

**Application for Authorisation  
  
Supplement for firms selling investments**

**Legal name of applicant firm**

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

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

**Purpose of this form**

This supplement collects additional information to the MiFID Annex that is specific to the type of business the applicant firm is applying for.

**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'.**

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| 1 | About the applicant firm  We 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. |

**1.1 You must provide the following:**

• a brief description of the disclosure documents (e.g. Initial Disclosure Document, Terms of business) that the applicant firm will give to its clients; and

• information on which stage of the sales process the disclosure documents will be provided.

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

No

Yes ⏵You must give details below

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

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

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

**1.3 What services will the applicant firm be offering to its customers?**

For investment business the categories are:

Independent⏵You must give details below of how the applicant firm will be able to confirm this, and what fee structure it will have in place.

Restricted⏵You must give details below of how the applicant firm will be carrying out its business activities and in what way the advice will be restricted, including any product providers/other firms the applicant firm will be linked with and/or tied to, and what fee structure it will have in place.

The applicant firm must also specify if it plans to give either:

simplified advice; or

basic advice.

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**1.4 You must estimate the percentage and value of total business that will be:**

|  |  |  |
| --- | --- | --- |
| Execution only | % | £ |
| Advice without subsequent arranging | % | £ |

Non-advised sales

**1.5** **Will the applicant firm be carrying out non-advised sales?**

No

Yes⏵Give the following details below:

* the controls in place to ensure staff do not provide advice when answering questions
* details of any scripts or guidance provided to staff and any controls in place to ensure staff adhere to the scripts
* how the applicant firm ensures clients are clear about the service being provided to them?

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Non-mainstream pooled investments (NMPIs) including Unregulated Collective Investment Schemes (UCIS)

**1.6**  **Will the applicant firm promote NMPI? This will generally include advertising, advised and non-advised sales.**

Yes

No ⏵Continue to Question 1.7

**1.6.1 The promotion of NMPI to retail investors is severely restricted. What controls are in place to ensure that NMPI are only promoted to eligible customers?**

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**1.6.2 The promotion of NMPI may cause a firm to lose its Article 3 exemption under MiFID. If the applicant firm is an ‘Article 3 exempt’ MiFID firm, how will the applicant firm ensure it does not carry out activities which take it outside the scope of the exemption?**

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Platforms

**1.7**  **Will the applicant firm be using a platform(s) to administer its client’s investment portfolios?**

Yes

No ⏵Continue to Section 2

**1.7.1 How has the applicant firm assessed the risks posed to it and to its clients by the use of platforms? What risks have been identified, and how will the applicant firm manage those risks?**

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**1.7.2 What conflicts of interest have been identified and how will they be managed?**

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**1.7.3 What Management Information (MI) will be collected in relation to these clients?**

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**1.7.4 How will client investment reviews be managed and carried out for these clients?**

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**1.7.5 How will the applicant firm deal with clients for whom the platform used may not be suitable, or who would not benefit from the use of platforms?**

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**1.7.6 Please provide details of any ongoing training need identified for advisers and how it will be met.**

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| 2 | Scope of Permission required  If we grant the applicant firm authorisation, we will issue a Scope of Permission Notice. This notice sets out:  • the regulated activities the applicant firm is authorised to carry on;  • the types of investment products;  • the client types;  • any limitations; and  • any requirements.  It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do. This is complimentary to the MiFID Annex Section 1 where we specifically ask the firm to identify the activities that it wishes to carry out under MiFID. |

Clients

**2.1 What type of clients will the applicant firm carry on business with?**

For investment business the client categories are:

retail (investment)

professional

Additional activities and investment types

You will have completed one of the Permissions Profiles in the MiFID Annex.

If the applicant firm intends to do any of the following activities and/or investment types, please tick the relevant box (see Questions 2.2-2.5 of this supplement). The activities and investment types are:

* advising on pension transfers/ opt-outs;
* advising on Peer to Peer agreements;
* funeral plan contracts;
* providing basic advice on stakeholder products.

**2.2 Advising on pension transfers/opt-outs (see page 6 in the notes to this supplement).**

Table A − Advising on pension transfers/opt-outs.

The applicant firm must have a member of staff with an appropriate qualification (e.g. the G60 paper of the AFPC qualification or the Unit AF3 of the CII Advanced Diploma in Financial Planning qualification) and experience if it intends to carry on pension transfers/opt-outs business.

**2.3 Advising on Peer to Peer agreements**

Advising onPeer to Peer agreements (there are no investment types applicable)

**2.4 Funeral plan contracts (see page 7 in the notes to this supplement).**

Table B – Funeral plan contracts.

**2.5 Providing basic advice on stakeholder products (see page 8 in the notes to this supplement).**

Table C – Providing basic advice on stakeholder products

If you have chosen the activity of advising on investments in relation to stakeholder products, this permission should not be selected. This permissions relates to pre-scripted sales in relation to stakeholder products.

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| 3 | Financial Resources  We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them. |

Client money

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

No

Yes

Professional indemnity insurance (PII) self certification

This question asks you to confirm whether the applicant firm complies with the prudential requirements in relation to professional indemnity insurance (PII). Authorised firms are required to ensure they maintain compliant PII cover at all times.

To complete this section you must have a quotation from a PII provider.

**3.2 Will the applicant firm have PII cover that complies with the minimum standards as set out in the Handbook from the date of authorisation?**

Yes

No ⏵You must provide an explanation in the box below

I am exempt ⏵You must provide an explanation below as to why you believe the applicant firm is exempt

(NB: Please note that this exemption would apply to only a very limited number of firms; most regulated firms are required to hold PII cover.)

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**3.3 You must provide the details of the applicant firms PII cover\***

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| Insurer name |  |
| Annual premium |  |
| Limit of indemnity (single claim) |  |
| Limit of indemnity (aggregate) |  |
| Policy excess |  |
| Increased excess(es) for specific business types: | Business type:  Amount: £  Business type:  Amount: £ |
| Amount of additional capital required for increased excesses(es) | £ |
| Amount of additional capital required for excluded business or liabilities. | £ |

\*You may be asked to confirm these details before we authorise your firm.