

[By email]

3 April 2019

Our Ref: FOI6177

We refer to your request under the Freedom of Information Act 2000 ("the Act"), made on 7 January 2019 and clarified on 6 March 2019, for information concerning the number of rejected applications for authorisation for the permission of "managing investments". We have set out your full request in Annex A below.

Your request has been considered.

We can confirm that we hold the information you are requesting, please see Annex B for our response to your request.

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact us within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk

Yours sincerely

Information Disclosure Team
Financial Conduct Authority

ANNEX A

Original request received on 7 January 2019:

"I would like to know how often the FCA denies requests for registration. For example, <2% of investment managers who apply for registration with the FCA are denied. How many managers applied for registration in 2016 and 2017 and 2018 and what % were denied? Thank you."

Clarified request received on 5 February 2019:

"I would like to know how often the FCA denies requests to become authorised. For example, <2% of firms (who manage investments) who apply for authorisation with the FCA are denied (and how many times does the FCA requests the applicant withdraw its request for authorisation). How many firms applied for registration in 2016 and 2017 and 2018 and what % were denied (and what % were requested to withdraw)?"

You also provided answers to our questions below:

1. "Where you have referred to 'registration', we believe this to mean application for authorisation by the FCA?"

Your answer: *"Yes – authorisation."*

2. *"Rejections of authorisation applications, are you referring to where application for authorisation is denied by the FCA?"*

Your answer: *"Yes – where the application to manage investments (as an authorised investment/asset manager) is denied or when the FCA asks the applicant to withdraw its application."*

3. *"You refer to "investment managers" in the example provided your request. Can you confirm whether you would like us to consider the request in the context of all 'registrations' (which would also include investment managers) or whether you would like the request to be considered specifically for 'investment managers', as set out in your example."*

Your answer: *"Just focused on investment managers (e.g. hedge funds, private equity funds, etc)."*

4. *"If it is the latter, the FCA does not recognise the term 'investment managers' as we do not have a marker field for that term. Instead we would look at firms that requested the regulated activity of 'Managing Investments' at initial application for authorisation. On that basis, can you please confirm if you are content for us to respond to your request based on those firms who requested the regulated activity of 'Managing Investments' when they first applied for authorisation?"*

Your answer: *"Yes. Thank you."*

Further clarified request received on 6 March 2019:

In our second clarification letter we asked you which of the three permissions you were interested in receiving information on. These there were:

- "Managing a UCITS"
- "Managing an AIF"
- "Managing investments"

In your clarification, you selected:

"please provide the data related to 'managing investments'."

ANNEX B

Our response:

Outcomes for firms which have applied for permission to undertake the regulated activity of "Managing Investments" (2016-2018)			
Application Outcome	Decision Year		
	2016	2017	2018
As Yet Undetermined			42
Authorised	175	142	135
Refused	0	0	0
Withdrawn – Firm's own initiative	12	9	5
Withdrawn – Following FCA communication of Minded To Refuse	6	9	8

Percentage Withdrawn following FCA communication of Potential Refusal	3.11%	5.63%	4.21%
Grand Total	193	160	190