**Application for Authorisation

Supplement for firms selling investments and non-investment insurance contracts**

**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 firmWe 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 (eg Initial Disclosure Document, Terms of business, Insurance Product information document (IPID)) 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

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

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

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

Services

**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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|       |

 [ ]  simplified advice; or

 [ ]  basic advice.

For non-investment insurance business the categories are:

[ ]  Single insurer

[ ]  Limited number of insurers

[ ]  Fair analysis of the market

All business activities

 **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 Question 1.8

**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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Insurance distribution business

**1.8 Please provide a brief outline of the firm’s CPD (implementation) plans for relevant staff involved in insurance distribution. This should include:**

* the number of hours of CPD
* the types of CPD
* how it is recorded.

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**1.9 For non-investment insurance business, what types of general insurance products does the applicant firm intend to advise on or arrange (select all that apply)?**

[ ]  Pure protection policies⏵Continue to Section 2

[ ]  Payment protection contracts (PPI)⏵Continue to Question 1.9.1

[ ]  Other general insurance contracts⏵Continue to Section 2

**1.9.1 Please describe below how the applicant firm will ensure that a PPI policy meets a client’s demands and needs. This should include the following points:**

* the applicant firm’s procedures, suitability assessments (if advised sales) and scripts (if information is provided to clients orally);
* how the applicant firm will ensure that the procedures, assessments and scripts comply with conduct of business requirements and the fair treatment of customers; and
* the controls the applicant firm will put in place to ensure staff adhere to the procedures, assessments and scripts.

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**1.9.2 What steps will the applicant firm take to ensure eligibility is assessed for all its PPI sales?**

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| 2 | Scope of Permission requiredIf 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• any requirementsIt 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 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

For non-investment insurance contracts business the client categories are:

[ ] [ ] [ ]  retail (non-investment insurance)

[ ]  commercial customer

If you have not selected at least one type of client for each business you should check that you are completing the correct supplement.

Additional activities and investment types

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

**2.2 You must confirm that the applicant firm requires the following regulated activities and investment type for its non-investment insurance contracts business.**

[ ]  Yes

|  |  |
| --- | --- |
| **INVESTMENT TYPE** | **REGULATED ACTIVITY** |
|  | Advising (excluding pension transfers/opt-outs) | Arranging (bringing about deals) in investments | Making arrangements in investments |
| Non-investment insurance contract | **✓** | **✓** | **✓** |

If the applicant firm intends to do any of the following activities and/or investment types, please tick the relevant box (see Questions 2.3-2.8 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;
* assisting in the administration and performance of a non-investment insurance contracts;
* dealing as agent in non-investment insurance contracts.

**2.3 Advising on pension transfers/opt-outs (see page 7 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 (eg 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.

**2.4 Advising on Peer to Peer agreements**

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

**2.5 Funeral plan contracts (see page 8 in the notes to this supplement).**

[ ] [ ]  Table B – Funeral plan contracts.

**2.6 Providing basic advice on stakeholder products (see page 9 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.

**2.7 Assisting in the administration and performance of non-investment insurance contracts (see page 10 in the notes to this supplement).**

[ ] [ ]  Table D – Assisting in the administration and performance of non-investment insurance contracts

**2.8 Dealing as agent in non-investment insurance contracts (see page 11 in the notes to this supplement).**

[ ] [ ]  Table E – Dealing as agent in non-investment insurance contracts

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| 3 | Financial ResourcesWe 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⏵Continue to Question 3.2

[ ]  Yes, for investment business only⏵Continue to Question 3.2

[ ] [ ]  Yes, for non-investment insurance contracts business only⏵Continue to Question 3.1.1

[ ] [ ]  Yes, for both non-investment insurance contracts business and investment business⏵Continue to Question 3.1.1

 **3.1.1 You must tick the appropriate box to confirm how the applicant firm intends to deal with the segregation of client money or assets for its non-investment insurance contracts business:**

[ ] [ ]  Statutory trust

[ ] [ ]  Non-statutory trust

[ ]  Risk transfer

[ ] [ ]  Mix of risk transfer and statutory trust

[ ] [ ]  Mix of risk transfer and non-statutory trust

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\***

|  |  |
| --- | --- |
| 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.

|  |  |
| --- | --- |
| 4 | PersonnelWe must be satisfied that the applicant firm has staff with adequate knowledge, skills and experience at all levels to ensure it meets and will continue to meet threshold condition 4 (appropriate resources) and threshold condition 5 (suitability). |

Non-investment insurance contracts business

**4.1 You must give the name of the individual who will be responsible for insurance distribution activities.**

Responsibility for insurance distribution activities is not a senior management function, but the applicant firm must specify a person to be responsible for it. This responsibility must be allocated to director or senior manager.

|  | **Name of individual** |
| --- | --- |
|  |  |  |
| Individual to be responsible for insurance distribution activity |       |
|  |  |  |

|  |  |
| --- | --- |
| 5 | ShareholdersWe are required to request the identities of shareholders or members, whether natural or legal persons, that have a holding in the intermediary that exceeds 10% and the amounts of those holdings. |

**5.1 You must provide the following information for any individual(s) who have a shareholding in the intermediary (shares and voting rights) exceeding 10%.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Date of Birth** | **National Insurance Number** | **Address** | **Shareholding (10% - 19.99%)** |
|       |       |       |       |       |
|       |       |       |       |       |
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**5.2 You must provide the following information for any firm(s) who have a shareholding in the intermediary (shares and voting rights) exceeding 10%.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Address** | **Incorporation details** | **Is the firm regulated?** | **Shareholding (10% - 19.99%)** |
|       |       |       | [ ] [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No[ ]  |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |
|       |       |       | [ ]  Yes[ ] [ ]  No |       |

 5.3 Is the applicant completing the Owners and Influencers Appendix?

[ ] [ ]  Yes⏵End of supplement

[ ] [ ]  No⏵Does the applicant firm have close links?

[ ] [ ]  No⏵End of supplement

[ ] [ ]  Yes⏵Continue to Question 5.4

 5.4 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).

[ ]  [ ] Structure chart provided on separate sheet

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

[ ] [ ]  No

[ ]  [ ]  Yes⏵Give details below

|  |
| --- |
|       |