

## **MMIF002 – Adequate financial resources (Liquid assets)**

### **Introduction**

This data item provides the FCA with information on the liquidity position of the FCA investment firm. This data item is intended to reflect the underlying adequate financial resources requirements contained in MIFIDPRU 6 and MIFIDPRU 7. It allows monitoring against the requirements set out there, and the individual requirements placed on firms. We have provided references to the underlying rules to assist in its completion.

This data item applies to all FCA investment firms. In the text below we have identified where elements do not apply to all firms.

Additional information on liquid assets held may be required as part of the MIF007 – ICARA reporting form. We would also expect to see additional details in the FCA investment firm's report on its ICARA process, which must be provided to the FCA on request.

Further information on the basic liquid assets requirement and core liquid assets can be found in MIFIDPRU 6. Further information on the liquid assets threshold requirement and non-core liquid assets can be found in MIFIDPRU 7.7.

### **Consolidated reports**

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.

### **Currency**

All figures should be reported in Sterling. Figures should be reported in 000s.

### **Defined Terms**

The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

### **Data elements**

These are referred to by row first, then column.

### **Basis of completion**

**1A** asks FCA investment firms to specify the basis on which this report is being completed.

**2A** asks for the FRNs of all the FCA investment firms that form part of the consolidation group.

## **Basic liquid asset requirement**

### **3A – Basic liquid asset requirement based on fixed overheads**

Enter the value of the basic liquid asset requirement that is based on the requirement to hold liquid assets equivalent to one third of the FCA investment firm's fixed overheads requirement.

### **4A – Basic liquid asset requirement based on client guarantees**

Enter the basic liquid asset requirement that is based on the requirement to hold core liquid assets equivalent to 1.6% of the value of guarantees that have been provided to clients.

## **Core liquid assets held**

### **5A – Core liquid assets held (excluding receivables from trade debtors)**

Enter the total core liquid assets held. Trade receivables should not be included in this figure.

### **6A – Trade receivables used to meet the core liquid asset requirement**

Enter the value of receivables from trade debtors that is being counted towards the basic liquid asset requirement. This should be post the minimum 50% haircut required.

To be counted as a core liquid asset, the relevant conditions in MIFIDPRU 6.3 must be met.

### **7A – Total core liquid assets held**

Enter the sum of 5A and 6A

## **Liquid assets threshold requirement/wind-down trigger**

### **8A – Liquid assets threshold requirement**

An FCA investment firm should enter the higher of:

- its own assessment of its liquid assets threshold requirement as determined through the ICARA process as set out in MIFIDPRU 7.7 or
- the amount specified by the FCA to be its liquid assets threshold requirement

### **9A – Liquid assets wind-down trigger**

An FCA investment firm should enter its basic liquid assets requirement unless the FCA has specified to the firm an amount that should be its liquid assets wind-down trigger.

## **Non-core liquid assets held**

Information on what can be counted as a non-core liquid asset and the relevant haircuts is in MIFIDPRU 7.7

### **10A – Value of non-core liquid assets held pre-haircut**

Enter the total value of any non-core liquid assets held. This value entered is before applying any haircut.

### **11A – Value of non-core liquid assets post-haircut**

Enter the total value of any non-core liquid assets held in addition to core liquid assets to meet the liquid asset threshold requirement after applying any haircut.

## **MIF007 – ICARA Questionnaire**

### **Introduction**

This data item provides the FCA with information on the overall financial position of the FCA investment firm. This data item is intended to reflect the overall financial adequacy rule (OFAR) requirements contained in MIFIDPRU and allows monitoring against the requirements set out there, and also the individual requirements placed on firms. We have provided references to the underlying rules to assist in its completion.

This data item applies to all FCA investment firms. In the text below we have identified where elements do not apply to all firms.

Further information about the ICARA process is in MIFIDPRU 7.

### **Group ICARA processes**

Under MIFIDPRU 7.9.5R, an investment firm group may operate a group ICARA process if certain conditions are met. In this situation, each individual MIFIDPRU investment firm that is included within the group ICARA process must submit this data item separately, using the conclusions arising from the group process.

### **Currency**

All figures should be reported in Sterling. Figures should be reported in 000s.

### **Defined Terms**

The descriptions indicated in these notes are designed simply to repeat, summarise or amplify the relevant statutory or other definitions and terminology without departing from their full meaning or effect.

### **Part A: Basis of completion of the ICARA process**

**1A** asks FCA investment firms to specify the basis on which the ICARA process is being completed.

**2A** asks for the FRNs of all the FCA investment firms that form part of the consolidation group, where the answer to 1A is Y.

**3A** asks if the ICARA process review has been completed through a group-level arrangement.

**4A** asks for the ICARA accounting reference date of the information included in the questionnaire.

**5A** asks if the ICARA process and resulting document have been reviewed and signed off by the FCA investment firm's governing body.

**6A** asks for the date that the ICARA process and resulting document were signed off by the FCA investment firm's governing body.

### **Part B: Assessing and monitoring the adequacy of own funds**

Part B should be completed by all FCA investment firms. It should be completed with information as at the accounting reference date.

## **Own funds held as at the ICARA accounting reference date**

### **7A – 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.

### **8A – 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.

### **9A – 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, or is held, a zero should be entered in this cell.

## **Own funds threshold requirement**

### **10A – Own funds threshold requirement identified through the ICARA process**

FCA investment firms should enter their own funds threshold requirement as determined through the ICARA process set out in MIFIDPRU 7.6. This amount should not include any additional own funds amount specified by the FCA.

If the FCA investment firm has determined that no additional own funds are required to that set by the MIFIDPRU 4 requirements, it should enter the higher of its PMR, its FOR and its KFR (where this applies).

### **11A – Own funds to address risks from ongoing activities**

FCA investment firms should enter their assessment of the own funds needed to address risks from ongoing activities, as identified through the ICARA process (MIFIDPRU 7.6). For non-SNI firms this amount cannot be lower than the K-Factor requirement.

Where this amount is higher than the own funds necessary for an orderly wind-down it should be equal to the amount entered in cell 10A.

### **12A – Own funds necessary for an orderly wind-down**

FCA investment firms should enter their assessment of the own funds necessary for orderly wind-down, as identified through the ICARA process (MIFIDPRU 7.6). For all firms this amount cannot be lower than the Fixed Overhead Requirement.

Where this amount is higher than the own funds necessary to address risks from ongoing activities it should be equal to the amount entered in cell 10A.

## **Additional own funds requirement specified by the FCA**

This asks FCA investment firms confirm if the following have been set by the FCA.

- own funds threshold requirement
- own funds wind-down trigger

### **13A – Has the FCA specified an own funds requirement for the firm?**

FCA investment firms should indicate if the FCA has specified an own funds requirement amount. This could be as the result of a SREP or through other means.

If the answer is 'Y' FCA investment firms should put a 'Y' in at least one of 14A and 15A. Both can be completed if appropriate.

The basis for the FCA specified own funds requirement can be as an own funds thresholds requirement, and own funds wind-down trigger, or both.

### **14A – Own funds threshold requirement**

FCA investment firms should indicate if the FCA has specified an own funds threshold requirement. If 'Y', 16A must be completed.

### **15A – Own funds wind-down trigger**

FCA investment firms should indicate if the FCA has specified an own funds wind-down trigger. If 'Y', 17A must be completed.

### **16A – Own funds threshold requirement set by the FCA**

FCA investment firms indicate what their own funds threshold requirement is where this has been set by the FCA.

### **17A – Own funds wind-down trigger set by the FCA**

FCA investment firms indicate what their own funds wind-down trigger is where this has been set by the FCA.

## **Part B1: Breakdown of additional own funds requirement to address risks from ongoing activities**

This section only applies to non-SNI firms. SNI should leave this section blank.

This section asks for a breakdown of how the value in cell 11A has been reached.

Where a non-SNI firm does not calculate a particular K-factor due to not undertaking the relevant activity, it should leave that entry blank.

The sum of rows 18A to 27A should be equal to the amount put in 11A.

### **18A – Additional own funds for asset management activity**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm due to their asset management activity, that is not covered by K-AUM.

### **19A – Additional own funds for holding client money**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm due to holding client money, that is not covered by K-CMH.

### **20A – Additional own funds for safeguarding assets**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm due to safeguarding assets, that is not covered by K-ASA.

### **21A – Additional own funds for reception and transmission of orders, or executing client orders**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm due to reception and transmission of orders, or executing client orders, that is not covered by K-COH.

### **22A – Additional own funds for market risk**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from its market risk, that is not covered by K-NPR.

### **23A – Additional own funds for positions associated with clearing risk**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from its market risk, that is not covered by K-CMG.

### **24A – Additional own funds for trading activity on the firm's own account**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from its trading activity in the market, that is not covered by K-DTF.

### **25A – Additional own funds for trading activity in clients' names**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from its trading activity in the market, that is not covered by K-DTF.

### **26A – Additional own funds for trading counterparty risk**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from its activity in the market that is not covered by K-TCD.

### **27A – Additional own funds for concentration risk**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm to the firm from any concentration risk that is not covered by K-CON.

## **28A – Additional own funds for other risks from ongoing activities**

FCA investment firms should enter the amount of the additional own funds that they have identified as a result of the ICARA process as being required to cover material harm from ongoing activities, that are not covered by the own funds amounts in rows A18 to A26.

## **29A – Description of the risks captured in 28A**

FCA investment firms should enter a description of the risks that have led to the additional own funds requirement stated in 28A.

## **Part B2: Breakdown of additional own funds requirement necessary for orderly wind-down**

This section only applies to non-SNI firms if the amount entered in 12A is higher than the FOR. SNI firms should leave this section blank.

## **30A – Description of risks**

They should enter a description of the risks that have led to the additional own funds identified as necessary.

## **Part C: Assessing and monitoring the adequacy of liquid assets held**

Part C must be completed by all FCA investment firms.

## **Liquid assets held as at the ICARA accounting reference date**

FCA investment firms are reminded that:

- their basic liquid asset requirement must be met from core liquid assets
- they are not obliged to hold any non-core liquid assets and they can meet their base and additional liquid asset requirements using core liquid assets
- non-core liquid assets can only be counted towards any additional liquid asset requirement FCA investment firm has identified and a haircut must be applied

## **31A – Core liquid assets held**

FCA investment firms should enter the total value of the core liquid assets they hold. The definition of core liquid assets is in MIFIDPRU 6.3.

## **32A – Non-core liquid assets held – pre-haircut**

FCA investment firms should enter the total pre-haircut value of the non-core liquid assets they hold as part of meeting any additional liquid asset requirement. The definition of non-core liquid assets is in MIFIDPRU 7.7.8R.

## **33A – Non-core liquid assets held – post-haircut**

FCA investment firms should enter the total post-haircut value of the non-core liquid assets they hold as part of meeting any additional liquid asset requirement. More information on haircuts is in MIFIDPRU 7.7.11G.



## **Liquid assets required as identified through the ICARA process**

### **33A – Liquid assets threshold requirement**

FCA investment firms should enter their liquid assets threshold requirement from their ICARA assessment here.

This will be the sum of the firm's basic liquid asset requirement; and the higher of

- the amount of liquid assets the firm requires at any given point in time to fund its ongoing business operations (cell 34A); and,
- the additional amount of liquid assets the firm requires to start its wind-down (cell 39A).

This amount should not include any additional liquid assets amount specified by the FCA.

### **34A – Liquid assets required to fund ongoing business operations**

FCA investment firms should enter the amount of liquid assets they need to fund ongoing business operations at any given point in time, taking into account periods of stress in the economic cycle. More information on this assessment is in MIFIDPRU 7.7.

### **35A to 38A – Breakdown of liquid assets estimate to fund ongoing business operations by quarter**

As part of the ICARA process to estimate funding needs for ongoing business operations, FCA investment firms must produce a reasonable estimate of the amount of liquid assets they would require to fund its ongoing business during each quarter over the next 12 months from the ICARA assessment date. FCA investment firms should enter those quarterly values into cells A35 to A38. See MIFIDPRU 7.7, particularly MIFIDPRU 7.7.4G, for more information and guidance on this assessment.

#### **35A – Quarter 1**

Enter the maximum amount of liquid assets required at any point during the first quarter after the ICARA assessment.

#### **36A – Quarter 2**

Enter the maximum amount of liquid assets required at any point during the second quarter after the ICARA assessment.

#### **37A – Quarter 3**

Enter the maximum amount of liquid assets required at any point during the third quarter after the ICARA assessment.

#### **38A – Quarter 4**

Enter the maximum amount of liquid assets required at any point during the fourth quarter after the ICARA assessment.

### **39A – Liquid assets required to begin an orderly wind-down**

FCA investment firms should enter their assessment of the liquid assets they need to hold to begin an orderly wind-down, as determined through the ICARA process (MIFIDPRU 7.7).

## **Meeting debts as they fall due**

### **40A – Has the firm at any point not been able to meet its debts as they fall due?**

FCA investment firms should indicate if at any point during the previous accounting period they have been unable to meet their debts as they fall due.

### **41A – Please provide details**

FCA investment firms should provide full details of issue(s) referred to in 40A, including:

- reasons they were unable to meet their debts as they fell due
- what action they took to remedy the situation
- what changes have been made to systems and controls to prevent this from re-occurring

## **Additional liquid assets requirement set by the FCA**

This section asks the FCA investment firm to indicate if the FCA has set a liquid assets requirement for it. This could be the liquid assets threshold requirement or the liquid assets wind-down trigger.

### **42A– Has the FCA specified a liquid asset requirement for the firm?**

FCA investment firms should indicate if the FCA has specified a liquid asset requirement amount. This could be as the result of a SREP or through other means.

If the answer is 'Y' FCA investment firms must also answer 'Y' to at least one of 43A and 44A. Both can be completed if appropriate.

### **43A –Liquid assets threshold requirement**

FCA investment firms should indicate if the FCA has specified a liquid assets threshold requirement. If 'Y', 45A must be completed.

### **44A – Liquid assets wind-down trigger**

FCA investment firms should indicate if the FCA has specified liquid assets wind-down trigger. If 'Y', 46A must be completed.

### **45A – Liquid assets threshold requirement set by the FCA**

FCA investment firms indicate what their liquid assets threshold requirement is where this has been set by the FCA.

### **46A – Liquid assets wind-down trigger set by the FCA**

FCA investment firms indicate what their liquid assets wind-down trigger is where this has been set by the FCA.

**Part D: MiFID investment services and activities and business model information**

Part D should be completed by all FCA investment firms.

**47A to 55A – MiFID investment services and activities**

FCA investment firms should put a 'Y' for each MiFID service they provide. Where a service is not provided, please put a 'N'.

**NB.** FCA investment firms must have the relevant FSMA permissions for the services they provide.

**56A to 64A – Other business activities**

FCA investment firms should put a 'Y' for each activity they undertake. Where an activity is not done, please put a 'N'.

**59A** should only be completed where 58A has been answered 'Y'. It should be left blank otherwise.

**61A** should only be completed where 60A has been answered 'Y'. It should be left blank otherwise.

**NB.** FCA investment firms must have the relevant FSMA permissions for the services they provide.

## **MIF008 – Remuneration**

### **Introduction**

The purpose of the MIFIDPRU Remuneration Report is to ensure that the FCA receives regular information in a standard format to assist it in assessing the effectiveness of MIFIDPRU investment firms' remuneration and incentive arrangements.

### **Consolidated reports**

This form should be completed by all FCA investment firms in scope of the MIFIDPRU Remuneration Code.

Where a firm is not part of an FCA investment firm group or is part of an FCA investment firm group to which the group capital test applies, the firm should complete the form on a solo basis.

Where a firm forms part of an FCA investment firm group to which consolidation applies, it should complete the report on a consolidated basis. References to FCA investment firms should be taken to refer to the consolidation group. Accordingly, the consolidation group should be treated as a single entity. A consolidation group may choose to submit a single report to satisfy the reporting requirements of all FCA investment firms in the group.

### **Currency**

All monetary values should be provided in Sterling.

### **Data elements**

These are referred to by row first and then by column, so data element 2B will be in row 2 and column B.

### **Basis of completion**

**1A** asks FCA investment firms to specify whether they are submitting the report on behalf of a prudential consolidation group.

**2A** should only be completed by firms responding 'yes' to 1A. It asks for the FRNs of all the FCA investment firms that form part of the consolidation group on behalf of which the report is being submitted.

**3A** asks for the accounting reference date at the end of the financial year to which the data refers. For example, if an FCA investment firm enters an accounting reference date of 31 March 2022, the data in the form will relate to the financial year which ran from 1 April 2021 to 31 March 2022.

### **Part A: Remuneration**

This part of the form must be completed by all FCA investment firms.

#### **Columns A and B**

FCA investment firms that are small and non-interconnected firms (SNI firms) should complete only column A of Part A. They should enter the data in relation to all their staff. Column B should be left blank.

FCA investment firms that are not small and non-interconnected firms (non-SNI firms) should complete columns A and B of Part A. They should split the data according to which staff were and were not identified as material risk takers in the performance year

concerned (see SYSC 19G.5.1R to 19.5.8G for the definition of a material risk taker). Data relating to individuals who were identified as material risk takers for only part of the performance year should be included in column B.

#### **4A - Number of staff (non-material risk takers)**

The number of staff should be reported as a headcount figure (not as full-time equivalent), so based on the number of natural persons and independent of the individual's working hours. The headcount figure on the accounting reference date should be used.

#### **4B – Number of staff (material risk takers)**

The number of staff should be reported as a headcount figure (not as full-time equivalent), so based on the number of natural persons and independent of the individual's working hours. The figure should include all individuals who were identified as material risk takers for any part of the performance year.

#### **5A and 5B - Total fixed remuneration**

This is the total of all fixed remuneration paid by the firm for work and services in the performance year in question. Fixed remuneration includes salary payments; regular and non-discretionary pension contributions, for example under the terms of an employee pension scheme; and any other benefits that are not linked to performance criteria. See also our guidance in SYSC 19G.4.2G to SYSC 19G.4.4G on categorising fixed and variable remuneration.

#### **6A and 6B - Total variable remuneration**

This is the total of all variable remuneration awarded by the firm (but not necessarily paid out) in respect of the performance year in question.

Amounts reported should include bonus awards (whether in cash, shares or other non-cash instruments), executive reward schemes (e.g. long term incentive schemes), carried interest plans, and discretionary pension benefits. The latter are enhanced pension benefits granted on a discretionary basis as part of an employee's variable remuneration package. See also our guidance in SYSC 19G.4.2G to SYSC 19G.4.4G on categorising fixed and variable remuneration.

Variable remuneration awarded based on a multi-year accrual period that does not revolve on an annual basis (where the firm does not start a new multi-year period every year), should be fully allocated to the performance year in which it was awarded, regardless when it is paid out.

Guaranteed variable remuneration (such as 'sign-on bonuses'), retention bonuses, buy-out awards, and severance pay should also be included. They should be reported for the year in which they are awarded, which may not always be the year in which they are also paid out.

Both upfront and, where applicable, deferred awards of variable remuneration in respect of the performance year in question should be included.

#### **7A and 7B - Variable remuneration awarded in cash**

Both upfront and, where applicable, deferred awards of variable remuneration in respect of the performance year in question, in cash should be included.

### **8A and 8B - Variable remuneration awarded in non-cash**

Non-cash refers here to variable remuneration that is awarded in any of the eligible instruments listed in SYSC 19G.6.18R (shares, share-linked instruments, other instruments that comply with the requirements in SYSC 19G Annex 1R or non-cash instruments which reflect the instruments of the portfolios managed by the firm), or by means of alternative arrangements approved for use by the FCA (see SYSC 19G.6.19G).

Both upfront and, where applicable, deferred awards of variable remuneration in respect of the performance year in question should be included.

### **9A and 9B - Proportion of total variable remuneration deferred**

Firms should enter the percentage of the total variable remuneration in row 6 which has been deferred. Only the relevant proportion of variable remuneration awarded in respect of the performance year in question should be reported (not deferred variable remuneration from previous performance years).

### **Part B: Adjustments**

This part of the form must be completed by all non-SNI firms. Columns A (non-material risk takers) and B (material risk takers) must be completed.

### **10A and 10B - Number of individual awards of variable remuneration that have been downwardly adjusted in-year**

The number of instances in which the value of an award of variable remuneration has been reduced in-year, so during the performance year in question and before it was awarded.

### **11A and 11B - Total of all in-year adjustments to variable remuneration**

The total value of the in-year downward adjustments reported in 10A and 10B.

### **12A and 12B - Number of individual awards of variable remuneration from previous years that have been downwardly adjusted (malus)**

The number of instances in which the value of variable remuneration awarded in a previous performance year has been reduced (or cancelled) after it has been awarded but before it has vested. Only the new instances in which malus has been applied should be reported (earlier applications of malus will have been reported previously).

### **13A and 13B - Total of adjustments to previous years' awards of variable remuneration**

The total value of the malus adjustments reported in 12A and 12B.

### **14A and 14B - Number of individual awards of variable remuneration to which clawback has been applied**

The number of instances in which the value of variable remuneration awarded in a previous performance year has been reduced (or cancelled) after it has vested. Only the new instances in which clawback has been applied should be reported (earlier applications of clawback will have been reported previously).

### **15A and 15B - Total amount of clawback applied**

The total value of the instances of clawback reported in 14A and 14B.

### **Part C: Highest earning individuals**

This part of the form must be completed by non-SNI firms which do not meet the conditions in SYSC 19G.1.1R(2), so are subject to the rules on deferral, retention and pay-out in instruments.

Columns A, B and C must be completed in relation to the three individuals who were awarded the highest total remuneration (fixed plus variable remuneration) in respect of the performance year in question. The data on the highest earner should be put in column A, on the second highest earner in column B, and on the third highest earner in column C.

#### **16A, 16B and 16C - Is the individual a material risk taker?**

Firms should enter 'yes' or 'no' to indicate whether the individual was identified as a material risk taker for any part of the performance year concerned.

#### **17A, 17B and 17C - Does the individual work in the front, middle or back office?**

Firms should enter 'front', 'middle' or 'back' to indicate in which kind of role the individual spent most of the performance year concerned. The following should serve as a guide:

**Front office:** Usually client-facing staff that generate revenue for the firm. They may work in sales, trading, broking, wealth/asset management, private equity or capital markets. Research analysts, for example on the buy-side, sell-side or in corporate finance, are usually also considered front office staff.

**Middle office:** Staff that work in risk management, financial control, compliance and legal. It may also include strategic management and some IT functions, such as creating and maintaining software for use by traders and brokers.

**Back office:** Staff providing administrative and operational support, including payment services. Areas will usually include human resources, accounting, settlement, clearing, records maintenance and IT services.

#### **18A, 18B and 18C - Fixed remuneration**

This is the fixed remuneration paid to the individual for work and services in the performance year in question. See notes on 5A and 5B for information on what should be included in fixed remuneration.

#### **19A, 19B and 19C - Variable remuneration**

This is the variable remuneration awarded (but not necessarily paid out) to the individual in respect of the performance year in question. See notes on 6A and 6B for information on what should be included in variable remuneration.

#### **20A, 20B and 20C - Variable remuneration awarded in cash**

See notes on 7A and 7B for information on what should be reported.

#### **21A, 21B and 21C - Variable remuneration awarded in non-cash**

See notes on 8A and 8B for information on what should be reported.

**22A, 22B and 22C - Proportion of variable remuneration deferred**

Firms should enter the percentage of the individual's variable remuneration in row 19 which has been deferred. Only the relevant proportion of variable remuneration awarded in respect of the performance year in question should be reported (not deferred variable remuneration from previous performance years).



## **FIN067 – Additional reporting for Collective Portfolio Management Investment firms (CPMIs)**

**This form only applies to Collective Portfolio Management Investment firms**

### **Capital held as own funds**

Collective Portfolio Management Investment firms (CPMIs) should note that the definition of capital given in IPRU-INV uses the definitions as set out in UK CRR as onshored, and not as amended by MIFIDPRU.

#### **1A – Common Equity Tier 1 capital**

CPMIs 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. This cell must always be completed with a positive number.

#### **2A – Additional Tier 1 capital**

CPMIs 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. CPMIs 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.

#### **3A – Tier 2 capital**

CPMIs 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. CPMIs 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**

#### **IPRU-INV Funds under management requirement**

##### **4A – Total funds under management**

This should be reported by all firms with permission of managing investments. It should be the total non-MiFID funds under management of the firm even if it exceeds the amount that affects the funds under management capital requirement.

##### **5A – Funds under management requirement**

This is the base capital resources requirement plus 0.02% of the amount by which the firm's funds under management exceeds €250,000,000.

The appropriate definition of funds under management to be used in this calculation is that set out in the FCA Handbook Glossary of definitions.

##### **6A – Total annual relevant expenditure**

The fixed overheads requirement is one quarter of the CPMIs previous financial year's relevant expenditure. The annual relevant expenditure should be calculated in accordance with MIFIDPRU 4.5.3R. The number entered should be the total annual relevant expenditure, not the fixed overheads requirement. If we have varied a CPMI's annual relevant expenditure due to a material change in its business model, that is the figure that should be included here. This should be the same number that has been entered in 6A in MIF001.

## **7A – variation in fixed overheads**

Firms should select 'Y' if we have amended its FOR due to a material change in its business model. An example of a material could include adding or removing permissions during the reporting year. If this is the case, the number entered into Cell A4 should be the equivalent annual relevant expenditure for their amended FOR.

## **Professional negligence**

### **8A – Capital requirement or PII**

The firm should report either "Own funds" or "PII". Where a firm has PII but also holds own funds to cover any excesses and/or exclusions on the policy, the firm should report "PII".

CPMIs should then only complete A9 or A10.

### **9A – Additional funds under management (IPRU-INV 11.3.14UK)**

The amount of additional own funds used to cover potential liability risks arising from professional negligence for AIFM activities in lieu of professional indemnity insurance.

When calculating this amount, firms should include the amount of any assets under management that are delegated to the firm by mandate. Note that this treatment is different from that prescribed for the funds under management requirement.

### **10A – PII capital requirement (IPRU-INV 11.3.15UK AND 11.13.16R)**

The amount of any additional own funds required to cover any defined excess and exclusions in the insurance policy.

## **Liquid asset requirement**

### **11A – Liquid asset requirement**

The amount of own funds required by IPRU-INV 11.2.1R3

### **12A – Amount of liquid assets held**

The amount of liquid assets held at the reporting date. Assets are regarded as liquid if they are readily convertible to cash within one month. This figure must not include speculative positions.