

**Plus500UK Limited**

**(FRN 509909)**

**APPLICATION FOR A REQUIREMENT ON PART 4A PERMISSION**

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To: Anusha O'Donoghue, The Financial Conduct Authority ("the Authority")

25 The North Colonnade, Canary Wharf, London E14 5HS

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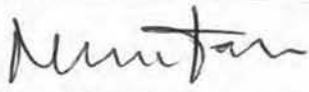

Plus500UK Limited ("Plus 500") hereby applies for the imposition of requirements on its permissions, pursuant to Section 55L(5)(a) of the Financial Services and Markets Act 2000 ("FSMA") as set out in the Schedule below.

**SCHEDULE**

1. This schedule sets out the terms of a requirement to be imposed on Plus 500 pursuant to Section 55L(5)(a) of FSMA with immediate effect.
2. Plus 500 must:
  - (i) in relation to existing clients, prohibit all account activity unless and until it has (a) advised all active clients in writing by midnight 15 May 2015 to the most recent email and/or postal address that they are required to complete a new questionnaire and, where applicable, provide additional customer due diligence documentation; and (b) advised all clients which are not active clients in writing by midnight on 26 May 2015 to the most recent email and/or postal address that they are required to complete a new questionnaire and, where applicable, provide additional customer due diligence documentation; (c) received the completed questionnaire and any additional customer due diligence that may be required to ensure compliance with procedures and the Money Laundering Regulations 2007;
  - (ii) in relation to new clients, not take on any new clients after 12.00 am on Friday, 15 May 2015 unless and until it has implemented new AML procedures which enable Plus 500 to verify those customers' due diligence information in accordance with procedures and the Money Laundering Regulations 2007;
  - (iii) in relation to new clients, not take on any new clients unless and until it has taken all necessary steps to ensure that its assessment of a client's appropriateness complies with COBS, in particular COBS 10;

- (iv) take all reasonable and necessary steps to ensure that all future financial promotions (including financial promotions made via Plus 500's website) which are issued and capable of having effect in the UK (a) are balanced, fair, clear and not misleading; and (b) comply fully with the Conduct of Business Sourcebook ("COBS").
3. For the avoidance of doubt:
- (a) "prohibit all account activity" means 'freeze accounts' to prevent any further deposits, all trading activity or withdrawals;
  - (b) "active clients" means all Plus 500 clients who have traded at least once in the last three months;
  - (c) "procedures" refers to revised procedures which include revisions made to Plus 500's AML policies and procedures following implementation of the recommendations set out in section 5 of the draft section 166 report dated 27 April 2015 (and any subsequent recommendations made by Kinetic Partners LLP and/or the FCA).
4. An exception to the requirement in paragraphs 2(i) is that Plus 500 may permit (i) existing clients with open positions but who have not completed a questionnaire and provided additional customer due diligence to close these on a business as usual basis, including adding variation margin funds if necessary prior to closure, but thereafter, all account activity, including the withdrawal of funds by the customer, must be prohibited until adequate customer due diligence information is provided by the customer and verified by Plus 500 in accordance with procedures and the Money Laundering Regulations 2007; and (ii) existing clients who have completed a questionnaire and provided any required additional customer due diligence to continue with all trading activity pending the skilled person review referred to in paragraph 5 below.
5. The existing skilled person (Kinetic Partners LLP) will review the steps taken by Plus 500 in compliance with paragraph 2(ii) above. A new skilled person will review the steps taken by Plus 500 in compliance with paragraph 2(i) above. The new skilled person will be appointed by Plus 500 under section 166 of FSMA subject to a timescale to be approved by the Authority.
6. Mr Mark Winton (Chief Executive) will attest to the Authority that Plus 500 has taken the remedial action set out in paragraphs 2(i), (ii) and (iii) above. Mr Gareth Derbyshire (Head of Compliance) will attest to the Authority that Plus 500 has taken the remedial action set out in paragraph 2(iv) above.

This requirement will remain in force until (i) the skilled persons appointed under paragraph 5 above have reviewed the remedial action taken by Plus 500 and confirmed to the Authority that Plus 500 has complied with the terms of the requirement set out at paragraphs 2(i) and (ii) above; and (ii) the attestations referred to in paragraph 6 above have been provided to the Authority.

Signed 	Signed 
Print Name MARK WINTON	Print Name YAIR LAVI
Date 15/5/2015	Date 15/5/15

Appendix 1

Plus 500 UK Limited

(FRN 509909)

APPLICATION FOR A REQUIREMENT ON PART 4A PERMISSION

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To: Charles Owens, The Financial Conduct Authority ("the Authority")

25 The North Colonnade, Canary Wharf, London E14 5HS

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Plus 500 UK Limited ("Plus 500") hereby applies for a requirement to be imposed on Plus 500, pursuant to Section 55L (5) (a) of the Financial Services and Markets Act 2000 ("FSMA") as set out in the Schedule below.

SCHEDULE

1. This schedule sets out the terms of a requirement to be imposed on Plus 500 pursuant to Section 55L (5) (a) of FSMA with immediate effect.

2. The requirement is that Plus 500 must:

- (a) prohibit all account activity of existing customers; and
- (b) not accept deposits from or open accounts for new customers

until it has obtained and verified those customers' due diligence information in accordance with the Money Laundering Regulations 2007.



3. For the avoidance of doubt:

- (a) "prohibit all account activity" means 'freeze accounts' to prevent further deposits, trading activity or withdrawals.

(b) The requirements in paragraph 2 do not apply to the accounts of customers for whom Plus500 has obtained and verified adequate customer due diligence information.

4. An exception to the requirement in paragraph 2(a) is that Plus 500 may permit customers with open positions to close these on a business as usual basis, including adding variation margin funds if necessary prior to closure, but thereafter, all account activity, including the withdrawal of funds by the customer, must be prohibited until adequate customer due diligence information is provided by the customer and verified by Plus 500 in accordance with the Money Laundering Regulations 2007.

This requirement will remain in force until Plus 500 has satisfied the Authority that it is operating in compliance with the Money Laundering Regulations 2007 and SYSC 6.1.1 and SYSC 6.3.

Signed 	Signed 
Print Name YAIR LAVI	Print Name A.L. WELSH.
Date 30/10/14	Date 30 Oct 2014.