**Application for Authorisation**

**Supplement for Claims Management**

**Full name of applicant firm**

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**Important information you should read before completing this form**

This form is for use by firms applying for claims management regulated activities in addition to other regulated activities. We require all applicant firms which require claims management permissions to provide these details as part of their application for authorisation (known as Part 4A permission).

 **Purpose of this form**

The information in this pack is required to enable us to assess whether the applicant firm satisfies the Threshold Conditions in relation to its regulated claims management activities.

**You must ensure you answer every question. If a question is not applicable to the applicant firm then it should be answered as 'Not Applicable'. If you are answering any of these questions as part of another supplement, you will only need to answer the question once and do not need to provide a response on both forms.**

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|  |  |
| --- | --- |
| 1 | Scope of permission requiredIt is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do. |

 **1.1 Activity Category**

[ ]  Claims Management

 **1.2 Regulated activities**

Agreeing to carry on a regulated activity[ ]

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. As a matter of course, a firm will carry on the regulated activity of “Agreeing to carry on a regulated activity” (which is limited to carrying on only the other regulated activities in its Scope of Permission Notice). You must apply for this activity and limitation by selecting these below.

Seeking out, referrals and identification of claims or [ ]
potential claims (personal injury claim; financial services
or financial product claim; housing disrepair claim; claim
for a specified benefit; criminal injury claim;
employment related claim)

Advice, investigation or representation in relation to a personal [ ]
injury claim

Advice, investigation or representation in relation to financial [ ]
services or financial product claim

Advice, investigation or representation in relation to a housing [ ]
disrepair claim

Advice, investigation or representation in relation to a claim for a [ ]
specified benefit

Advice, investigation or representation in relation to a criminal [ ]
injury claim

Advice, investigation or representation in relation to an [ ]
employment related claim

**Client money**

 **1.3 Does the applicant firm intend to hold client money?**

[ ]  No⏵Continue to Section 2

[ ]  Yes⏵Please state if the applicant firm holds or has held client money, the highest amount in the last calendar year, or if it did not hold client money in the previous calendar year, the highest amount of client money it projects that it will hold in the current calendar year.

|  |
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You must also attach a copy of your client money handling and reconciliation procedures.

[ ]  Attached

|  |  |
| --- | --- |
|  2 | Fees and levies  |

We require this information so that we can calculate the applicant firm's annual FCA fees once authorised. We will also use this information to calculate the fees for the levies for the Ombudsman Service.

For further help on this section please see the notes, the fees section of the Handbook, or refer to the FCA website, which includes an approximate fee calculator (<http://www.fca.org.uk/firms/being-regulated/fees/calculator> )

 **2.1 Does the applicant firm have an existing FRN (Firm Reference Number)?**

[ ] [ ]  No

[ ] [ ]  Yes⏵Please provide the FRN below

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|       |

 **2.2 Please state the estimated annual income for claims management activities**

|  |  |
| --- | --- |
| Amount (GBP) |       |
| Confirm amount in words |       |

 **2.3 Has the applicant firm previously been authorised by the Claims Management Regulator (CMR)?**

[ ] [ ]  No

[ ] [ ]  Yes⏵Please provide authorisation number prefixed with the letters ‘CRM’ followed by up to 5 digits and continue to Section 3

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 **2.4 Please state the estimated annual income for claims management activities that will be conducted with eligible complainants**

The Financial Ombudsman Service (FOS) general levy is based on relevant business. Relevant business is business conducted with eligible complainants (see [www.handbook.fca.org.uk/handbook/DISP/2/7.html](http://www.handbook.fca.org.uk/handbook/DISP/2/7.html) for further information and the definition of eligible complainant). If you will not conduct business with eligible complainants then you should report ‘nil’ in this section.

|  |  |
| --- | --- |
| Amount (GBP) |       |
| Confirm amount in words |       |

**2.5 Will the applicant firm conduct business with eligible complainants?**

Firms that conduct business with eligible complainants under our rules ([www.handbook.fca.org.uk/handbook/DISP/2/7.html](http://www.handbook.fca.org.uk/handbook/DISP/2/7.html) ) must pay the FOS general levy.

[ ]  No⏵The applicant firm will be exempt from payment the FOS general levy

[ ]  Yes

Declaration of ongoing FCA fees liability

**2.6 Declaration of ongoing FCA fees liability**

Please tick the box to confirm that the applicant understands that they are liable and remains liable to pay fees until such a time that the FCA cancels their permissions (this is irrespective of whether they are trading, they have notified us of intention to cease trading, or they have submitted an application to cancel). Firms will be able to manage their regulatory obligations in respect to Fees via our Online Invoicing system. We intend to provide this access to your automatically, shortly after the firm is authorised and we will use your firm’s Principal Place of Business email address for this initial registration. You will receive further instructions after authorisation.

[ ]

|  |  |
| --- | --- |
| 3 | Threshold Conditions analysis |

All firms applying for FCA authorisation must be able to demonstrate to the FCA that they meet, and will continue to meet, a set of minimum requirements. These are called our ‘Threshold Conditions’.

The information provided below, provides an overview of the Threshold Conditions and related guidance, it is not new guidance. It covers a summary of the key areas that claims management companies will have to show they can satisfy when seeking authorisation. Authorisation depends on being able to meet our Threshold Conditions, even if you have registered for temporary permission and paid the non-refundable periodic fee.

The Threshold Conditions are in Part 1B of Schedule 6 of the Financial Services and Markets Act 2000 (FSMA). You can see guidance on how we will assess firms against them in [COND](https://www.fca.org.uk/firms/claims-management-regulation/how-we-will-authorise-regulate) (<https://www.fca.org.uk/firms/claims-management-regulation/how-we-will-authorise-regulate>) in the FCA Handbook. Some of the guidance from COND is repeated below for ease of reference only. It is not a definitive statement of the Threshold Conditions, or COND, which are in FSMA and the FCA Handbook respectively.

* + - 1. Please note: the information below is specific to claims management activity. If a firm is applying for permissions to do other regulated activity, the Threshold Conditions may be different. If a firm carries on, or is seeking permission for, PRA-authorised activity it must also satisfy the threshold conditions for which the PRA is responsible.
			2. Reference to ‘firms’ includes sole traders.

 **3.1 Location of offices**

* + - 1. **If the applicant firm is a body corporate incorporated in the UK, is its head office (and, if the applicant firm has one, registered office) in the UK? Or, if the applicant firm is not a body corporate but its head office is in the UK, does the applicant firm carry on business in the UK?**

[ ]  Yes⏵Provide detail of how this is met

[ ]  No⏵Provide detail of the actions you are taking to mitigate this

|  |
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 **3.2 Effective Supervision**

You must be capable of being effectively supervised – the FCA will have regard to all the circumstances including:

* nature (including complexity) of products/regulatory activities
* the way in which your business is organised
* if part of a group, whether this is likely to prevent effective supervision of the firm
* the nature of any close links with another person and whether they may prevent effective supervision of the firm
* whether the person with whom the applicant firm has close links is subject to laws, regulations or administrative provisions of a territory outside the UK, and whether those provisions, or a deficiency in their enforcement, would prevent effective supervision of the firm
	+ - 1. In assessing the above conditions, the FCA will consider, among others in COND, the following factors:
* whether the firm is ready, willing and organised to comply with Principle 11 and rules in SUP (<https://www.handbook.fca.org.uk/handbook/SUP>) regarding providing information to the FCA.
* structure and geographical spread of the firm, group or other persons the firm has close links to.

Does the applicant firm meet this threshold condition?

[ ]  Yes⏵Provide detail of how this is met

[ ]  No⏵Provide detail of the actions you are taking to mitigate this

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 **3.3 Appropriate Resources**

**Non-financial**

Resources must be appropriate in relation to the intended regulated activities. The FCA will consider:

* nature and scale of the business
* the risks to the continuity of services
* possible impact from membership of a group
* the skills and experience of those that manage the business
* whether the firm has sufficient resources to ensure compliance with requirements imposed on the business by the FCA, or other requirements for which the FCA would be the appropriate regulator.

**Financial**

* + - 1. Financial resources must be appropriate (sufficient in terms of quantity, quality and availability).
			2. All CMCs (including solely lead generators) must have sufficient financial resources. The FCA will consider:
* the provision the applicant firm (and its group where relevant) makes to meet liabilities.
* how the applicant firm, and any group members, manage the incidence of risk in connection with the business.
	+ - 1. There are additional prudential requirements for CMCs in CMCOB 7 although a transitional period applies to some of those requirements until August 2019.

COND sets out what the FCA will take into account, when considering the adequate resources threshold condition including, but is not limited to whether the firm has been:

* adjudged bankrupt
* entered into liquidation
* been the subject of a receiving or administration order
* had a bankruptcy or winding-up order served on it
* had its estate sequestrated
* entered into a deed of arrangement or an IVA (or in Scotland, a trust deed) or other composition in favour of its creditors, or is doing so
* within the last ten years, failed to satisfy a judgement debt under a court order in the UK or elsewhere

Does the applicant firm meet the aspects of this threshold condition that currently apply to firms doing regulated claims management activity?

[ ]  Yes⏵Provide detail of how this is met

[ ]  No⏵Provide detail of the actions you are taking to mitigate this

|  |
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 **3.4 Suitability**

Must be fit and proper person having regard to all the circumstances which will include:

* connection with any person
* the nature (including complexity) of any regulated activity
* affairs conducted in an appropriate manner having regard to the interests of consumers and the integrity of the UK financial system
* whether and how the applicant firm has and is complying with any requests made or requirements imposed by the FCA regarding provision of information
* whether those who manage the firm's affairs have adequate skills and experience and act and may be expected to act with probity
* whether the business is (or will be) managed to ensure that its affairs will be conducted in a sound and prudent manner
* minimising the extent to which the business could be used for financial crime

Examples from COND of the kind of general considerations to which the FCA may have regard when assessing whether a firm will satisfy, the Threshold Condition above include but are not limited to whether the firm:

* conducts or will conduct its business with integrity & in compliance with proper standards
* has or will have a competent and prudent management
* can demonstrate that it conducts or will conduct its affairs with due skill, care and diligence

Does the applicant firm meet this threshold condition?

[ ]  Yes⏵Provide detail of how this is met

[ ]  No⏵Provide detail of the actions you are taking to mitigate this

|  |
| --- |
|       |

 **3.5 Business Model**

The business model must be suitable for a person performing these regulated activities. This will include:

* whether the business model is compatible with the firm's affairs which will be conducted in a sound and prudent manner
* the interests of consumers
* the integrity of the UK financial system

In deciding how they will satisfy and continue to satisfy the Threshold Condition above, the applicant firm should consider the matters (in COND) including but not limited to:

* the assumptions underlying the business model and justification for it
* the rationale for the business, its competitive advantage, viability and longer-term profitability of the business
* the needs and risks to consumers
* the expectations of stakeholders (eg, shareholders and regulators)
* the products and services being offered and product strategy
* the governance and controls of the firm/group
* the growth strategy of the firm and any risks arising
* any diversification strategies
* the impact of the external macroeconomic and business environment
* the FCA may take into account the firm's other business activities (if any) if it believes that they may impact their regulated activities

Does the applicant firm meet this threshold condition?

[ ]  Yes⏵Provide detail of how this is met

[ ]  No⏵Provide detail of the actions you are taking to mitigate this

|  |
| --- |
|       |

|  |  |
| --- | --- |
|  4 | Regulatory business planWe need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability. |

Background

 **The applicant must provide a regulatory business plan.**

You will only need to attach one regulatory business plan but you must ensure that it covers all the regulated activities being applied for.

It is important that this is tailored to the applicant firm's business, otherwise it may lead to delays.

As a guide, as well as the points covered in the notes to this form, the business plan should include:

* full explanation of your business, its background and what it will do, including the types of claims you intend to handle
* objectives (eg, business opportunity, market share, aims)
* details of your governance framework and key personnel
* details of key operational matters
* experience and employment background of your firm's principals and an explanation of how they are competent to perform the regulated activities you want to carry on
* analysis of key business and regulatory risks
* your long-term strategy and financial projections for 3 years
* details of websites, promotions and communications
* details of all fees that could be payable by the customer, how they are explained to the customer and at which point(s) the customer is required to pay the fees details of how customers will be kept up to date with the progress of their claim

 **4.1 Please confirm that a regulatory business plan is attached and also covers these points as well as those covered in the notes**

[ ]  Yes

**Please answer the following questions in relation to the claims management activities of the applicant**

**4.2 Which sales channels does the applicant firm intend to use and what will each method of sale be as a percentage of total sales?**

|  |  |
| --- | --- |
| **Method of Sale** | **Approximate % of total sales** |
| Face-to-face |      % |
| Telephone sales |      % |
| Internet based sales |      % |
| Postal |      % |
| Other |      % |

If you selected 'Other’ from the table above, please give details below of the channel(s) the applicant firm intends to use and the approximate percentages

|  |
| --- |
|  |

**4.3 How will the applicant firm source customers?**

|  |  |
| --- | --- |
| Website advertising |       |
| Third parties |       |
| Lead generator |       |
| Word of mouth/personal recommendations |       |
| Other |       |

If Other please specify

|  |
| --- |
|  |

**4.4 Is the applicant firm leaving a network?**

[ ]  No

[ ]  Yes ⏵Give details below

|  |  |
| --- | --- |
| Name of network |       |

|  |  |
| --- | --- |
| Date notice given (will be given) | dd/mm/yy |

|  |  |
| --- | --- |
| Notice period |       |

**Current Appointed Representatives**

As a firm cannot be both authorised and exempt, any firms that are currently an Appointed Representative (AR) under the current FCA regime will need to decide how they wish to proceed. They can continue to be an AR while they have a claims management temporary permission but they will need to decide what they want to do by the end of their allocated landing slot. They have the following options:

* Stop being an AR for the regulated activity and apply for authorisation for both the CMC activity and the activity they performed as an AR.
* Stop being an AR and stop performing that regulated activity.
* Stop claims management activity and continue being an AR.
* Apply for authorisation for separate legal entities to perform the claims management activity and the AR activity separately.

 **4.5 Does the applicant firm intend carrying on any unregulated business activities?**

[ ]  No

[ ]  Yes ⏵You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting

|  |  |  |
| --- | --- | --- |
| Unregulated activities |      % | £      |

|  |  |
| --- | --- |
| Description of the unregulated business the applicant firm will be conducting |       |

 **4.6 How will the applicant firm be remunerated?**

[ ]  Fixed fees

[ ]  Percentage-based fees

[ ]  Commissions

[ ]  Other⏵Give details below

Please give precise details regarding the applicant firm’s remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

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Additional Questions

 **4.7 Does the applicant firm make any use of premium rate numbers?**

[ ]  No

[ ]  Yes⏵Give details below

|  |
| --- |
|       |

 **4.8 Is the applicant currently taking over the business of any other firm or are there any plans for the applicant firm to do so? (Or if already trading, has the applicant firm acquired the business of any other firms in the last 5 years?)**

[ ]  No

[ ]  Yes⏵Give details below

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| --- |
|       |

 **4.9 Does the applicant firm use or intend to use third party lead generators?**

[ ]  No

[ ]  Yes⏵Please confirm the number of lead generators you will use

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|       |

**4.10 Does the applicant firm intend to accept introductions from exempt lead generators benefitting from the exclusion for certain providers of referrals?**

Article 89V in Part 3B of the FSMA 2000 (Regulated Activities) Order 2001 (SI 2001/544) sets out an exclusion for certain providers of referrals. See Article 7 of the Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (SI 2018/1253): <http://www.legislation.gov.uk/uksi/2018/1253/article/7/made>

[ ]  No

[ ]  Yes⏵Give details of the intended number of exempt lead generators and the nature of their business

|  |
| --- |
|       |

 **4.11 Does the applicant firm intend to represent customers before a tribunal or make representations on behalf of the customer, to an ombudsman service or insurer?**

[ ]  Yes

[ ]  No

 **4.12 Does the applicant firm have procedures in place for dealing with vulnerable consumers?**

[ ]  No

[ ]  Yes⏵Please attach a copy of your procedure for dealing with vulnerable consumers.

 [ ] Attached

If you are only applying for the permission of seeking out, referrals and identification of claims or potential claims⏵Continue to Question 4.15

If you are applying for any of the permissions in relation to advice, investigation or representation of a claim⏵Continue to Question 4.13

 **4.13 Please attach a copy of your pre-contract information in relation to your claims management activities**

[ ]  Attached

 **4.14 Please attach a sample copy of your customer contract in relation to your claims management activities**

[ ]  Attached

Scale of Business

**4.15 How many clients does the applicant firm expect to have in relation to its regulated activities?**

|  |  |
| --- | --- |
| At authorisation |       |
| 12 months after authorisation |       |

Business Risks

 **4.16 What are the main business risks for the applicant firm and how does it intend to manage those risks?**

A business risk is a circumstance or factor that may have a negative impact on the operation or profitability of a firm. It can be a result of internal or external factors eg loss of key person, on-going financial solvency not being met, client being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant’s presence in the market.

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Complex IT Form

**4.17 If the applicant firm is using any systems that are not off-the-shelf IT systems (it has answered No to Question 4.1 of the Core Details form), you must complete the detailed IT Controls Form:** <https://www.fca.org.uk/publication/forms/detailed-it-controls-form.xlsm>

Please confirm that the ‘Detailed IT Controls Form’ is ready to send to the FCA if requested.

Yes [ ]

Branches

**4.18 Will the applicant firm have any branches in the UK that intend conducting regulated activities?**

[ ]  No

[ ]  Yes⏵Please provide details of the number of branches and general location of branches

|  |
| --- |
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Outsourcing with third parties

4.19 What functions (if any) will the applicant firm outsource?

Outsourcing is the act of one firm contracting with another to provide services that might otherwise be performed by in-house employees. You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Provide details of the area that is outsourced, who it is outsourced to, their FCA reference number and the monitoring/controlling plans that are in place

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Treating Customers Fairly (TCF)

We expect customers’ interests to be at the heart of how firms do business. Customers can expect to get services and products that meet their needs from firms that they can trust. Meeting customers’ fair and reasonable expectations should be the responsibility of firms, not that of the regulator. TCF focuses on six consumer outcomes (<https://www.fca.org.uk/firms/fair-treatment-customers> ) which firms must deliver to consumers.

**4.20 Has the applicant firm reviewed the TCF outcomes and ensured that they have been applied?**

[ ]  Yes

[ ]  No

**4.21 TCF should be a key consideration for all firms. Please tell us how the fair treatment of customers has been considered in the development of the applicant firm’s business plan.**

|  |
| --- |
|       |

**4.22 How will the applicant firm’s senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

|  |
| --- |
|       |

**4.23 What have the management of the applicant firm identified as the key risks to consumers in its model and what action has been taken to mitigate these risks?**

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|       |

Other Documents

Management Accounts are a set of summarised accounting information that is prepared and presented on a regular basis eg monthly, quarterly or annually specifically for a firm’s management. End of year accounts is accounting procedure undertaken at the end of the year to close out business from the previous year, carry forward balances from the previous year, and open posting accounts for the upcoming year. Year-end closing is part of a company’s closing operations, and is used to create a company’s financial statements. If the applicant is subject to audit of its accounts it is the most recent audited end of year account that we need to see.

**4.24** **All applicant firms must provide the following:**

[ ] [ ] An opening balance sheet to demonstrate how the [ ]  Attached
applicant firm will meet its financial resources requirement
at the date of authorisation

A forecast closing balance sheet for the first 12 months [ ]  Attached
of trading

A monthly cash flow forecast for the first 12 months of trading [ ]  Attached

A monthly profit and loss forecast for the first 12 months of [ ]  Attached
trading. As a minimum, the profit and loss forecast must
disclose the following on a monthly basis:

a) gross income, analysed between regulated and
 un-regulated activities

b) business expenditure, relevant annual expenditure,
analysis of the major overheads expenditure

c) profit before taxation

**4.25 Is the applicant currently trading?**

[ ] [ ]  No

[ ] [ ]  Yes⏵You must attach the applicant’s most recent annual and management accounts if annual accounts are not recent.

 [ ]  Attached

Financial Resources

4.26 Which type of firm is the applicant firm?

[ ] [ ]  Limited company ⏵Continue to Question 4.27

[ ] [ ]  Sole trader ⏵Continue to Question 4.28

[ ] [ ]  Partnership ⏵Continue to Question 4.29

[ ] [ ]  Limited liability partnership ⏵Continue to Question 4.30

[ ] [ ]  Other ⏵Continue to Question 4.31

Limited Company

**4.27 You must state the amounts of the different sources of the applicant firm's capital**

| **Please tick** | **Source** | **Amount (£)** |
| --- | --- | --- |
|  |  |  |
| [ ] [ ]  | Fully paid-up ordinary shares |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | Share premium account  |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | Preference shares (allowable if not redeemable within two years) |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | (Audited) reserves \* |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | (Verified) interim net profits \* |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | Revaluation reserves |       |
|  |  |  |
|  |  |  |
| [ ] [ ]  | Subordinated loans |       |
|  |  |  |
|  |  |  |
| [ ]  | Total |       |
|  |  |  |

\* Audit may not be required if exempt under the Companies Act 2006

**Continue to Question 4.32**

Sole trader

**4.28 You must attach the following:**

Statement of personal assets and liabilities (see notes) [ ]  Attached

Statement of business assets and liabilities (see notes) [ ]  Attached

**Continue to Question 4.32**

Partnership

**4.29 You must attach the following:**

Statement of personal assets and liabilities (see notes)
(one per partner) [ ]  Attached

Statement of business assets and liabilities (see notes)

(one only) [ ]  Attached

**Continue to Question 4.32**

Limited Liability Partnership

**4.30 You must state the amounts of the different sources of the applicant firm's capital**

| **Please tick** | **Source** | **Amount** |
| --- | --- | --- |
|  |  |
| [ ] [ ]  | Members' capital agreement |       |
|  |  |
|  |  |
| [ ] [ ]  | Members' reserves |       |
|  |  |
|  |  |
| [ ] [ ]  | Subordinated loan(s) |       |
|  |  |
|  |  |
| Total |       |

**Continue to Question 4.32**

Other applicant firms

**4.31 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.**

|  |
| --- |
|       |

Sources of External Funding

4.32 Does the applicant firm have any subordinated loans?

[ ] [ ]  No

[ ] [ ]  Yes⏵Give details below

|  |  |
| --- | --- |
| Name of loan provider |       |

|  |  |
| --- | --- |
| Amount |       |

|  |  |
| --- | --- |
| Date of agreement |       |

|  |  |
| --- | --- |
| Nature of loan |       |

Repayment terms, including number of instalments and final payment date

|  |
| --- |
|       |

|  |  |
| --- | --- |
| Interest payable |      % |

|  |  |
| --- | --- |
| Interest type |      % |

**4.33 Does the applicant firm have other external funding?**

[ ] [ ]  No

[ ] [ ]  Yes⏵Give details below

If the applicant firm has external funding but has not drawn down on the external funding, you must still provide this information

|  |  |
| --- | --- |
| Name of funding provider(s) |       |

|  |  |
| --- | --- |
| Amount |       |

|  |  |
| --- | --- |
| Nature of funding |       |

Repayment terms, including number of instalments and final payment date

|  |
| --- |
|       |

|  |  |
| --- | --- |
| Interest payable |      % |

|  |  |
| --- | --- |
| Interest type |      % |

|  |  |
| --- | --- |
|  **5** | Compliance arrangementsWe need to ensure the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations. |

Compliance procedures

5.1 If you are only applying for the permission of seeking out, referrals and identification of claims or potential claims the applicant firm is not required to send compliance procedures with this application, but must be able to produce a copy at any time while we are assessing the application or in the future.

 **You must confirm the applicant firm has documented compliance procedures in place.**

[ ]  Yes⏵Continue to Question 5.3

5.2 If you are applying for any of the permissions in relation to advice, investigation or representation of a claim you must attach a copy of your compliance procedures

[ ]  Attached

 **Compliance monitoring programme**

The applicant must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the guidance notes.

The compliance monitoring programme must be relevant to the regulated activities the applicant wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the applicant’s business.

A compliance monitoring programme must describe the actions the individual responsible for the compliance of the firm and their staff will take to ensure the applicant complies with the FCA’s rules and guidance at all times, in particular:

* what checks will take place;
* how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by the FCA;
* who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
* what records of the checks will be kept to confirm they have taken place.

**5.3 You must confirm that you have attached a compliance monitoring programme.**

[ ]  Yes

Financial crime

**5.4 You must briefly describe the procedures the applicant firm has in place to counter the risks that it might be used by third parties to further financial crime. This includes any offence involving:**

* **fraud or dishonesty**
* **misconduct in, or misuse of information relating to, financial markets or**
* **handling the procedures of crime (SYSC 6.3)**

Please include the following

* the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively
* the procedures that will ensure that the applicant firm will obtain sufficient evidence of the identity of, and undertake all necessary due diligence exercises in relation to all its clients
* the systems and controls that will ensure that know your business information (see SYSC 3.2.6) is made available to the applicant firm’s MLRO
* the anti-money laundering training the applicant firm will provide for its relevant staff
* the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring

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