

MIFID II Ancillary Activity Exemption – Notification Guide

January 2018



This guide is designed to assist with the submission of the annual notification confirming use of the ancillary activity exemption under article 2(1)(j) MIFID II.

You will need to undertake an assessment of your activities as set out in [RTS 20](#) and determine whether you satisfy the criteria for use of the exemption. This will need to be done on an annual basis and a notification submitted if you are exempt.

Connect Registration

If you do not already have access to the system, you will need to register [here](#).

Below is an example of the registration page. Please ensure you complete all mandatory fields before selecting 'Submit'. An email will be sent to you confirming registration and asking you to set up a password. You will then be able to access the system.



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

FCA CONNECT - New User Registration Page

User Detail

Required fields are prefixed with a red line

Title ▼

First Names

Last Name

Job Title

Email Address

Your email address will be your username. Please enter an individual address rather than a group or consolidated email address.

Confirm Email Address

The contact information of your firm.

Phone Country Code ▼

The UK country code is +44

Telephone Number

Mobile Number

Fax

Security Question ▼


Security Question Answer

Answer must be greater than 6 characters.


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Completing the Ancillary Activity Notification

Once you have access to Connect you will see the landing page below with the Ancillary Activity Notification in the Forms section.



FINANCIAL CONDUCT AUTHORITY



BANK OF ENGLAND PRUDENTIAL REGULATION AUTHORITY

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e.g. application guidance notes

Applications

New FSMA/Consumer Credit/Payment Services/Electronic Money Authorisation/Registration Application

Create and submit FSMA, Consumer Credit limited/full permission, Payment Services and Electronic Money authorisation and registration applications

Forms

Suspicious Transaction and Order Report

This form is for the use of persons professionally arranging or executing transactions, market operators and investment firms that operate a trading venue to make a report to the FCA under Article 16(1) and 16(2) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse ("The Market Abuse Regulation").

PSD2 Exclusion Notification

This form is for creating PSD2 Exclusion Notification.

Commodity Position Limit Exemption Form

This form is for the use of a non-financial entity holding a qualifying position in a commodity derivative, who wishes to apply for an exemption from position limits, as referred to under Article 57 MiFID II and Commission Delegated Regulation (EU) 2017/591.

MiFID II Ancillary Activity Exemption: Notification Form

This form is for use by persons who are exempt from the requirement for authorisation under MiFID II, to notify the FCA annually that they make use of this exemption, as required by Article 2(1)(j) MiFID II.

Electronic Trading Notification Form

This form is the means by which an investment firm that provides direct electronic access (DEA) and/or undertakes algorithmic trading (as defined in Article 4 of MiFID II and further specified by the MiFID II Delegated Regulation) should notify the FCA in accordance with MiFID II.

Once you have selected this form, you will arrive at the page below where you can view any draft notifications you may have or start a new one.

Action	Application Reference Number	Application Type	Application Outcome	Firm Name	Application Status	Created Date
Edit Del	0001668360	Ancillary Notification			Draft	05/07/2017 12:15

Once you have selected to start a new notification, you are presented with the following page where you will need to choose whether you have a Legal Entity Identifier (LEI) or not.

If you do, you will need to select 'Yes' and enter the details. Select the 'Find' button and it will search the system to see if we have you on our records already.

Do you have a Legal Entity Identifier (LEI)? Yes No

Please provide the following details

Your Legal Entity Identifier (LEI) [Find](#) [Clear Search](#)

If you do not have a LEI, you can select 'No' and it will ask you for a National ID instead. Select 'Find' to search the system to see if we have this on our records already.

In each scenario, you will need to supply an entity name if it is not found by the system from our records.

You will then need to select continue.

Once you have input the information above you will arrive at the page below which shows you the sections you will need to complete.

All sections must be completed before the application can be submitted.

Form	Form Status
Application Contact Details	Not Started
Ancillary Notification Form	Not Started
Declaration	Not Started

The first section is the 'Application Contact Details'. This section will auto populate with your details from your profile on Connect; if any of these details are incorrect you can amend them.

Progress

Current Step

Legend

- This field is required
- Click the icon for help on the item
- The page has been validated successfully
- The page is incomplete

Back Save & Exit Continue Print

Please enter the contact details of the person we will get in touch with about this application.

Associated Individual

The applicant contact details are populated from the applicant contact's profile. Please ensure that the profile is completed.

Title

First Name(s)

Last Name

Job Title

Mobile Number

Email Address

Building name / number

Postcode

Enter Manually

Address Line 1

Address Line 2

Address Line 3

Address Line 4

Town

County

Postcode

Country

Phone Number Country Code

Phone Number

Fax Number Country Code

Fax Number

Back Save & Exit Continue

The Second section is the 'Ancillary Notification' part and this is where you will need to read and confirm that you meet the criteria to be exempt from authorisation.

Progress

Step 1

Legend

- This field is required
- Click the icon for help on the item
- The page has been validated successfully
- The page is incomplete

Ancillary Notification

To qualify for this exemption the notifier must meet the criteria set out in Article 2(1)(j) of MiFID II

Persons:

- i. dealing on own account, including market makers, in commodity derivatives or emission allowances or derivatives thereof, excluding persons who deal on own account when executing client orders; or
- ii. providing investment services, other than dealing on own account, in commodity derivatives or emission allowances or derivatives thereof to the customers or suppliers of their main business;

provided that:

- for each of those cases individually and on an aggregate basis this is an ancillary activity to their main business, when considered on a group basis, and that main business is not the provision of investment services within the meaning of MiFID II or banking activities under MiFID II, or acting as a market-maker in relation to commodity derivatives;
- those persons do not apply a high-frequency algorithmic trading technique; and
- those persons notify annually the relevant competent authority that they make use of this exemption and upon request report to the competent authority the basis on which they consider that their activity under points (i) and (ii) is ancillary to their main business.

Further guidance on this exemption and qualifying threshold tests can be found in the regulatory technical standards prescribed under Article 2(4) of MiFID II, accessible via this link <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0592&f=to-RTS-20> and relevant rules and definitions.

By submitting this notification you are confirming that you have understood and meet all qualifying criteria for the ancillary activity exemption as set out in Article 2(1)(j) of MiFID II. The FCA may at a future date contact you and require evidence to support this exemption.

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.

I confirm I have read and understood the above.

Back Save & Exit Continue Print

The third section is the 'Declaration'. You must read the information and confirm that you understand and are submitting accurate information to us.

You are also confirming that you will be keeping a hard copy of the form for your records.

Progress

Current Step

Legend

- This field is required
- Click the icon for help on the item
- The page has been validated successfully
- The page is incomplete

Declaration

Knowingly or recklessly giving the FCA information which is false or misleading in material particulars may be an offence under [Regulation 43 of the Markets in Financial Instruments Regulations 2017]. If necessary, appropriate professional advice should be sought before supplying information to us.

You must notify us immediately of any significant change to the information provided which makes this notification invalid.

Declaration

I am authorised to make this notification on behalf of the notifying firm named on the front of this notification.

I confirm that the information in this notification is accurate and complete to the best of my knowledge and belief.

I authorise the FCA to make such enquiries and to seek such further information as it thinks appropriate to verify the information given in this notification.

I understand that the FCA may require the notifying firm to provide further information or documents at any time after I have sent this notification.

Review and Submission

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the Individual named below - have read and understood the declaration.

Signature

I confirm that a permanent copy of this application, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA/PRA's request.

Name of authorised signatory

Signature (to be signed on the printed version only)

Date

Back Save & Exit Continue Print

Once all three sections are marked as complete, you will see a button appear 'Ready for Submission' and you are now ready to submit the notification.

Search fca.org.uk
e.g. application guidance notes Search

MiFID II Ancillary Activity Exemption: Notification Form

Firm Name: FRN :
Version Number: 3 Application Reference Number: 0001669176 Last Modified By: Jamie Smith GC - 12/07/2017 09:04:15 AM

[Back to My Applications](#) **Ready for Submission** [Delete](#)

Once the application is complete and valid, a button will appear to allow the application to be marked as Ready to Submit (Draft Ready).

MiFID II Ancillary Activity Exemption: Notification Form	
Form	Form Status
Application Contact Details	Complete
Ancillary Notification Form	Complete
Declaration	Complete

Once you have selected 'Ready for Submission', you will see a 'Submit' button appear. Select 'Submit' to proceed.

Search fca.org.uk
e.g. application guidance notes Search

MiFID II Ancillary Activity Exemption: Notification Form

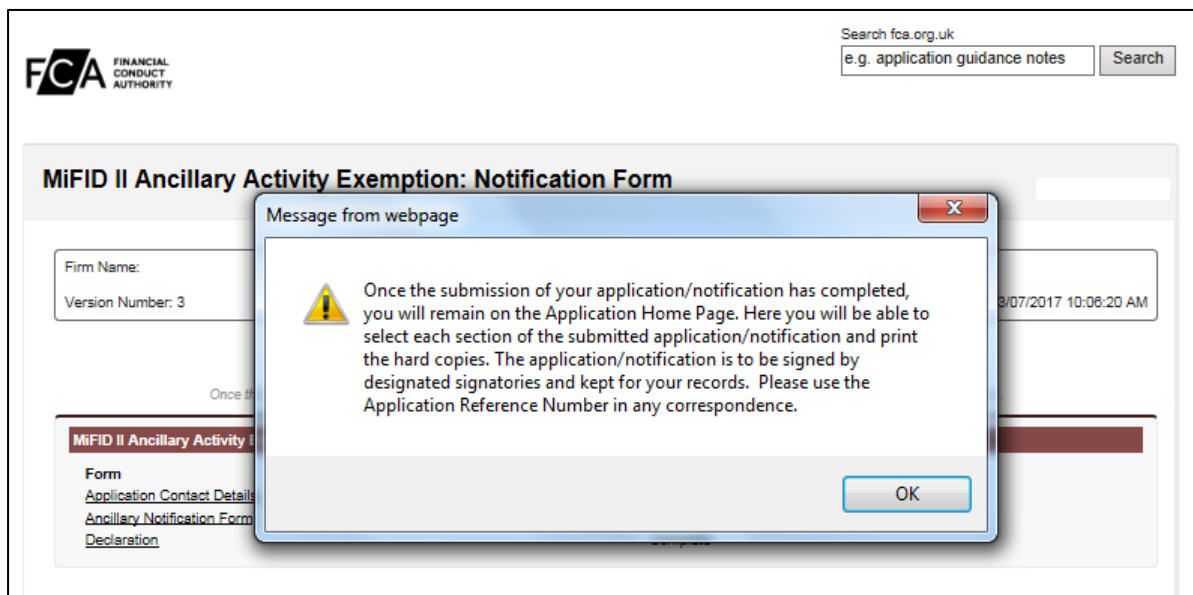
Firm Name: FRN :
Version Number: 3 Application Reference Number: 0001669622 Last Modified By: Stephanie Winson - 13/07/2017 10:08:20 AM

[Back to My Applications](#) [Edit Application](#) **Submit** [Delete](#)

Once the application is complete and valid, a button will appear to allow the application to be marked as Ready to Submit (Draft Ready).

MiFID II Ancillary Activity Exemption: Notification Form	
Form	Form Status
Application Contact Details	Complete
Ancillary Notification Form	Complete
Declaration	Complete

When you select 'Submit' a pop up window will appear with some further information. By selecting 'OK' you are confirming you understand.



Once the application has been submitted, you will receive an email confirming receipt of your notification. This email will also contain your application reference number, which you can retain for your records.

