**Variation of Permission (VoP) application -notes

Financial Promotions**

Please read these notes carefully. They will help you fill in the application form correctly.

When completing the form, you will need to refer to the Handbook: [www.handbook.fca.org.uk/](http://www.handbook.fca.org.uk/).

If after reading these notes you need more help please:

* check the FCA website
* consult the Handbook: [www.handbook.fca.org.uk/](http://www.handbook.fca.org.uk/)
* call us on 0300 500 0597
* email: Firm.Queries@fca.org.uk

**Terms in these notes**

In these notes:

* 'we', ‘us’, 'our' and ‘the FCA’ refers to the Financial Conduct Authority
* 'the applicant firm' refers to the firm applying for authorisation
* 'you' refers the person(s) signing the form on behalf of the applicant firm
* ‘FSMA’ refers to the Financial Services and Markets Act 2000

**Important information**

**At the point of authorisation, we expect the applicant firm to be ready, willing and organised to start business.**

**Once authorised, the applicant firm is required to pay regulatory fees even if it is not trading. Firms must also notify us immediately if any of their static data changes.**

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|  | The FCA Handbook |

**Introduction**

The FCA Handbook sets out our legislative powers and other provisions made under powers given to us by FSMA. The Handbook is available online. It is an extensive document, but you only need to refer regularly to the specific parts that will affect your business.

Alongside the Handbook, there are Handbook guides and Regulatory guides. Handbook guides are guides to the Handbook as a whole and are aimed at particular types of firms. They will point you towards relevant material.

The Handbook is divided into blocks and each of these is subdivided into modules. It also contains a glossary of all the definitions used. The full Handbook is at [www.handbook.fca.org.uk/](http://www.handbook.fca.org.uk/)

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|  | The Threshold Conditions |

Throughout the application pack, you will see references to the Threshold Conditions (COND). These are the minimum requirements that a firm must satisfy to become and remain authorised. When we consider the applicant firm's application we will assess whether the firm is ready, willing and organised to satisfy, and continue to satisfy, the Threshold Conditions.

The Threshold Conditions are set out in full in COND 2 of the Handbook at:

[www.handbook.fca.org.uk/handbook/COND/2/](http://www.handbook.fca.org.uk/handbook/COND/2/)

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| 1 | Application contact details |

Contact for this application

 **1.1 Contact details of the person we will get in touch with about this application**

This must be someone based in the UK and in the direct employment of the applicant firm.

The firm may wish to provide the contact details of a second individual if the main contact will not be available for a long period of time.

 **1.2 Specify if you have received support from the Innovation Hub or the Asset Management Hub**

No additional notes

Timings for this application

 **1.3 Is there a date by which you would like this application approved?**

If you wish your application to be granted by a specific date, for example in time for a product launch, we will try to do so. However, the time taken to determine each application is significantly affected by the quality of the application submitted and whether it is complete. If you leave a question blank, do not sign the declaration or do not attach the required supporting information, we will have to treat the application as incomplete. This will increase the time taken for us to assess your application.

We are required by law to determine applications within the earlier of (a) 6 months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

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|  2 | **Permissions** |

Effective Date of Chnages

 **2.1 Effective date (dd/mm/yyyy)**

We are required by law to determine applications within the earlier of (a) six months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

Reason for Variation

 **2.2 We need to know why your firm is applying to vary its permissions.**

No additional notes

 **2.3 Attach a full regulated business plan if relevant**

As a guide, the business plan should include:

* full explanation of your business, its background and what it will do
* 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 and how they are explained to the customer

Background

When applying for authorisation, the applicant firm is responsible for ensuring that the regulated activities and the corresponding client and investment types requested adequately cover the business the applicant firm intends to carry on.

If the applicant firm is authorised, the FCA will issue the firm with a Scope of Permission Notice.

The permission notice lists the regulated activities the applicant firm will be authorised to carry on. It will also contain what we refer to as 'requirements' and 'limitations'. In broad terms, limitations are restrictions placed on individual regulated activities and requirements will be placed on the firm’s entire scope of permission requiring it to take or not to take specified actions.

Getting the applicant firm's scope of permission right at the outset is fundamental. If the applicant firm carries on a regulated activity that is not set out in its permission notice it could be in breach of the Financial Services and Markets Act 2000 (FSMA) and subject to enforcement action.

Wording of the Scope of Permission Notice

The Scope of Permission Notice will follow the wording in the Perimeter Guidance PERG 2 (Annex 2). You can find this at: <https://www.handbook.fca.org.uk/handbook/PERG/2>

Requested permission

You will need to look at the list of regulated activities and decide which are relevant to the applicant.

You can find a full description of each regulated activity in PERG 2.7 at: <https://www.handbook.fca.org.uk/handbook/PERG/2/7>

You may also find it useful to look at the FCA glossary: <https://www.handbook.fca.org.uk/handbook/glossary/>

Don’t be put off by the language. We need to use formal language to mirror how the activities are described in the Regulated Activities Order (Specified Activities). The Scope of Permission Notice is a legal document that sets out the scope of your permission for regulatory purposes.

Money Laundering Regulations 2017

**2.4 If the variation of permission is granted will the applicant firm become, or continue to be, subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and supervised by the FCA?**

No additional notes

Client Money

The rules and guidance about how applicant firms hold client money are designed to provide an adequate level of protection for consumers.

You should note that applying for a variation permission in relation to client money may affect your prudential category.

 **2.5-2.8** No additional notes

Appointed representatives

**2.9 Does the applicant firm intend to appoint any appointed representative/s within the first 12 months?**

You must notify us if your firm wishes to act as a Principal for an Appointed Representative

Declaration of ongoing FCA fees liability

**2.10 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

The rules in FEES 4.2.9 and FEES 4.3.13-14 describe the fee obligations of firms who are cancelling their permissions.

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|  3 | Financial Promotions |

From 7th February 2024 all authorised persons will require specific FCA permission to approve financial promotions for unauthorised persons. Authorised persons do not need to seek FCA permission to approve (i) their own financial promotions; or (ii) the financial promotions of their group entities or appointed representatives (in relation to regulated activities for which the firm has accepted responsibility).

**3.1 Is the applicant firm applying for permission to approve financial promotions for unauthorised persons (other than its group entities or appointed representatives) under section 21 of FSMA?**

No additional notes

**3.2 Is the applicant firm applying to cancel its permission to approve financial promotions for unauthorised persons (other than its group entities or appointed representatives) under section 21 of FSMA?**

No additional notes

 **3.3 Is the applicant firm applying to vary its permission to approve financial promotions for unauthorised persons under section 21 of FSMA?**

No additional notes

 **3.4 Give details below of the type of investments the applicant firm wants to apply, or remove, permission to approve financial promotions for.**

No additional notes

 **3.5 Give details of the categories of investment which have marketing restrictions which the applicant firm expects to approve financial promotions for.**

The definition of restricted mass market investments can be found here: <https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=R>

The definition of non-mass market investments can be found here: <https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=N>

 **3.6 Explain how the applicant firm has updated its policies and procedures for approving financial promotions for the new investment types this application involves. You must include how the applicant firm has mitigated any additional risks it has identified from approving financial promotions for unauthorised persons.**

No additional notes

 **3.7 Provide a summary of the relevant experience of the applicant firm and individuals at the applicant firm for approving promotions for the investment types in this application.**

No additional notes

Policies and procedures

 **3.8 How will the applicant firm ensure that the financial promotion is fair, clear and not misleading and otherwise complies with applicable financial promotion rules, both before approving it and, where relevant, during continued monitoring of its compliance with applicable financial promotion rules?**

No additional notes

 **3.9 How will the applicant firm ensure the authenticity of the propositions described in the promotions it is asked to approve?**

This may mean undertaking background checks on directors, controllers or other key individuals associated with the product provider.

 **3.10 How will the applicant firm maintain adequate records of the financial promotions which it will approve?**

Various Handbook rules require firms to maintain adequate records of the activities which they undertake. For example, for investment-related financial promotions there are detailed rules in COBS 4.11. There are also more general rules on record-keeping in SYSC 9.

You must include reference to the systems the applicant firm will use.

 **3.11 How will the applicant firm ensure the commercial viability of the propositions described in the promotions it is asked to approve?**

How will the firm ensure that promotions adequately warn potential consumers of any significant factors that could threaten the product’s viability, so that they can make an informed decision?

 **3.12 What process will the applicant firm follow for withdrawing an approval of a financial promotion, where this is required?**

No additional notes

 **3.13 Is the applicant firm seeking permission to approve financial promotions for designated investments?**

The definition of designated investment can be found here:

<https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=D>

 **3.14 How will the applicant firm assess whether relevant investments are reasonably capable of delivering advertised or headline rates of return?**

No additional notes

**3.15 How will the applicant firm assess whether there are any fees, commissions or other charges within a relevant investment’s structure or elsewhere that could materially affect the investment’s ability to deliver advertised or headline rates of return?**

No additional notes

 **3.16 Will the applicant firm be approving financial promotions that retail customers can access?**

The definition of retail customers can be found here:

<https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=R>

**3.17 In light of the Consumer Duty you must explain how the applicant firm has satisfied itself that approving financial promotions will deliver good outcomes to retail customers. You must also explain the policies and procedures the applicant firm has in place to ensure that it complies with relevant elements of the Consumer Duty.**

You can find out more about the Consumer Duty and Fair Treatment of Customers on our website <https://www.fca.org.uk/firms/consumer-duty> and <https://www.fca.org.uk/firms/fair-treatment-customers>

**3.18 Has the applicant firm approved any financial promotions in the last 12 months?**

Do not include approvals that fall within the scope of exemptions from the need to apply for permission to approve financial promotions.

**3.19 You must give details of the financial promotions in this spreadsheet and attach it to your application -** [**https://www.fca.org.uk/publication/forms/financial-promotions-spreadsheet-twelve-months.xlsx**](https://www.fca.org.uk/publication/forms/financial-promotions-spreadsheet-twelve-months.xlsx)

Do not include approvals that fall within the scope of exemptions from the need to apply for permission to approve financial promotions.

What the FCA will consider to be one financial promotion is set out in SUP 16.30.12 G.

 **3.20 Approximately how many financial promotions does the applicant firm expect to approve if it is granted permission to do so?**

Do not include approvals that fall within the scope of exemptions from the need to apply for permission to approve financial promotions.

What the FCA will consider to be one financial promotion is set out in SUP 16.30.12 G.

**3.21 Explain what fees the applicant firm intends to charge for approving and (where applicable) ongoing monitoring of financial promotions?**

No additional notes

**3.22** **Give details of the**

* **revenue the applicant firm estimates it will make from approving financial promotions**
* **percentage of the applicant firm’s estimated revenue from approving financial promotions**

No additional notes

**3.23 Give details of the relevant experience of the individuals who will approve financial promotions**

No additional notes

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| 4 | Threshold ConditionsWe need to know whether the firm will continue to satisfy the threshold conditions following the variation of permission |

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us that these conditions will continue to be met if the application is granted. You may be asked to provide documentary evidence in support of your answers, either during the application process or at a alter point.

**Locations of Offices**

**4.1 Confirm the following:**

* If you are a body corporate, that your firm’s Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
* If you are not a body corporate and Head Office is in the United Kingdom, that you carry on business in the United Kingdom

This is a requirement of Threshold Condition 2.2

**Effective Supervision**

The appropriate regulatory must be capable of effectively supervising the firm. This is a requirements of Threshold Condition 2.3.

**4.2 As a result of this application, will there be any impact on the appropriate regulator’s ability to effectively supervise the firm?**

[ ]  No additional notes.

**4.3 Are you aware of any information to suggest that any close link is likely to prevent our effective supervision of the applicant firm?**

No additional notes.

**4.4 You must provide a structure chart to show the nature of the relationship between the applicant firm and each close link (please include the business type of the close link)?**

No additional notes.

**Appropriate resources**

We must be satisfied the applicant firm has adequate resources. We assess the quality and quantity of the applicant firm’s resources for its:

* financial resources;
* management;
* staff; and
* systems and controls.

This is a requirement of Threshold Condition 2.4.

**Prudential Category**

4.5 What is your current prudential category?

We differentiate between our financial requirements by putting applicant firms in different prudential categories. The firm will fall into at least one prudential category; and it may fall into more than one prudential category, depending on its regulated activities.

**4.6 Will the firm’s prudential category change as a result of this application?**

[ ] No additional notes.

4.7 What will be the firm’s new capital resources requirement?

No additional notes.

4.8 Is the firm currently able to meet this new capital requirement?

[ ] [ ] No additional notes.

**Suitability**

**Business Model**

 **4.9 You must confirm that the firm has a suitable business plan available that reflects the firm’s current business and proposed changes?**

[ ] [ ] No additional notes.

**Compliance**

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

**4.10 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?**

No additional notes.

**Conduct of Business Requirements –Conduct of Business (COBS) Sourcebook**

**4.11 Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if applicable to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?**

[ ] [ ] No additional notes.

Systems and Controls (SYSC) Requirements

4.12 Does the firm continue to meet the SYSC requirements?

[ ] [ ] No additional notes.

We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.

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| 5 | Additional Details |

UK / Third Country

We need to know about any connected firms regulated outside the UK and whether the firm is a member of a third-country banking and investment group.

Third Country Banking and Investment Groups

 **5.1 Is your firm currently a MIFID investment firm or will it become one if this variation is approved?**

No additional notes

 **5.2 Is the firm a member of a third-country (ie outside the UK) banking and investment group?**

No additional notes

5.3 Legal Entity Identifier (LEI)

A Legal Entity Identifier (LEI) is a 20 character unique entity reference code. MiFID investment firms subject to transaction reporting obligations will require a LEI when executing a transaction, and firms trading as a client of a MiFID investment firm will also generally require a LEI. The LEI initiative is designed to create a global reference data standard that uniquely identifies every legal entity or structure across jurisdictions.

**Professional Indemnity Insurance**

 **5.4 You must confirm that you hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying if you are required to have this?**

No additional notes.

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| [ ] 6 | Supporting documents |

 **6.1 Please attach and list below any other documents you have provided.**

You must attach any other documents you have included that you consider to be relevant to your application.

 **6.2 Please provide any details on supporting documents if necessary.**

No additional notes

Other information

 **6.3 Is there anything else you would like to tell us or should tell us about this application?**

No additional notes

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| 7 | Application Fee |

No additional notes

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| 8 | Declaration |

**Declaration**

The signature boxes are for you to use when you print out the application for your records.

A permanent copy of the application should be signed and retained by the firm.