sum of the annual gross revenues from MiFID services and activities using figures from the last financial year for which accounts have been finalised and approved by the management body.

Where the accounts have not been finalised and approved after 6 months from the end of the previous financial year, provisional figures may be used.

**Cell A23 – Permission to deal on own account**

Indicate if the FCA investment firm has permission to deal on own account.

If the report is being completed on behalf of a consolidation group, a 'Y' should be entered where any FCA regulated entity within the group has permission to deal on own account for MiFID business.

## **MIF004 – Non-K-CON Concentration risk monitoring**

Only FCA investment firms that are non-SNIs need to complete MIF004.

In this report, we are asking for the location of the FCA investment firm's client money and client securities, where these relate to its MiFID investment business, and the FCA investment firm's own cash. By location we mean the entities the investment firm uses for these purposes. We are also asking for information about the source of an FCA investment firm's earnings.

This is a broader concept than would generally be considered a concentration risk and that previously used in the CRR for large exposures. However, the potential risk from these areas is something that investment firms should monitor.

### **Basis of completion**

#### **All exposures or positions**

This section relates to all exposures or positions held by the FCA investment firm.

Row 1 will indicate where the largest exposure/position with a counterparty is, followed by rows 2 to 5 in decreasing amounts. If a firm has less than 5 exposures, it should leave subsequent rows blank.

#### **Cells A1 to A5, inclusive – Firm LEI number**

Enter the LEI number of up to 5 counterparties that the FCA investment firm has the largest exposures/positions with. The LEI number must be used if available. If the counterparty does not have an LEI number, the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

#### **Cells B1 to B5, inclusive – value of exposures/positions with that counterparty**

Enter the amount of the exposure/position held with each counterparty, starting with the largest.

#### **Location of client money**

This section relates to client money held in connection with the FCA investment firm's MiFID business.

Row 6 will indicate where the largest percentage of the FCA investment firm's client money is held, followed by rows 7 to 10 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its client money, it should leave subsequent rows blank. In that case, the sum of percentages should be 100%.

#### **Cells A6 – A10, inclusive – Firm LEI number**

Enter the LEI number of up to five entities where client money is placed, beginning with the largest percentage. The LEI must be used if available. If the entity does not have an LEI number the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells B6 – B10, inclusive – percentage of client money held at that institution**

Enter the percentage of client money held at each entity, starting with the largest. Percentages should be rounded to the nearest whole number.

### **Cells C6 to C10, inclusive – MMF (Y/N)**

Indicate if the cash has been placed with a money market fund (MMF) rather than deposited with a credit institution.

### **Location of client securities**

This section relates to client assets and securities held in connection with the FCA investment firm's MiFID business.

Row 11 will indicate where the largest percentage of the FCA investment firm's client securities are held, followed by rows 12 to 15 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its client securities, it should leave subsequent rows blank. In that case, the sum of percentages should be 100%.

### **Cells A11 to A15, inclusive – Firm LEI number**

Enter the LEI number of up to five financial institutions where its client securities are held, beginning with the largest percentage. The LEI must be used if available. If the entity does not have an LEI number the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells B11 to B15, inclusive – percentage of client securities held at that institution**

Enter the percentage of client securities held at each institution, starting with the largest. Percentages should be rounded to the nearest whole number.

### **Location of the investment firm's own cash**

Row 16 will indicate where the largest percentage of the FCA investment firm's own cash is held, followed by rows 17 to 20 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its own cash, it should leave subsequent rows blank. In that case, the sum of percentages should be 100%.

### **Cells A16 to A20, inclusive – Firm LEI number**

FCA investment firms should enter the LEI number of up to five entities where its own cash is held, beginning with the largest percentage. The LEI must be used if available. If the entity does not have an LEI number, the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells B16 to B20, inclusive – percentage of FCA investment firm's own cash held at that entity**

FCA investment firms should enter the percentage of its own cash held at each entity, starting with the largest. Percentages should be rounded to the nearest whole number.

## **Earnings**

Row 21 will indicate where the largest percentage of the FCA investment firm's earnings are from, followed by rows 21 to 25 in decreasing amounts. If an FCA investment firm's earnings are from less than five sources, it should leave subsequent rows blank. In that case, the sum of percentages should be 100%.

### **Cells A21 to A25, inclusive – Firm LEI number**

FCA investment firms should enter the LEI number of up to five institutions/clients from where it generates its earnings, beginning with the largest percentage. The LEI must be used if available. If the financial institution or client does not have an LEI number, the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells B21 to B25, inclusive – percentage of total revenue earned from the client**

FCA investment firms should enter the percentage of its earnings from each institution/client, starting with the largest. Percentages should be rounded to the nearest whole number.

### **Cells C21 to C25, inclusive – type of earning**

FCA investment firms should indicate the type of earning that they are reporting. It may include more than one type of income stream. Where this is the case, FCA investment firms should list the income type for that client. Options include:

- Interest and dividend income from trading book positions
- Interest and dividend income from non-trading book positions
- Fee and commission income
- Other sources of income

## **MIF005 – K-CON – concentration risk reporting where the 'soft limit' has been exceeded**

This section asks FCA investment firms to provide additional information relating to their trading book exposures that exceed the 'soft limit' of 25% of their own funds. Trading book exposures above this limit require K-CON to be calculated and additional own funds held.

### **Cell A1 – Basis of completion**

The FCA investment firm should indicate whether MIF004 is being completed on an individual or on a group basis.

### **Cell A2 – Details of other firms within the group**

Enter the firm reference numbers of all the FCA regulated entities in the consolidated situation.

### **Cell A3 – LEI number**

Enter the LEI number of counterparty or group of connected counterparties, where the 'soft limit', as outlined in Chapter xx – Concentration risk, has been exceeded. If the counterparty/group of connected counterparties does not have an LEI number, the FCA investment firm should use its internal reference number for that counterparty/group of connected counterparties. This internal reference number should be consistent over time and across regulatory returns.

### **Cell B3 – Exposure Value**

Enter the exposure value for that counterparty/group of connected counterparties as calculated in accordance with Chapter xx – Concentration risk.

### **Cell C3 – Exposure Value Excess**

Enter the exposure value excess for that counterparty/group of connected counterparties as calculated in accordance with Chapter xx – Concentration risk.

### **Cell D3 – Own funds requirement for that excess**

Enter the own funds requirement for the excess for that counterparty/group of connected counterparties as calculated in accordance with Chapter xx – Concentration risk.

### **Cell E3 - £150m limit used (Y/N)**

Indicate if the counterparty/group of connected counterparties includes a credit institution or an FCA investment firm, and the £150m limit is being used, where this is higher than 25% of its own funds.

## **MIF006 – GCT reporting – instructions for completion**

The aim of this template is to ensure that any parent undertakings that have investments in investment firm subsidiaries are holding appropriate amounts and quality of capital to cover the amount and quality of capital of those investments.

The quality of capital being held by the parent undertaking should be at least equivalent to the quality of capital that has been invested into the subsidiary companies. The template is completed by the parent undertaking that has to meet the GCT. The exception is a responsible UK parent which, in accordance with MIFIDPRU 2.6.10R(2)(b)(i), is reporting on the position of a third country parent undertaking. In that case, the responsible UK parent must submit two MIF006 reports: one containing data relating to that third country undertaking; the other containing data relating to the responsible UK parent itself.

However, if the responsible UK parent has chosen to hold own funds instruments to cover the group capital test requirements in relation to both itself and a third country undertaking, the responsible UK parent will submit only one MIF006 report. In that case, the responsible UK parent should complete MIF006 by including information relating to investments in its own direct subsidiaries and the investments of the third country undertaking in its subsidiaries.

### **Cell 1A**

The parent undertaking should enter its name – free text.

### **Cell 2A**

The parent undertaking should enter its FCA firm reference number (FRN).

### **Identifying the relevant subsidiaries**

The relevant subsidiaries for the purposes of the group capital test are:

- FCA investment firms
- Collective portfolio management investment firms
- Financial institutions (including authorised payment institutions, electronic money issuers and AIFMD and UCITS collective portfolio management firms)
- Ancillary services undertakings
- Tied agents

### **Cell 3aA**

The FRN of the subsidiary firm 3a. If the subsidiary does not have an FRN, its LEI number should be used.

### **Cell 3aB**

A parent undertaking may choose to hold own funds instruments to cover the GCT requirements of a third country undertaking for this subsidiary. In this case, it will indicate in this cell that the firm identified in Cell 3aA is an indirect subsidiary.

The information in Cell 3aA and 3aB should be repeated for all the relevant subsidiaries of the parent undertaking.

### **Capital of the parent undertaking**

#### **Cell 4A – CET1**

The parent undertaking should input the amount of its own CET1 own funds.

**Cell 5A – AT1**

The parent undertaking should input the amount of its own AT1 own funds.

**Cell 6A – T2**

The parent undertaking should input the amount of its own T2 own funds.

**Book value and type of investments/contingent liabilities in subsidiaries****Cell 7a1A**

The parent undertaking enters its total CET1 investment in subsidiary 3a

**Cell 7a2A**

The parent undertaking enters its total AT1 investment in subsidiary 3a

**Cell 7a3A**

The parent undertaking enters its total T2 investment in subsidiary 3a

**Cell 7a4A**

The parent undertaking enters its total contingent liabilities to subsidiary 3a. Note: The parent undertaking must hold CET1 capital against any contingent liabilities it has in respect of subsidiary 3a.

These fields are repeated for all the subsidiaries listed.