



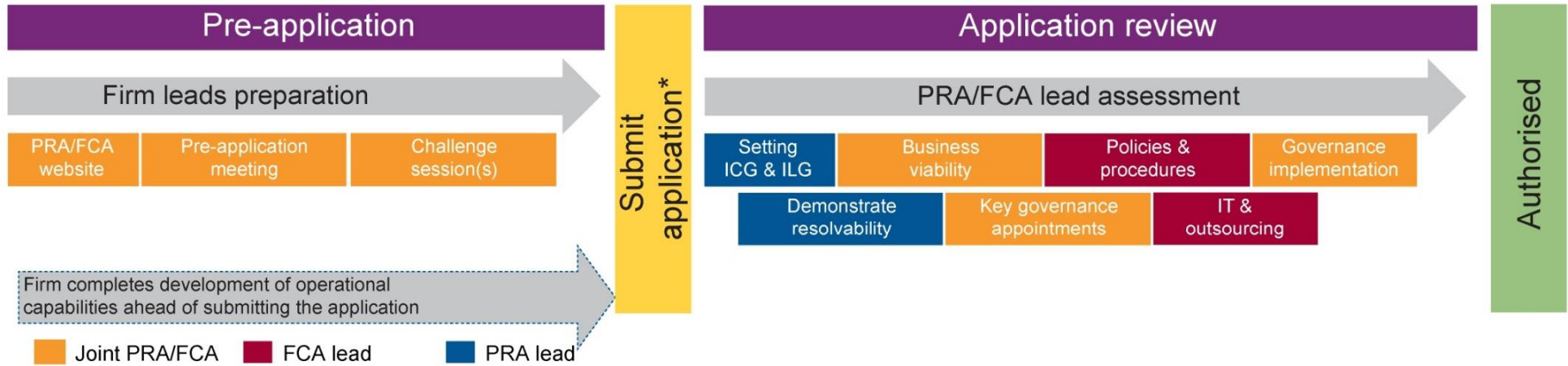
BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Applicant Journey

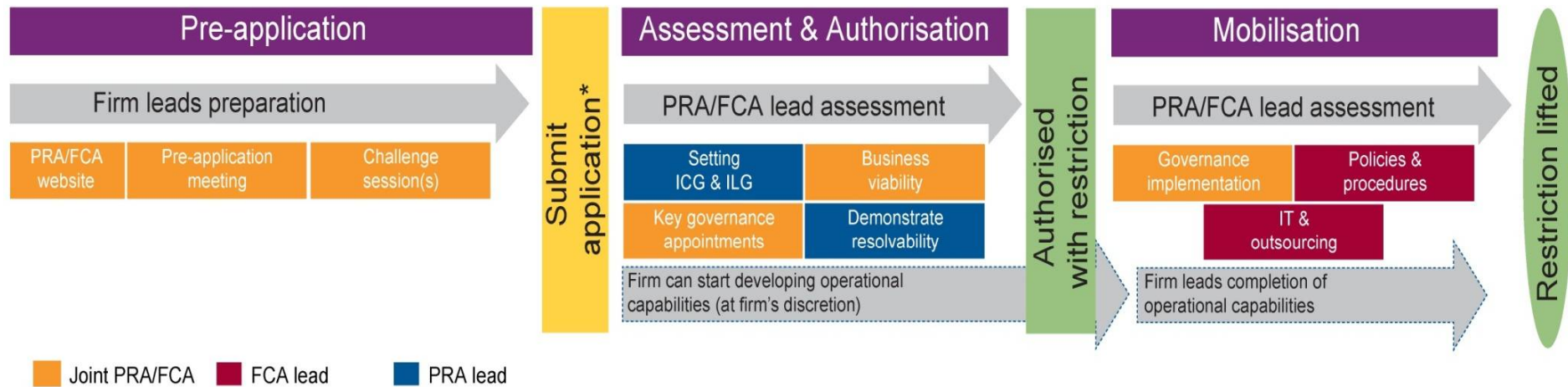
Banking Authorisation Process

Option A



* A firm targeting authorisation within six months (Option A) must submit in the application all the information required for the PRA & FCA to complete their assessments in the application review stage

Option B



* The application for the Mobilisation option only needs to include the information required for the assessment & authorisation stage, which is less than required in the application for Option A

Pre-application

Key activities	Develop business plan <ul style="list-style-type: none"> Research/input for business model, funding, etc. Attend initial meeting with PRA/FCA to understand the authorisation process and next steps Request pre-application meeting 	Prepare for pre-application meeting <ul style="list-style-type: none"> Prepare presentation of high-level business plan Prepare questions for PRA/FCA Submit required materials at least two weeks in advance of meeting 	Attend pre-application meeting with PRA and FCA <ul style="list-style-type: none"> Applicant presents business plan, asks questions and receives feedback Options for business model are discussed 	Prepare materials for challenge session <ul style="list-style-type: none"> For example: detailed business plan, ownership and governance structures, capital/liquidity strategy, key senior appointments, etc. Submit materials at least three weeks in advance of meeting 	Attend challenge session <ul style="list-style-type: none"> Present materials Present high-level mobilisation plan mobilisation (if following Option B) Ask questions and receive feedback 	Complete and submit application <ul style="list-style-type: none"> Incorporate feedback from pre-application and challenge sessions Submit complete application form and fee
Expectation from PRA/FCA	<ul style="list-style-type: none"> Applicant understands the authorisation process and next steps Applicant understands key areas business plan should cover Applicant meets key PRA/FCA contacts Applicant should understand the two options available and starts to consider which might be most suitable for them. 	<ul style="list-style-type: none"> Materials submitted cover all the necessary topics Applicant should not be seeking 'consultancy' support from the FCA/PRA 	<ul style="list-style-type: none"> Mutual agreement is reached on whether Option A or B is most appropriate for applicant Next stages of the process are outlined by PRA/FCA Applicant understands areas for further work 	<ul style="list-style-type: none"> Preparation of challenge session materials underway If following Option B, this should also include high-level mobilisation plan Feedback from pre-application meeting incorporated into challenge session materials 	<ul style="list-style-type: none"> Applicant understands what further work will be required prior to application. Business plan and capital/liquidity strategy should be in place Demonstrate that applicant has considered mobilisation plans (if following Option B) 	<ul style="list-style-type: none"> Applicant has built in feedback from challenge session Logistics in place and application (hard and soft copies) sent to PRA (who will send to FCA)
Resources available	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Application materials (application form, supplement for banks, process summary) Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Application materials (application form, supplement for banks, process summary) Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Feedback from experienced case offices, supervisors and other specialists via the pre-application meeting Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Feedback received at pre-application meeting Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Key documents will have been reviewed by PRA/FCA specialists Feedback from case offices, supervisors and other specialists via the challenge session 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Feedback from challenge and pre-application meetings Third-party/independent advisors FCA Handbook PRA Handbook

- Notes:**
- Overall timeframe for the pre-application stage is driven by firm and is dependent on the timely submission of quality materials.
 - Where a meeting is requested by the applicant, the PRA and FCA will liaise internally and respond in a timely manner with a proposal for a suitable meeting date.
 - Website materials: www.bankofengland.co.uk/prafca/Pages/authorisations/newfirm/default.aspx and www.fca.org.uk/firms/about-authorisation/dual-regulated-firms/banking-applications
 - FSA & Bank of England - Review of requirements for firms entering in to or expanding into the UK banking sector report: www.fca.org.uk/static/documents/barriers-to-entry.pdf

Option B only

Option A and B

	Assessment	Authorisation with restriction	Mobilisation	Authorisation			
Key activities	<p>Collaborate with PRA/FCA in assessment activity</p> <ul style="list-style-type: none"> Provide documents/inputs for assessment (documents required depends on whether following Option A or B) Participate in interviews, ad hoc visits, etc. 	<p>Develop detailed mobilisation plan and initiate mobilisation activities (Option B)</p> <ul style="list-style-type: none"> Primary objective to build operational capacity as defined in business plan Potential for some activities to be started prior to mobilisation 	<p>Review and confirmation that all pre-mobilisation activities have been completed</p>	<p>Submit materials as per mobilisation plan agreed with PRA and FCA</p> <ul style="list-style-type: none"> Incorporate PRA/FCA feedback Timely submission of final drafts of materials for review Participate in interviews, ad hoc visits, etc. 	<p>On-going operational capacity building</p> <ul style="list-style-type: none"> Progress per mobilisation plan. For example, complete recruitment/training as planned 	<p>Facilitate PRA/FCA review work</p> <ul style="list-style-type: none"> Facilitate PRA/FCA visits, sampling, reviews, etc. Demonstrate clear progress at T - 3 months and on target to complete mobilisation within planned time (T = end of mobilisation) 	<p>Final review by PRA/FCA and confirmation that all planned and required activities have been completed</p>
Expectation from PRA/FCA	<ul style="list-style-type: none"> Provide timely input as required to PRA/FCA assessments Applicant provides and adheres to a project plan for assessment stage Where PRA/FCA have previously reviewed and provided feedback, the materials submitted during assessment are final 	<ul style="list-style-type: none"> Final mobilisation plan reviewed as part of assessment Proactive planning and resource management Preparation for mobilisation phase 	<ul style="list-style-type: none"> Board attestation that all activities required for authorisation with restriction have been completed Threshold Conditions met for activities to be carried out during mobilisation Firm authorised with restriction 	<ul style="list-style-type: none"> Onus on firms to prepare materials to an appropriate standard Specialist PRA/FCA resource will review near-final drafts within the agreed timeframe Business plan/key individuals/financial resources remain unchanged from that agreed at assessment stage 	<ul style="list-style-type: none"> Focus of applicant's activity/resource effort is to build operational capacity as defined in business plan Minimal iterations of documents to be reviewed by PRA/FCA 	<ul style="list-style-type: none"> Timely co-ordination by applicant of meetings, on site visits, sampling, etc. Regular progress review meetings with PRA/FCA for applicant to provide updates and early warning of risk/impact of any slippages to plan 	<ul style="list-style-type: none"> Board attestation that all required activities have been completed Threshold Conditions met for regulated activities to be carried out Option A – Firm authorised Option B - VoP is submitted and restriction lifted
Resources available	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Third-party/independent advisors 		<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Third-party/independent advisors 	<ul style="list-style-type: none"> Case officer & specialist feedback PRA/FCA banking authorisations website pages Third-party/independent advisors 	<ul style="list-style-type: none"> PRA/FCA banking authorisations web pages Third-party/independent advisors 	

Notes:

- Overall timeframe for the assessment stage is dependent on the timely submission of quality materials. For Option A the assessment stage will not exceed six months providing a complete application is received.
- Overall timeframe for the mobilisation stage is driven by the firm but should not exceed 12 months unless in exceptional circumstances and agreed with PRA/FCA.
- If mobilisation activities are not completed within the planned timescales then the authorisation with restriction will be removed or cancelled.