MiFID II general guidance

Authorisation process, forms and prudential categories for first time applicants and existing investment firms who are seeking to vary their scope of permissions

January 2018
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1 Authorisation application process and forms

A. Initial authorisation application screenshots

Step 1: The firm logs in to Connect and is asked to answer the following questions (this is not a complete list) that will determine the final application pack:

The first question asks the firm what it intends to sell. The firm can only select either retail or wholesale, however other permutations are applicable.

What products does the Applicant intend to sell?
- [ ] Consumer Credit
- [ ] Retail
- [ ] Wholesale
- [ ] Home Finance Provider/Administrator

If the firm selects ‘Retail’ it is asked to select which type(s) of the following business the firm will undertake:

What business does the applicant intend to undertake?
- [ ] Investments
- [ ] Non-investment insurance contracts
- [ ] Home Finance Broker
- [ ] Personal pension schemes (inc. SIPPs)

If the firm selects ‘Wholesale’ it is asked to select only one of the following four types of business:

What business does the applicant intend to undertake?
- [ ] Securities and Futures (Non Complex)
- [ ] Securities and Futures (Complex)
- [ ] Investment manager
- [ ] Advisors and arrangers of Wholesale funds
Step 1a: When selecting either retail or wholesale the firm is asked whether it requires authorisation under MiFID:

Does the applicant require authorisation under MiFID? (If you wish to be authorised as an Article 3 exempt MiFID firm you must still answer yes to this question.)

- Yes
- No

Step 1b: The firm is asked whether it has previously traded. If the firm answers yes to this question the ‘disclosure of significant events appendix’ will be included in the application forms pack (see step 2a):

Has the applicant previously traded?

- Yes
- No

Step 1c: The following questions drive whether the firm is required to submit any controller forms. If the firm answers that it is solely owned by its Directors or Partners it will not be required to submit any controller forms.

If the applicant states that the firm is not solely owned by its Directors or Partners then it will be asked if the owners meet the relevant threshold to act as a controller. If the answer to this is yes then the applicant will be required to submit the relevant controller forms (see step 3b):

Will the firm be solely owned by its Directors or Partners?

- Yes
- No

Do the owners meet the relevant threshold to act as a controller?

- Yes
- No

Step 2: The firm is taken to the new authorisation application page and will be presented with the relevant pack of forms to complete that was created based on the answers provided under Step 1; the status of each form is updated as the user progresses:

<table>
<thead>
<tr>
<th>Form</th>
<th>Form Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Contact Details</td>
<td>Complete</td>
</tr>
<tr>
<td>Application Documents</td>
<td>In Progress</td>
</tr>
<tr>
<td>Application Fee</td>
<td>Not Started</td>
</tr>
<tr>
<td>Declaration</td>
<td>Not Started</td>
</tr>
</tbody>
</table>

Firm Declaration only becomes editable once related applications are completed.
Step 2a: The ‘Application Documents’ section sets out the different appendices that are required. If the firm has answered yes in step 1b question then the ‘disclosure of significant events appendix’ will be included in the list of appendices required.

Application Forms

You will need to complete the following form(s). The form(s) need to be downloaded, saved and completed:

- MiFID Authorization Form
- MiFID List of members of the management body
- MiFID annex form
- MiFID self-assessment form
- Disclosure of significant events appendix
- Taps and I wires supplement wholesale firms form
- MiFID checklist wholesale firms form

* - Required documents

Step 3: The firm will have to upload the relevant documents. The firm will not be able to submit the application unless they have uploaded each of the required appendices which can be selected from the dropdown list under ‘Document Type’. Further documents can be added by selecting the ‘Add Document’ option:

Documents

Document Title
Document Type --None--
Attachment Choose File

Remove Document
Add Document

Step 3a: After the firm has completed the relevant forms they can add a related application.
Step 3b: When adding a related application the firm will be presented with the relevant options. If it has been determined from step 1c that a controller form is not required then they will not be presented with the controllers’ forms option, the page will simply provide the option to add an Approved Person:

<table>
<thead>
<tr>
<th>Approved Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add Approved Person</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controllers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add Legal Persons &amp; Partnerships Controller</td>
</tr>
<tr>
<td>Add Trust Controller</td>
</tr>
<tr>
<td>Add Natural Persons Controller</td>
</tr>
</tbody>
</table>

Step 3c: The Approved Person form provides the option of adding a MiFID long form A, a short form A and a standard long form A depending on the control functions the individuals are applying for, guidance is provided to the firms to determine which type of Form(s) should be completed:

<table>
<thead>
<tr>
<th>Application Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>You will need to complete the following form(s). The form(s) need to be downloaded, saved and completed.</td>
</tr>
</tbody>
</table>

| Applicant must submit one related application per individual |

| Please only use the Short Form A if the candidate currently holds, or has held one of the following Controlled Functions within another authorised firm in the last six months: |
| CF1-12B (Excluding CF2) |
| CF28 |
| CF29 |
| CF30 |
| CF40 |
| CF50 |

| Full information can be found in the Guidance notes for the Form A |

| Long form A - UK and Overseas (not FFA) for MiFID firms |
| Short Form A - UK and Overseas firms (Not FFA) |
| Long Form A - UK and Overseas Firms (not FFA) |

* - Required documents
### Table 1 – Individual underlying application forms

<table>
<thead>
<tr>
<th>Ref</th>
<th>Form Name</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The MiFID authorisation form</td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx">https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx</a></td>
<td>This transposes Annex I of the authorisation ITS.</td>
</tr>
</tbody>
</table>
|     | The FCA MiFID Annex | [https://www.fca.org.uk/publication/forms/mifid-annex-form.docx](https://www.fca.org.uk/publication/forms/mifid-annex-form.docx) | This can be used to provide information:  
- required by the authorisation RTS  
- to enable us to assess whether the applicant firm satisfies the threshold conditions  
- to process the application and prepare for the ongoing supervision of the firm (such as information relating to fees and prudential categories)  
and covers:  
- general information  
- information on capital  
- information on shareholders  
- information on the members of the management and persons who direct the business  
- financial information  
- information on the organisation of the business |
|     | The list of the members of the management body. | [https://www.fca.org.uk/publication/forms/mifid-members-management-body.docx](https://www.fca.org.uk/publication/forms/mifid-members-management-body.docx) | This transposes Annex II of the authorisation ITS. With regard to the forms that the applicant firm needs to submit for the assessment of the individuals applying to perform control functions. |
|     | The MiFID (IT) assessment form and, depending on the answers provided, either the Maturity Assessment or the IT Controls Form and additional IT self-certification forms. | [https://www.fca.org.uk/publication/forms/mifid-it-self-assessment-form.xls](https://www.fca.org.uk/publication/forms/mifid-it-self-assessment-form.xls)  
[https://www.fca.org.uk/publication/forms/mifid-it-controls-form.docx](https://www.fca.org.uk/publication/forms/mifid-it-controls-form.docx)  
[https://www.fca.org.uk/publication/forms/mifid-self-certification-6-form.docx](https://www.fca.org.uk/publication/forms/mifid-self-certification-6-form.docx)  
[https://www.fca.org.uk/publication/forms/mifid-self-certification-7-form.docx](https://www.fca.org.uk/publication/forms/mifid-self-certification-7-form.docx) | |
## Chapter 1

### MiFID II general guidance

<table>
<thead>
<tr>
<th>Ref</th>
<th>Form Name</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| 8   | • fee and levies supplement  
     • retail firms form  
     • fee and levies supplement  
     • wholesale firms form  
     • MiFID checklist – retail form  
     • MiFID checklist  
[https://www.fca.org.uk/publication/forms/mifid-retail-checklist-form.docx](https://www.fca.org.uk/publication/forms/mifid-retail-checklist-form.docx)  
|     | • Supplements | [https://www.fca.org.uk/publication/forms/mifid-investments-supplement-form.docx](https://www.fca.org.uk/publication/forms/mifid-investments-supplement-form.docx)  
[https://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-form.docx](https://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-form.docx) | In addition to the above, the applicant may have to submit each of the following supplements (when and why these supplements are needed will be clearly explained and signposted either [in the notes to the FCA MiFID Annex and/or in our online CONNECT system). |
|     | • supplement for firms selling investments  
     • supplement for firms selling investments and home finance  
     • supplement for firms selling investments and non-investment insurance contracts  
     • supplement for firms selling investments, home finance and non-investment insurance contracts  
     • supplement for Small Authorised UK AIFM (Alternative Investment Fund Manager) | [https://www.fca.org.uk/publication/forms/mifid-investments-supplement-form.docx](https://www.fca.org.uk/publication/forms/mifid-investments-supplement-form.docx)  
[https://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-form.docx](https://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-form.docx) | If the applicant firm wishes to apply for additional non-MiFID activities we have created the following supplements depending on the type of activities the applicant firm wishes to carry out. |
### Financial Conduct Authority
#### MiFID II general guidance

<table>
<thead>
<tr>
<th>Ref</th>
<th>Form Name</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• controller form – natural person</td>
<td><a href="https://www.fca.org.uk/publications/forms/mifid-controllers-natural-persons-form.docx">https://www.fca.org.uk/publications/forms/mifid-controllers-natural-persons-form.docx</a></td>
<td>For the assessment of the controllers we have created three controller appendixes depending on the status of the controller which will replace, in respect of an application for an initial authorisation under MiFID, the five existing ones and will capture the information required under article 3 of the authorisation RTS.¹</td>
</tr>
<tr>
<td></td>
<td>• controller form – trust</td>
<td><a href="https://www.fca.org.uk/publications/forms/mifid-controllers-trust-form.docx">https://www.fca.org.uk/publications/forms/mifid-controllers-trust-form.docx</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Form A</td>
<td><a href="https://www.handbook.fca.org.uk/form/sup/SUP_10A_ann_04_Long_A_MIFID_UK_20170130.pdf">https://www.handbook.fca.org.uk/form/sup/SUP_10A_ann_04_Long_A_MIFID_UK_20170130.pdf</a></td>
<td>If the applicant firm has traded previously, then they will have to fill in a disclosure of significant events appendix. This appendix is similar to the one prospective MiFID investment firms are currently using.</td>
</tr>
<tr>
<td></td>
<td>• Disclosure of significant appendix</td>
<td><a href="https://www.fca.org.uk/publication/forms/disclosure-of-significant-events-appendix.doc">https://www.fca.org.uk/publication/forms/disclosure-of-significant-events-appendix.doc</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If the applicant firm wishes to operate an MTF or an OTF, then they have to submit the MTF/OTF table mandated by the Annex, table 1, of the Commission Implementing Regulation (EU) 2016/824²</td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-mtf-table-form.docx">https://www.fca.org.uk/publication/forms/mifid-mtf-table-form.docx</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>An applicant firm seeking to operate an MTF/OTF may also need to submit a transparency waivers form where they are seeking to operate waivers from pre-trade transparency obligations.</td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-transparency-waiver-form.docx">https://www.fca.org.uk/publication/forms/mifid-transparency-waiver-form.docx</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The firm may need to Connect and report through our MDP system.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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¹ Please note that article 3 of the authorisation RTS refers to articles 3, 4 and 5 of the RTS under article 12(8) of MiFID II. This has not yet been adopted by the European Commission but ESMA has published its Final report on “Draft technical standards under Article 10a(8) of MiFID on the assessment of acquisitions and increases in qualifying holdings in investment firms” on 17 December 2013 – ESMA/2013/1940: https://www.esma.europa.eu/sites/default/files/library/2015/11/2013-1940_final_report_and_assessment_rts_its_0.pdf.

Table 2 – FCA Guidance notes

<table>
<thead>
<tr>
<th>Ref</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>MiFID Annex Notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-annex-notes.docx">www.fca.org.uk/publication/forms/mifid-annex-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Fees and levies supplement – retail notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/fees-and-levies-retail-supplement-notes.docx">www.fca.org.uk/publication/forms/fees-and-levies-retail-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Fees and levies supplement – wholesale notes</td>
<td><a href="https://www.fca.org.uk/publication/forms/fees-and-levies-wholesale-supplement-notes.docx">https://www.fca.org.uk/publication/forms/fees-and-levies-wholesale-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Supplement for firms selling investments – notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-investments-supplement-notes.docx">www.fca.org.uk/publication/forms/mifid-investments-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Supplement for firms selling investments and home finance – notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-investments-home-finance-supplement-notes.docx">www.fca.org.uk/publication/forms/mifid-investments-home-finance-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Supplement for firms selling investments and non-investment insurance contracts – notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-investments-non-investment-insurance-supplement-notes.docx">www.fca.org.uk/publication/forms/mifid-investments-non-investment-insurance-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Supplement for firms selling investment, home finance and non-investment insurance contracts – notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-investments-home-finance-non-investment-insurance-supplement-notes.docx">www.fca.org.uk/publication/forms/mifid-investments-home-finance-non-investment-insurance-supplement-notes.docx</a></td>
<td></td>
</tr>
<tr>
<td>Supplement for Small Authorised UK AIFM – notes</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-notes.docx">www.fca.org.uk/publication/forms/mifid-small-aifm-supplement-notes.docx</a></td>
<td></td>
</tr>
</tbody>
</table>

B. Vop for existing authorised person seeking to become MiFID investment firm screenshots

**Step 1:** The firm logs in to Connect and selects the option Variation of Permission:
Step 2: The firm is asked to complete the following suite of forms; the status of each form is updated as the user progresses:

<table>
<thead>
<tr>
<th>Form</th>
<th>Form Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Contact Details</td>
<td>Complete</td>
</tr>
<tr>
<td>Permissions</td>
<td>Complete</td>
</tr>
<tr>
<td>Additional Details</td>
<td>In Progress</td>
</tr>
<tr>
<td>Supporting documentation</td>
<td>Not Started</td>
</tr>
<tr>
<td>Firm Declaration</td>
<td>Not Started</td>
</tr>
</tbody>
</table>
Step 3: In the 'Additional Details' form the firm will have to confirm its current non-MiFID status and its expected MiFID status once the VoP is approved. In this scenario the firm will be asked to attach the MiFID Authorisation Form, the MiFID Annex the 'list of members of the management body' form (to be added in the list) and the IT self-assessment form.

![Image showing the MiFID, CRR and the CRD form with fields for document title, attachment, send later, and options to select MiFID status and expected MiFID status.](https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx)

![Image showing the MiFID, CRR and the CRD form with fields for document title, attachment, send later, and options to select MiFID status and expected MiFID status.](https://www.fca.org.uk/publication/forms/mifid-annex-form.docx)

![Image showing the MiFID, CRR and the CRD form with fields for document title, attachment, send later, and options to select MiFID status and expected MiFID status.](https://www.fca.org.uk/publication/forms/mifid-it-self-assessment-form.docx)
Step 4: If the firm is applying for the activities of operating an MTF or operating an OTF then the firm will have to complete the MTF and OTF table and the transparency waiver form if needed to:

You are adding OTF and/or MTF activities and/or investment types as part of your application. You must complete and attach the MTFs and OTFs table, see www.fca.org.uk/publication/forms/mifid-mtf-table-form.docx

Document Title: 
Attachment: Choose File

Send later: 

Is the applicant firm seeking to submit a transparency waiver form?

Yes

You must complete and attach the transparency waiver form, see www.fca.org.uk/publication/forms/mifid-transparency waiver-form.docx

Document Title: 
Attachment: Choose File
Table 3 – forms an authorised firm may need to consider when applying for a VoP as a non-MiFID firm

<table>
<thead>
<tr>
<th>Ref</th>
<th>Form Name</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The MiFID authorisation form.</td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx">https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx</a></td>
<td>This transposes Annex I of the authorisation ITS.</td>
</tr>
</tbody>
</table>
|     | The FCA MiFID Annex. | https://www.fca.org.uk/publication/forms/mifid-annex-form.docx | This can be used to provide information:  
• required by the authorisation RTS  
• to enable us to assess whether the applicant firm satisfies the threshold conditions  
• to process the application and prepare for the ongoing supervision of the firm (such as information relating to fees and prudential categories)  
and covers:  
• general information  
• information on capital  
• information on shareholders  
• information on the members of the management and persons who direct the business  
• financial information  
• information on the organisation of the business |
|     | The list of the members of the management body. | https://www.fca.org.uk/publication/forms/mifid-members-management-body.docx | This transposes Annex II of the authorisation ITS. With regard to the forms that the applicant firm needs to submit for the assessment of the individuals applying to hold control functions. |
|     | The MiFID (IT) assessment form and, depending on the answers provided, either the Maturity Assessment or the IT Controls Form and additional IT self-certification forms. | https://www.fca.org.uk/publication/forms/mifid-it-self-assessment-form.xls  
https://www.fca.org.uk/publication/forms/mifid-maturity-assessment-form.xlsx  
https://www.fca.org.uk/publication/forms/mifid-it-controls-form.xlsx  
https://www.fca.org.uk/publication/forms/mifid-self-certification-6-form.docx  
https://www.fca.org.uk/publication/forms/mifid-self-certification-7-form.docx | |
### Ref | Form Name | Location | Explanation
--- | --- | --- | ---
If the applicant firm wishes to operate an MTF or an OTF, then they have to submit the MTF/OTF table mandated by the Annex, table 1, of the Commission Implementing Regulation (EU) 2016/824

https://www.fca.org.uk/publication/forms/mifid-mtf-table-form.docx

An applicant firm seeking to operate an MTF/OTF may also need to submit a transparency waivers form where they are seeking to operate waivers from pre-trade transparency obligations.

https://www.fca.org.uk/publication/forms/mifid-transparency-waiver-form.docx

The firm may need to Connect and report through our MDP system.

### Annex 2 Table 4 – FCA Guidance notes for an authorised firm applying for a VoP as a non-MiFID firm

<table>
<thead>
<tr>
<th>Ref</th>
<th>Guidance Notes Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FCA guidance notes will be available on the FCA website to assist with completion</td>
<td><a href="http://www.fca.org.uk/publication/forms/mifid-annex-notes.docx">www.fca.org.uk/publication/forms/mifid-annex-notes.docx</a></td>
</tr>
</tbody>
</table>

### C. VoP for existing MiFID authorised investment firms screenshots

**Step 1:** The firm logs in to Connect and selects the option Variation of Permission:

- **Select the application typs you would like to create**
  - Approved Person (including CFs/SMFs/SIMFs)
  - Changes to Notified Persons
  - Variation of Permission

[Select application types]

[Back]  Back to My Applications  Continue
**Step 2:** The firm is asked to complete the following suite of forms; the status of each form is updated as the user progresses:

<table>
<thead>
<tr>
<th>Form</th>
<th>Form Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Contact Details</td>
<td>Complete</td>
</tr>
<tr>
<td>Permissions</td>
<td>Complete</td>
</tr>
<tr>
<td>Additional Details</td>
<td>In Progress</td>
</tr>
<tr>
<td>Supporting documentation</td>
<td>Not Started</td>
</tr>
<tr>
<td>Firm Declaration</td>
<td>Not Started</td>
</tr>
</tbody>
</table>

**Step 3:** In the ‘Additional Details’ form the firm will have to confirm its current MiFID status as MiFID firm and its expected MiFID status once the VoP is approved. In this scenario the firm will be asked to fill in the IT self-assessment form:
Step 4: If the firm is applying for the activities of operating an MTF or operating an OTF then the firm will have to complete the MTF and OTF table and the transparency waiver form if needed to:
**Table 6 – COLS forms for existing MiFID authorised investment firm**

<table>
<thead>
<tr>
<th>Ref</th>
<th>Form Name</th>
<th>Location</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The MiFID authorisation form.</td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx">https://www.fca.org.uk/publication/forms/mifid-authorisation-form.docx</a></td>
<td>This transposes Annex I of the authorisation ITS</td>
</tr>
</tbody>
</table>
|     | The Application and Cancellation Annex. | https://www.fca.org.uk/publication/forms/mifid-change-legal-status-form.docx | This can be used to provide information:  
  - required by the authorisation RTS  
  - to enable us to assess whether the applicant firm satisfies the threshold conditions  
  - to process the application and prepare for the ongoing supervision of the firm (such as information relating to fees and prudential categories) and covers:  
  - general information  
  - information on capital  
  - information on shareholders  
  - information on the members of the management and persons who direct the business  
  - financial information  
  - information on the organisation of the business |
|     | The list of the members of the management body. | https://www.fca.org.uk/publication/forms/mifid-members-management-body.docx | This transposes Annex II of the authorisation ITS and the associated Form As. With regard to the forms that the applicant firm needs to submit for the assessment of the individuals applying to hold control functions |
|     | The MiFID (IT) assessment form and, depending on the answers provided, either the Maturity Assessment or the IT Controls Form and additional IT self-certification forms. | https://www.fca.org.uk/publication/forms/mifid-it-self-assessment-form.xlsx  
https://www.fca.org.uk/publication/forms/mifid-maturity-assessment-form.xlsx  
https://www.fca.org.uk/publication/forms/mifid-it-controls-form.docx  
https://www.fca.org.uk/publication/forms/mifid-self-certification-6-form.docx  
https://www.fca.org.uk/publication/forms/mifid-self-certification-7-form.docx |  

If the firm has previously traded, the Disclosure of significant events Appendix.
https://www.fca.org.uk/publication/forms/disclosure-of-significant-events-appendix.doc

If there are changes to the firm’s trading names, principal place of business, registered office, complaints contact, compliance address, locum and auditor, the Changes to contact or standing data details Appendix.
https://www.fca.org.uk/publication/forms/cols-appendix-1a.doc

For appointed representatives involved with the existing or the proposed new firm, the Appointed Representatives Appendix.
https://www.fca.org.uk/publication/forms/cols-appendix-5a.doc

**Table 7 – FCA Guidance notes for an existing MiFID authorised investment firm applying for a COLS**

<table>
<thead>
<tr>
<th>Ref</th>
<th>Guidance Notes Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLS Notes</td>
<td></td>
<td><a href="https://www.fca.org.uk/publication/forms/mifid-change-legal-status-notes.docx">https://www.fca.org.uk/publication/forms/mifid-change-legal-status-notes.docx</a></td>
</tr>
</tbody>
</table>
2 Prudential categorisations

Regulated Activities

The Prudential Tree Diagram is aimed at UK firms only and presents an overview, designed to take account of the most common business models and limitations/requirements anticipated as a result of MiFID II. Please be advised that this is not a substitute for studying the Handbook or any other relevant regulatory material.

FSMA Regulated Activities

1. 1. Advising (excluding pension transfers/opt outs)
2. Arranging (bringing about) deals in investments
3. Making arrangements with the view to transactions in investments
4. Dealing in investments as agent
5. Dealing in investments as principal
6. Managing investments
7. Safeguarding and administration of assets
8. Arranging safeguarding and administration of assets
9. Operating an MTF
10. Operating an OTF
11. Bidding in emissions auctions

Other FSMA Activities

12. Managing an AIF
13. Managing a UCITS
14. Establishing operating and winding up an a CIS
Requirements

15. Able to hold client money in relation to MiFID business

16. Local firm requirement

Limitations

17. BIPRU firm MiFID activity restriction

18. Dealing as principal limitations
   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 it meets the ‘matched principal exemption conditions’; and
      ii. underwrite MiFID financial instruments and/or place MiFID financial instrument on a firm commitment basis
   c. May only deal on 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

19. OTF Limitations
   a. Dealing on own account – OTF
   b. Dealing on own account in sovereign debt – OTF
   c. Matched principal trading – OTF
   d. Limited activity – OTF (as per 18(c) above)
In the FCA’s view, a frm that relies on the article 2(1)(i) MiFID II exemption (for managers of collective investment undertakings) can combine this with article 3 in relation to business falling outside the article 2(1)(i) exemption (see draft PERG 13 Q46A guidance in CP 16/29). Such a frm may also be subject to IPRU (INV) 5 in relation to its non-MiFID investment management activity’
The diagram provides an overview of a firm's prudential categorisation for its MiFID business only. Other prudential requirements may apply in relation to a firm's non–MiFID business, for example an exempt CAD firm which carries on the permitted activity of establishing, operating or winding up a collective investment scheme may also be subject to chapter 5 of IPRU-INV in relation to that activity.