

Variation of Permission (VoP) application form

Funeral plan providers and funeral plan intermediaries - Notes

Please read these notes carefully. They will help you fill in the application form for funeral plan providers and funeral plan intermediaries.

When completing the form, you will need to refer to the Handbook: 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/
- 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/

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/

Schedule of supporting documents

During the course of the application, firms will be required to supply additional documents. Please see a comprehensive list below:

All firms

- Regulatory business plan
- Wind-down plan
- Vulnerable customer policy
- Complaints handling policies comprising the below:
 - Complaints handling procedures
 - Complaints root cause identification procedure
 - Example Management Information (MI) for complaints root cause analysis and correction
- Compliance monitoring procedures comprising the below:
 - Compliance monitoring programme
 - Example MI to monitor ongoing compliance with FCA rules
- Financial projections comprising the below:
 - Opening balance sheet
 - Forecast closing balance sheet at the end of the first 12 months of trading post-authorisation
 - Monthly cash flow forecast for first 12 months of trading post-authorisation
 - Monthly profit and loss forecast for first 12 months of trading post-authorisation
- Latest annual accounts (if already trading)
- Up-to-date management accounts (if already trading and year-end date for most recent annual accounts is greater than 12 months)
- Companies House form (SH01) (if applicable and firm has already capitalised)
- Details of source of funding (if firm is not a limited company, sole trader or partnership)
- Details of subordinated loans (if applicable)
- Details of other external funding (if applicable)
- Detailed IT controls form (if applicable)
- Evidence of the firm's registration with the Information Commissioner's Office
- Staff organisation structure chart (if applicable)
- Controller forms
- Controller and close link structure chart (if applicable)

Sole Traders only

- Statement of personal assets and liabilities
- Statement of business assets and liabilities

Partnerships (including limited partnerships and limited liability partnerships) only

- Copy of partnership agreement deeds (if applicable)
- Copy of limited liability partnership agreement deeds (if applicable)
- Statement of personal assets and liabilities (one per partner)
- Statement of business assets and liabilities
- Members' capital agreement (if applicable)

Funeral plan providers only

- Asset adequacy review
- Copies of the firm's agreements with each of its insurance providers together with any related documents and agreements such as a service level agreement (if applicable)
- Copies of the trust deeds for each trust together with any related documents and agreements such as a service level agreement (if applicable)
- Latest Solvency Assessment Report (SAR) (if applicable):
 - This must be dated within last 12 months
 - If the firm's latest SAR was not produced within the last 12 months, it must provide one during the authorisation during the authorisation stage and its application cannot be deemed Complete until it has done so
- Terms of reference or instructions agreed with the appointed actuary for the conduct of the actuarial valuation report (if applicable)

1 Application contact details

Contact for this application

1.1 Please enter the 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 Please specify if you have received support from the Innovation Hub or the Asset Management Hub

No additional notes

Reason for Variation

1.3 We need to know why your firm is applying to change its scope of permission.

No additional notes

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Scope of permission and fees

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.

2.1 The applicant should make sure that it applies for permission to conduct the appropriate regulated activities for the business it wishes to carry on. Please consult the Perimeter Guidance Manual (PERG) before completing this section. Specific guidance concerning the regulated activities is in PERG 2.7.

The regulated activities included in the firm's scope of permission will be limited to the provision of funeral plan contracts (as defined in our Glossary and in Articles 59 and 87 of the Regulated Activities Order) and rights to or interests in funeral plan contracts to retail clients only (as defined in [COBS 3.4.1R](#)).

Funeral plan providers

As per Article 59 (2) of the Regulated Activities Order, a "funeral plan contract" is a contract under which:

- (a) a person ("the customer") makes one or more payments to another person ("the provider"); and
- (b) the provider undertakes to provide, or secure that another person provides, a funeral in the United Kingdom for the customer (or some other person who is living at the date when the contract is entered into) on his death;

As per Article 59 (2A) "provider" includes a person who has assumed the undertaking referred to in paragraph (2)(b) as a result of the novation, assignment or transfer by operation of law of an existing funeral plan contract.

Entering as provider into a funeral plan contract

This regulated activity is specified in Article 59 (1) of the Regulated Activities Order.

Carrying out a funeral plan contract as provider

This regulated activity is specified in Article 59 (1A) of the Regulated Activities Order.

Advising on investments

This regulated activity is specified in Article 53(1) of the Regulated Activities Order which in summary is: advising a person [...] if the advice is:

- (1) given to the person in their capacity as an investor or potential investor, or in his capacity as agent for an investor or a potential investor; and
- (2) advice on the merits of their doing any of the following (whether as principal or agent):
 - (a) buying, selling, subscribing for, exchanging, redeeming, holding or underwriting a particular investment which is a security, structured deposit or relevant investment (that is, any designated investment (other than a P2P agreement), funeral plan contract, pure protection contract, general insurance contract, right to or interests in a funeral plan contract or structured deposit); or
 - (b) exercising or not exercising any right conferred by such an investment to buy, sell, subscribe for, exchange or redeem such an investment,

but excluding the provision of non-personal recommendation advice where the person providing that advice is appropriately authorised (see article 53(1A) to (1D) of the Regulated Activities Order).

Funeral plan intermediaries

Making arrangements with a view to transactions in investments

This regulated activity is specified in Article 25(2) of the Regulated Activities Order, which in summary is: making arrangements with a view to a person who participates in the arrangements buying, entering into or subscribing for or underwriting investments (whether as principal or agent).

Arranging (bringing about) deals in investments

This regulated activity is specified in Article 25(1) of the Regulated Activities Order, which is in summary: making arrangements for another person (whether as principal or agent) to buy, enter into or subscribe for or underwrite a particular investment.

Dealing in investments as agent

The regulated activity is specified in article 21 of the Regulated Activities Order which is in summary: buying, selling, subscribing for or underwriting funeral plan contracts as agent.

Advising on investments

This regulated activity is specified in Article 53(1) of the Regulated Activities Order which in summary is: advising a person [...] if the advice is:

(1) given to the person in their capacity as an investor or potential investor, or in his capacity as agent for an investor or a potential investor; and

(2) advice on the merits of their doing any of the following (whether as principal or agent):

(a) buying, selling, subscribing for, exchanging, redeeming, holding or underwriting a particular investment which is a security, structured deposit or relevant investment (that is, any designated investment (other than a P2P agreement), funeral plan contract, pure protection contract, general insurance contract, right to or interests in a funeral plan contract or structured deposit); or

(b) exercising or not exercising any right conferred by such an investment to buy, sell, subscribe for, exchange or redeem such an investment,

but excluding the provision of non-personal recommendation advice where the person providing that advice is appropriately authorised (see article 53(1A) to (1D) of the Regulated Activities Order).

Funeral plan providers

2.2 How are the applicant firm's funeral plan contracts backed?

Select from the list as appropriate. The firm should select one option only.

We expect that most firms will provide funeral plan contracts backed by only one mechanism. However, if the firm provides funeral plan contracts for which payments are made to contracts of insurance and also provides funeral plan contracts for which payments are held on trust, it should select 'Both'.

Fees and levies

Firms fall into fee blocks according to their permissions. The rules on which activities fall into which fee blocks are in FEES 4 Annex 1A

<https://www.handbook.fca.org.uk/handbook/FEES/4/Annex1A.html>

The firm will be allocated to corresponding fee blocks for the Financial Ombudsman Service (FOS), unless the firm has declared itself to be exempt.

The firm will be billed on the information supplied here for the first fee year of being authorised. For firms that gain their authorisation between 1 January and 31 March, the data provided here will also be used for the following fee year.

Please make sure the data submitted in this section is as accurate as possible as a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage. We will only accept changes to the data provided here in exceptional cases, for example where the business plan has been revised before the date of authorisation.

The rules about calculating fees in a firm's first and second year of authorisation are in FEES 4.2.7 <https://www.handbook.fca.org.uk/handbook/FEES/4/2.html>

When reporting monetary fee tariff data, firms should give a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff bases. Monetary figures must be in **GBP**. If the answer is 'nil' please write 'nil' – do not leave any boxes blank.

All authorised firms pay minimum fees towards the annual regulatory costs. Larger firms will pay a variable fee in proportion to the size of its tariff data. You can estimate your regulatory fees and levies using our fee calculator at <https://www.fca.org.uk/firms/calculate-your-annual-fee/fee-calculator>

Guidance notes for calculating the tariff data are available at <https://www.fca.org.uk/firms/fees/report-fee-tariff-data>. Links to the relevant parts of the Handbook are in the notes below.

Please contact the Customer Contact Centre on 0300 500 0597 if you need further clarification for this section.

FCA fees

After authorisation, the applicant will be liable to pay periodic fees to the FCA. We'll use the figures the firm provides in this section to calculate its fee for its first year of trading following authorisation. Where possible the firm should endeavour to use true and accurate information when making its projections.

Annual eligible income represents the net amount retained by the firm in respect of funeral plan provision or funeral plan intermediation activities.

For the purposes of calculating annual income, net amount retained means all the commission, fees, etc. in respect of funeral plan provision or funeral plan intermediation activities that the *firm* has not rebated to customers or passed on to other *firms* (for example, where there is a commission chain). Items such as general

business expenses (for example, employees' salaries and overheads) must not be deducted.

2.3 Fee Block A.23 – Funeral plan intermediaries and funeral plan providers

What is the total income from regulated activities the applicant firm expects to receive for the first year of authorisation from its funeral plan contracts business?

The applicant firm must state the expected regulated income arising from undertaking the regulated activities of entering into a funeral plan contract as provider, carrying out a funeral plan contract, making arrangements with a view to transactions in investment, arranging deals in investments and/or advising on investments in relation to the investment type of Funeral Plan Contracts only.

The applicant must be sure to not include income arising from its undertaking of regulated activities in relation to investment types other than funeral plan contracts.

Declaration of ongoing FCA fees liability

2.4 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.

Money Laundering Regulations 2017

2.5 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

3 Funeral Plan Conduct of Business

Background

3.1 You must provide a regulatory business plan. This must be tailored to the applicant's business and consider the matters described in the Threshold Conditions Handbook under COND 2.7 – Business Model, otherwise it may lead to delays in the authorisation process.

We need to know about the business the applicant firm intends to carry on so we can make sure it's authorised for the correct regulated activities, investment types and client types, and to assess the adequacy of its resources.

We see the regulatory business plan as an important regulatory tool for the applicant firm and us in measuring the applicant firm's business risk and control over any regulatory concerns. You can find further information about this in: <https://www.handbook.fca.org.uk/handbook/SYSC/3/2.html> (for firms that are not common platform firms) and SYSC 4 – 10 (for common platform firms).

Bearing in mind the threshold conditions, we need to be satisfied that the applicant firm can:

- identify all regulated activities and any unregulated activities it intends to carry on
- identify all the likely business and regulatory risk factors
- explain how it will monitor and control these risks
- take into account any intended future developments

Please remember that the applicant firm's regulatory business plan is an important part of the overall application and integral to our decision-making process. It's important that the regulatory business plan is tailored to the applicant firm's activities. The amount of detail submitted should be proportionate to the nature of the business the applicant firm intends to carry on. For example, a small firm seeking to carry on a business with a risk you perceive as low should have a smaller and less complex business plan than that for a complex high-risk firm. The level of detail should also be appropriate to the risks to the applicant firm's clients.

You can find further information about our requirements and expectations for business plans at:

<https://www.handbook.fca.org.uk/handbook/COND/2/4.html>

Sales channels and revenue

3.2 Which sales channels does the applicant intend to use?

If you selected 'Other', please give details as below of the channel(s) the applicant intends to use and the approximate percentages

To assess this application fully, we need as much insight as possible into how the applicant intends to carry on business.

3.3 How will the applicant source its customers?

No additional notes

All business activities

3.4 Does the applicant, or any entity of the group of which the applicant is a member (if applicable), intend to carry on any unregulated business activities?

No additional notes

3.5 Does the applicant firm intend to generate income from any other activities?

No additional notes

3.6 Is the applicant currently taking over the business of any other firm or are there any plans for the applicant to do so?

No additional notes

3.7 Does the applicant intend to use third party lead generators?

No additional notes

3.8 How will the applicant firm be remunerated?

No additional notes

3.9 How does the firm communicate all the fees it charges to its customers?

No additional notes

3.10 How many clients does the applicant expect to have in relation to its regulated activities?

No additional notes

Products and target market

3.11 Please give an overview of all the funeral plan contracts, and/or related services the applicant intends to provide.

No additional notes

3.12 How will the applicant firm identify the target market for each funeral plan contract?

No additional notes

3.13 How will the applicant firm make sure that customers are only sold funeral plan contracts and services that are suitable for their individual needs?

No additional notes

3.14 Does the applicant firm provide advice in relation to the sale of funeral plan contracts?

If the firm does provide advice, it must make sure that it has applied for the permission to undertake the regulated activity of Advising on investments (excluding pension transfers and opt outs). Please make sure your firm has selected this regulated activity from the Permission Profile in Question 3.1.

If the firm seeks to undertake this regulated activity, it must explain how its advisors are deemed competent and qualified to do so.

3.15 What type of firm is the applicant?

Firms will be required to complete questions specific to their firm type throughout the application. The firm types are as below:

Funeral plan provider

Firms that have applied for permission to undertake the regulated activities of entering as provider into a funeral plan and/or carrying out a funeral plan contract as provider will fall under this definition and must answer the questions relevant to this business type.

Funeral plan intermediary

Firms which have applied for permission to undertake the regulated activities of making arrangements with a view to transactions in investments, arranging (bringing about) deals in investments, dealing in investments as agent and/or advising on investments and have not applied to undertake funeral plan provider activities will fall under this definition and must answer the questions relevant to this business type.

Funeral plan providers**How are the applicant firm's funeral plan contracts backed?**

Select from the list as appropriate. The firm should select one option only. We expect that most firms will provide funeral plan contracts backed by only one mechanism. However, if the firm provides funeral plan contracts for which payments are made to contracts of insurance and also provides funeral plan contracts for which payments are held on trust, it should select 'Both'.

Insurance-backed plans**3.16 Which insurer provides the underlying insurance? Which regulatory body supervises the insurer? How did the firm select the insurer?**

Please give all relevant details for the insurer e.g. insurer name, address, firm reference number (if available) or other unique identifier. Please give these details for all the insurers the firm currently has contracts of insurance with.

Please provide copies of the firm's agreements with each of its insurance providers together with any related documents and agreements such as a service level agreement

No additional notes

3.17 When was the last actuarial review conducted? Who conducted it, what was the outcome and what steps has the firm taken to address any findings raised in the actuarial review? What processes and procedures has the firm implemented to satisfy itself, on an ongoing basis, that its

insurance arrangements are sufficient to cover its funeral plan contract liabilities?

No additional notes

3.18 Please provide a detailed and comprehensive explanation of the insurance product structures the underlying insurers uses to back the firm's funeral plan contract offering?

No additional notes

Trust-backed plans

3.19 What is the name of the underlying trust or trusts for the funeral plan contracts the applicant firm provides?

No additional notes

3.20 The applicant must provide details of each of its trusts and their trustees. Please do so using this template (<https://www.fca.org.uk/sites/default/files/publications/forms/funeral-plan-trustee-details-document-template.xlsx>) and attach

No additional notes

3.21 Please give the date of formation for each trust the firm uses and any significant changes to date, for example a change of trustee, change to terms and any other matters the firm believes the regulator should be aware

No additional notes

3.22 Please provide information on any other relationships that exist between the trustee(s) and the applicant or its distribution channels

Please provide details of any relationships that exist between the trustees and the applicant

3.23 Has the trust appointed a trust actuary?

No additional notes

3.24 Has the trust appointed an authorised investment manager?

No additional notes

3.25 Has the trust appointed an auditor of the trust accounts?

No additional notes

3.26 Has the appointed actuary for each trust(s) produced a Solvency Assessment Report (SAR) within the last 12 months?

Without this document, your application cannot be deemed to be Complete.

3.27 Please attach a copy of the latest SAR obtained from the appointed actuary for each trust

You must obtain the most recent SAR for each of the trusts you use and provide a copy to us

3.28 Please attach a copy of the terms of reference and/or the instructions agreed with the appointed actuary for the conduct of the actuarial valuation report

No additional notes

3.29 What is the longest-term funeral plan contract the firm currently provides?

This refers to contracts available in the firm's current offering. Please provide information on both the firm's longest-term funeral plan contract by length of instalment plan and the longest-dated funeral its funeral plan contracts currently provide. Do not include products that the applicant no longer sells but continues to administer.

3.30 Please attach a copy of the firm's funeral plan summary document to be issued to customers prior to the conclusion of a funeral plan contract

This is a summary of a funeral plan contract in the format and containing the information in FPCOB 9 Annex 1.

3.31 Please attach a copy of the firm's nominated representative document to be to a customer's nominated representative within five business days of the date of the conclusion of the funeral plan contract

This is a document in the format and containing the information in FPCOB 9 Annex 2.

Appointed representatives

3.32 Does the applicant firm intend to appoint any appointed representative/s?

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

Financial promotions

3.33 Does the applicant firm intend to approve any financial promotions in accordance with section 21 of the Financial Services and Markets Act 2000 on behalf of unauthorised persons?

No additional notes

4 Financial Resources

4.1 All applicants must provide the following:

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

This is a balance sheet prepared as at the start of your trading as an authorised firm

A forecast closing balance sheet at the end of the first 12 months of trading as an authorised firm

This is a balance sheet showing the financial position of the applicant as it is forecasted to be after 12 months of trading

A month by month cash flow forecast for the first 12 months of trading as an authorised firm

The cashflow statement shows how a firm is paying for its operations and future growth, by detailing the 'flow' of cash into and out of the firm.

The cashflow statement is normally similar to the profit and loss statement but shows the actual financial position of a firm at any time. So if a firm starts with share value of £10,000 then this is the starting figure. Include this in your profit and loss to take it forward and for every month you will have income and expenses deducted, showing you the actual financial position of the company at any time.

A month by month profit and loss forecast for the first 12 months of 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**
- **business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and**
- **profit before taxation**

A profit and loss account shows the firm's income and expenditure for a set period. You must send us 12 forecast profit and loss accounts, one for each of the first 12 months of trading as an authorised firm.

Please attach a copy of the firm's calculation of its core capital resources requirement

No additional notes

You must attach the applicant's most recent annual accounts. If the year-end date for its most recent annual accounts is greater than 12 months, the firm must also submit up-to-date management accounts.

It must submit its most recent annual accounts as submitted to Companies House. If the year-end date for its most recent annual accounts is greater than 12 months, the firm must also submit up-to-date management accounts.

Is the applicant part of a group?

If the applicant is part of a group, it must attach the most recent consolidated group accounts.

Is the applicant currently trading in the activities applied for?

No additional notes.

Subordinated loans**4.2 Does the applicant firm have any subordinated loans?**

You will only be asked this question if your legal status is Public Limited Company, Private Limited Company or Limited Liability Partnership and you were asked about subordinate loans at the start of this Financial Resources Section.

A subordinated loan is a loan that ranks below other unsubordinated debt in the queue for repayment should the applicant firm be wound up.

Other funding**4.3 Does the firm have other external funding?**

Examples of external finance would include a bank overdraft or a business loan.

Core capital Resource Requirement**4.4 What type of firm is the applicant?**

No additional notes

4.5 What is the applicant firm's resource requirement?

Where a firm has a Part 4A permission to carry on one or more regulated funeral plan provider activities, its core capital requirement is the higher of:

- (a) £20,000
- (b) 2.5% of the firm's annual income; or
- (c) The sum of:
 - 1) the number of undrawn funeral plan contracts backed by trust arrangements, multiplied by the median amount due to be paid from the trust fund(s) to the firm when the funeral is required, multiplied by 0.5%; and
 - 2) the number of undrawn funeral plan contracts backed by a whole of life insurance policy that have yet to be redeemed against a funeral, multiplied by the median death benefit payable under each funeral plan contract valued at the most recent accounting reference date, multiplied by 0.5%

Where a funeral plan provider also has Part 4A permission to carry on other regulated activities, the capital resources requirement is the higher of:

- (1) the core capital resources requirement; and
- (2) a capital resources requirement (however described) applied to the firm by any other rule or requirement

4.6 Has a review been conducted within the last 12 months of the adequacy of assets available to ensure that customers receive, when needed, the benefits and services they have purchased?

Without this document, your application cannot be deemed to be Complete.

4.7 What is the applicant firm's resource requirement?

Where a firm has a Part 4A permission to carry on one or more funeral plan intermediary activity and does not also carry on a regulated funeral plan provider activity, its core capital resources requirement is the higher of:

- (a) £10,000; or
- (b) 2.5% of the firm's annual income

4.8 You must confirm that the firm will meet and continue to meet its capital resource requirement on an ongoing basis and have projections available to prove so.

No additional notes

5 Systems and controls

IT systems

5.1 Will the applicant firm be using only commercial off-the-shelf computer products / packages e.g. Word, Sage accounting software?

An off-the-shelf package is a simple 'one size fits all' package rather than a system that is tailor made specifically for the business.

Business transaction reporting

We appreciate that different types of firms will have different transactions and ways of recording those transactions, so please be as clear as possible in your explanation. An example of business transaction reporting could be the systems the applicant firm has in place, or will have in place, for recording a client's individual transaction details on their file e.g. keeping know your customer details up to date.

Accounting system

Examples of off-the-shelf accounting packages are SAGE, Quickbooks pro.

Other IT systems, e.g. Word, Excel

No additional notes.

If no, you must provide a brief description of your proposed bespoke systems (this must include details of your IT systems, business transaction recording system and accounting system). You must also attach a copy of the detailed IT controls form. The form can be accessed using the following link:

<https://www.fca.org.uk/publication/forms/detailed-it-controls-form.xlsm>

No additional notes

IT Self assessment

5.2 Is the nature of the applicant's business such that it requires its IT systems in order to conduct regulated business?

No additional notes

5.3 Will there be financial consumer detriment if the IT system the applicant is relying on becomes unavailable?

No additional notes

5.4 Will the applicant's customers be able to transact business over the internet or through some other remote electronic medium?

No additional notes

Data protection

Firms are required to comply with data protection regulations.

- 5.5 You must confirm that the applicant firm has effective documented processes and procedures in place to make sure it complies with all relevant data protections regulations applicable to the firm**

No additional notes

- 5.6 You must confirm that the applicant firm has in place systems and controls to make sure that it acquires and processes customer data in accordance with all relevant data protection regulations applicable to the firm**

No additional notes

- 5.7 You must confirm that the applicant firm has in place systems and controls to make sure that it will regularly monitor and review its compliance with data protection regulations and take action to address findings**

No additional notes

- 5.8 Please provide the applicant firm's Information Commissioner's Office (ICO) registration number**

No additional notes

- 5.9 You must attach a screenshot of the firm's ICO registration details as displayed on the ICO register**

No additional notes

6 Compliance arrangements

Compliance procedures

You are not required to send compliance procedures with this application. However, the applicant firm must be able to produce a copy at any time while we are assessing the application, or in the future.

6.1 You must confirm that the applicant has documented compliance procedures in place.

When assessing this application, we need to be satisfied the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations, both when we authorise it and on an ongoing basis.

You should not send the compliance procedures to us when submitting this application. However, they must be ready for inspection at any time. They will also need to be in place so that you can prepare the Compliance Monitoring Programme.

Set out below are the areas for which we would expect you to have adequate compliance procedures, depending on the activities that you propose to carry out:

- (a) the scope of the applicant firm's business
- (b) complaints handling
- (c) financial crime
- (d) skills, knowledge and expertise
- (e) business continuity
- (f) communication with clients
- (g) record keeping
- (h) notifications to the FCA
- (j) reporting requirements
- (k) compliance with conduct business rules in FPCOBS
- (l) sales of products and services
- (m) conflicts of interest
- (n) reliance on others
- (o) exclusion of liability
- (p) protecting customers' interests

As well as the subjects above, your compliance manual may need to cover the subjects below depending on your type of business.

- (a) charges and commission
- (b) claims handling
- (d) general provisions related to distance marketing
- (e) financial promotions
- (i) Systems and controls in relation to financial crime and money laundering

There may be **other** compliance procedures and policies, which the applicant firm will need to include in its compliance manual depending on the type of business it intends to carry on. If you are unsure whether you need to include anything else, please take professional advice.

Remember that this manual should be designed so it is specifically tailored to the business, and is easy to use as well as easy to amend and to keep up-to-date. If you are in any doubt about what you need to put into the compliance manual you should seek professional advice.

Common platform firms should, in particular, consider carefully the obligations in SYSC 6.1

(<https://www.handbook.fca.org.uk/handbook/SYSC/6/1/.html>).

Compliance monitoring programme

6.2 Please attach a copy of your compliance monitoring programme document

This will need to be included as part of your application.

The compliance monitoring programme must be relevant to, and tailored to reflect, the applicant firm's proposed business. Each applicant firm's compliance monitoring programme will therefore be unique to itself.

A compliance monitoring programme must describe the actions that the holder of the compliance oversight function and their staff will take to make sure that the applicant firm complies with our rules and guidance at all times.

In particular, it must describe:

- 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 us,
- who will carry out the checks – this is the role of the person who will make the checks, such as the Compliance Officer, Training and Competence Officer or Money Laundering Reporting Officer, and
- what records of the checks will be kept to confirm they have taken place

7

Threshold Conditions

We 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 later point.

Locations of Offices

7.1 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

No additional notes.

Effective Supervision

7.2 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.

7.3 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.

7.4 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

Prudential Category

7.5 What is your current prudential category?

No additional notes.

7.6 Will the firm's prudential category change as a result of this application?

No additional notes.

7.7 What will be the firm's new capital resources requirement?

No additional notes.

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

No additional notes.

Suitability

Business Model

- 7.9 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.

- 7.10 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

- 7.11 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

- 7.11 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.

8 Supporting documents

8.1 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.

8.2 Please provide any details on supporting documents if necessary.

No additional notes

Other information

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

No additional notes

9 Paying the application fee

No additional notes

10 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.