



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application for Authorisation

Checklist and declaration – insurers

Full name of applicant firm

This checklist and declaration form includes:

- details about the application fee;
- a checklist of documents you need to send us with this application;
- documents that you need to make available for us to inspect; and
- the declaration.

The Notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

Contents of this form

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1

Application fee

You must send a cheque for the appropriate application fee in full with this application pack, otherwise the application will not be processed.

How much is my application fee?

1.1 The application fee for Insurers is £25,000.

You must pay the full application fee by cheque. **It is not refundable** (even if the applicant firm decides to withdraw its application).

How to pay

- 1 Make the cheque payable to the Financial Conduct Authority. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for authorisation' on the back of the cheque.
- 4 Send the cheque with the application pack to PRA Authorisations, Central Supervisory Support, Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA.

2

Documents for this application

You must confirm which sections of the form you have attached. You will also need documents to support this application. You must send some of these with this application; the applicant firm needs to make other documents available for inspection upon request.

The information we need for this application

2.1 This 'application for authorisation' pack consists of the following documents; please tick below to confirm the forms you have completed and enclosed.

Application documents**Compulsory documents**

Core details Attached

Insurers supplement Attached

This checklist and declaration Completed

A cheque for the application fee in full (see section 1 of this form) Attached

Other application documents

Please select the appendices (if any) you have completed and attached below:

Disclosure of significant events appendix Attached

Owners and influencers appendix Attached

Controllers appendices – Standard Notification Number enclosed

Controllers appendices – Corporate Number enclosed

Controllers appendices – Partnership Number enclosed

Controllers appendices – Trust Number enclosed

Controllers appendices – Individual Number enclosed

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

2.2 List of supporting documents

Compulsory supporting documents

Core Pack

| Question | Supporting documents | |
|----------|--------------------------------------|-----------------------------------|
| 3.1 | Staff organisational structure chart | <input type="checkbox"/> Attached |

Supplement (we have provided question numbers in brackets where possible)

| Section | Supporting documents | |
|---------|--|--|
| 1 | Regulatory business plan | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 1 | Complex IT Systems form | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | Financial Projections for 3 or 5 years on three bases; real, optimistic and pessimistic | <input type="checkbox"/> Attached |
| 3 | An Individual Capital Assessment (ICA) | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | A statement detailing the technical bases in which the actuarial function holder proposes to employ for each class of business when calculating reserves. | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | A projection of the present value of future profits of new business by product line for each year's new business | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | A statement of the applicant firm's intended risk appetite expressed in terms of the margins it intends to hold over the Pillar 1 and Pillar 2 requirements. | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | A certificate provided by the actuarial function holder | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | Description of the types of assets used for the capital resources requirement | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | A description of the applicant firms proposed investment strategy | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | Credit rating report | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 3 | GCR & GCRR Calculations | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |

| | | | |
|---|--|-----------------|----------------------|
| 4 | Form A - Application to perform controlled functions including senior management functions and a Statement of Responsibilities | Number enclosed | <input type="text"/> |
|---|--|-----------------|----------------------|

Other supporting documents to be provided depending on the answers to the applicable questions

Other supporting documents

- | | |
|--|---|
| Companies House form SH01 (limited companies only) | <input type="checkbox"/> Attached |
| | <input type="checkbox"/> Not applicable |
| | <input type="checkbox"/> Share capital to be issued subject to in principle authorisation |
-

Owners and Influencers appendix

| Question | Other supporting documents | |
|----------|--|--|
| 1.1 | Structure chart | <input type="checkbox"/> Attached |
| 2.2 | | <input type="checkbox"/> Not applicable |
| 3.2 | | |
| 1.2 | A Copy of the latest accounts of any controller that is a body corporate, partnership or trust | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |

Disclosure of significant events appendix

| Section | Other supporting documents | |
|---------|---|--|
| 1.17 | Most recent annual or management accounts | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |

Compulsory self-certified supporting documents

By signing the form you will certify that these documents have been prepared to an appropriate standard and can be made available for immediate inspection by us.

Please note that we carry out checks to ensure applicant firms are complying with our requirements.

If these documents are not available immediately, it may take longer to assess your application.

2.3 List of self-certified documents

Please tick to confirm that the document is created and available for inspection. If the document does not apply to the applicant firm, please tick 'Not applicable'.

Core Pack

| Question | Self certified documents | |
|----------|---|---|
| 4.3 | Full business continuity procedures (BCP) | <input type="checkbox"/> Created and ready to be inspected <input type="checkbox"/> Not applicable |

Business Supplement

| Question | Self certified documents | |
|----------|----------------------------------|---|
| 5 (5.1) | Documented compliance procedures | <input type="checkbox"/> Created and available for inspection |
| 5 (5.2) | Compliance monitoring programme | <input type="checkbox"/> Created and available for inspection |

Other documents

2.4 Please list any other documents you have provided.

| |
|--|
| |
| |
| |

2.5 Please provide any comments on supporting documents if necessary.

| |
|--|
| |
|--|

Other information

2.6 If there is anything else you would like to tell us about this application please give details below.

| |
|--|
| |
|--|

3 Declaration

Declaration

It is a criminal offence to – knowingly or recklessly – give us information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify us immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant firm's suitability to be authorised.

- D1** I am authorised to make this application for authorisation on behalf of the applicant firm named on the front of this form.
- D2** I attach the documents listed in 2.2 – List of supporting documents – and I have taken all reasonable steps to ensure they are correct.
- D3** I confirm that the documents listed in 2.3 – List of self-certified documents – have been prepared to an appropriate standard and are available for immediate inspection by the PRA and FCA
- D4** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.
- D5** I authorise the PRA and FCA to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.
- D6** I understand that the PRA and FCA may require the applicant firm to provide further information or documents at any time after I have sent this application and before the applicant firm has been authorised.

Who must sign the declaration?

This declaration must be signed by two directors of the applicant firm.

| Signature one | | Signature two |
|---------------|----------|---------------|
| Name | | |
| Position | | |
| Signature | | |
| Date | dd/mm/yy | dd/mm/yy |



Application for authorisation

Application form for banks

Full name of applicant firm

Before completing the application form for banks, you should review the banking authorisations information on the New Bank Start-up Unit's website at www.bankofengland.co.uk/pru/nbsu/Pages/default.aspx.

The notes that accompany this form will help you to answer our questions and include relevant links to documents and help pages. The notes are on the PRA and FCA websites.

Purpose of this form

We will only authorise a firm if we are satisfied that it meets conditions known as the PRA Threshold Conditions and the FCA Threshold Conditions. The information in this pack is needed to help us to assess whether the applicant firm satisfies the threshold conditions.

There are two application process options for a firm to become a bank – Option A - Authorisation and Option B - Authorisation with Restriction and Mobilisation. These options, together with the pre-application stage that applies in all cases, are more fully described on the New Bank Start-up Unit's website. **Please refer to the section below for the contents of this form and details of what must be submitted for each application option.**

You must answer every question on this form, and attach the documents, that apply to the application option. If a question does not apply then answer 'Not applicable'.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to carry out our statutory functions under FSMA and other relevant legislation and may be disclosed to third parties for that purpose.

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question the applicant firm's suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398 of FSMA regardless of the status of the application.

Terms in this application pack

In this application pack we use the following terms:

- 'you' refers to the persons signing the form on behalf of the applicant firm;
- 'applicant firm' or 'firm' refers to the firm applying for authorisation;
- 'PRA', 'FCA' 'we', 'us' or 'our' refers to the Prudential Regulation Authority and/or the Financial Conduct Authority; and
- 'FSMA' refers to the Financial Services and Markets Act 2000.

Authorisation options and application requirements

Authorisations options covered by this form:

Option A Authorisation – where an applicant firm is able to deliver a complete application with **all** supporting materials demonstrating that they will be ready, willing and able to start their business activities from authorisation.

Option B Authorisation with Restriction and Mobilisation process – where an applicant firm submits a shorter focused application with a view to obtaining authorisation with a business restriction. This restriction will be lifted once the firm has completed mobilisation.

Important note: Statutory deadlines for assessing an application are the same for both Option A and Option B authorisation processes. These are:

- 6 months for a ‘complete’ application – where all the required information and supporting material has been provided in the application to enable the PRA and FCA to make a decision on the application.
- 12 months if the application is incomplete.

Indicate which authorisation option the applicant firm is applying under:

Option A

Option B

Application Requirements:

| Form section | Page | Option A | Option B |
|---|------|--------------------|---|
| 1. Core details | 3 | All at application | At application |
| 2. Business plan | 11 | | At application |
| 3. Scope of Permission | 13 | | At application |
| 4. Financial resources, Recovery and Resolution | 22 | | At application |
| 5. Human resources | 24 | | At application for functions that will be in place during Mobilisation. (Updated during Mobilisation) |
| 6. Compliance, Internal Audit & Policies | 26 | | During Mobilisation |
| 7. Infrastructure | 28 | | During Mobilisation or at start of IT build, if earlier |
| 8. Regulatory reporting | 30 | | At application |
| 9. Fees & levies | 31 | | At application |
| 10. Fee, checklist and declaration | 37 | | At application |

1

Core details**Why we ask the questions in this section**

We need to know this information to contact you during our assessment, to enable efficient processing of your application and so that we can update the Financial Services Register, the public record of authorised firms.

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

This must be someone who works for the applicant firm and not a professional adviser.

| | |
|-----------------------------------|--|
| Title | |
| First names | |
| Surname | |
| Job title | |
| Business address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Mobile number (optional) | |
| Fax number (including STD code) | |
| Email address | |

Details of professional advisers**1.2 Have you used a professional adviser to help with this application?**

- No ▶ Continue to Question 1.5
 Yes ▶ You must fill in the rest of this section

1.3 Name of professional adviser's firm

| |
|--|
| |
|--|

1.4 Name and contact details of professional adviser

| | |
|-----------------------------------|--|
| Title | |
| First names | |
| Surname | |
| Business address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Fax number (including STD code) | |
| Mobile number (optional) | |
| Email address | |

Information for the Financial Services Register**1.5 Principal place of business of applicant firm**

| | |
|-------------------------------------|--|
| Principal place of business address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Fax number (including STD code) | |
| Email address | |

1.6 Is the applicant firm an incorporated company?

- No ▶ Continue to Question 1.7
- Yes ▶ Is the registered office address the same as the principal place of business?
- Yes ▶ Continue to Question 1.7
- No ▶ Give details below

| | |
|-----------------------------------|--|
| Registered office address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Fax number (including STD code) | |
| Email address | |

1.7 Does the applicant firm have a head office?

- No ▶ Continue to Question 1.8
- Yes, it is the same as address given in Question 1.5
- Yes, it is the same as address given in Question 1.6
- Yes, it is different from the address in Question 1.5 and 1.6, give details below

| | |
|-----------------------------------|--|
| Head office address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Fax number (including STD code) | |
| Email address | |

1.8 Does the applicant firm have a website address?

- No ▶ Continue to Question 1.9
- Yes ▶ Give address below
- Being developed ▶ Give address (if known) and launch date below

| |
|--|
| |
|--|

1.9 Complaints contact person's details for the Financial Services Register

This individual must perform a controlled function for the applicant firm.

Tick if same as 1.1

| | |
|-----------------------------------|--|
| Title | |
| First names | |
| Surname | |
| Job title | |
| Business address | |
| Postcode | |
| Country | |
| Phone number (including STD code) | |
| Fax number (including STD code) | |
| Email address | |

About the legal status of the applicant firm

1.10 What type of firm is the applicant firm?

- Private limited company
 Partnership (other than limited partnership or limited liability partnership)
 Limited liability partnership
 Public limited company
 Limited partnership
 UK branch of a non-EEA firm
 Other ▶ You must detail below the legal status of the applicant firm

| |
|--|
| |
|--|

1.11 Date of incorporation or formation (dd/mm/yyyy)

| | | | | | | | | | |
|--|--|---|--|--|---|--|--|--|--|
| | | / | | | / | | | | |
|--|--|---|--|--|---|--|--|--|--|

1.12 Where was the applicant firm incorporated or formed?

- England/Wales
 Scotland
 Northern Ireland
 Outside the UK ▶ Give details below

| |
|--|
| |
|--|

and Expressions) Regulations 2009, we will consider the proposed name as part of the authorisation process. We will contact you if you meet the criteria.

1.19 Does the applicant firm intend to change the registered name given on the front of this form at authorisation?

- No ▶ Continue to Question 1.20
 Yes ▶ Give details below

| | |
|------|--|
| Name | |
|------|--|

1.20 Does the applicant firm intend to use any trading names as well as the name given on the front of this form?

- No ▶ Continue to Question 1.21
 Yes ▶ Give details below

| | |
|------|--|
| Name | |
|------|--|

History of applicant firm

1.21 Has the applicant firm ever been refused – or had revoked – any licence, membership, authorisation, registration or other permission granted by a financial services regulator or government body in the UK or overseas?

- No
 Yes

1.22 Has the applicant firm ever, after making an application to a regulatory body for:

- a licence
 - authorisation
 - registration
 - notification
 - membership, or
 - other permission granted by a regulatory body
- decided not to proceed with it?**

- No
 Yes

1.23 If the answer to Questions 1.21 or 1.22 is yes, please give a full explanation of the events in question below.

Make sure this includes:

- the question number the event refers to
- the date of the event
- any amounts involved
- the outcome, and
- an explanation of the circumstances.

| |
|--|
| |
|--|

1.24 You must complete the Disclosure of Significant Events appendix if applicable.

- Attached

Who controls (owns) the applicant firm?

This section helps us understand who controls/owns the applicant firm i.e. its controllers and the relationships and close links the applicant firm has with other individuals or entities. Often there will be some overlap between the applicant firm's controllers and close links. For example, an individual who owns or controls 10% or more of the voting rights or capital of the applicant firm is both a controller and a close link of that firm.

1.25 Controllers, Close Links and Consolidated Supervision

You must provide a structure chart of the applicant firm's ownership and its close links. Where the applicant firm will be part of a group, please provide a structure chart clearly showing where the applicant firm will sit in the group structure and which entities and/or individuals will directly or indirectly own it.

The structure chart should contain the following information:

- i. Full name of entity or individual controller (including if an entity, its legal status)
- ii. Country of incorporation (for entities other than individuals) or country of origin (for individuals)
- iii. Percentage of the shares or voting rights held in the applicant firm or in its parent entity
- iv. Nature of the relationship between the applicant firm and each close link (for example investor, founder, etc. and the influence they will have on the applicant firm – for example, exert significant influence or vote jointly)
- v. Provide details of any information to suggest that a controller or a close link may prevent our effective supervision of the applicant firm
- vi. Where the applicant firm or its parent is owned by a large number of minority shareholders or members, please list the 20 largest shareholders or members
- vii. Where the applicant firm is part of a group, include all subsidiaries in the group (including dormant subsidiaries). Please indicate any subsidiaries or parent entities which are regulated, the name of the regulator and the nature of the business of each regulated entity in the group. Please complete and attach the 'Classification of groups' form (see GENPRU 3 Annex 3 Guidance Notes for Classification of Groups) if the controller of any firm in the group (as defined in paragraph 5 of schedule 3 of FSMA) is one of the following:
 - o an EEA investment firm, an EEA credit institution,
 - o an EEA insurance undertaking, or
 - o an EEA management company or the parent of any such firm.
- viii. Where the applicant firm is a member of a third-country banking and investment group or financial conglomerate, please provide details of any previously notified equivalence assessments (see GENPRU 3.2.3)/other methods (see GENPRU 3.2.4) under the Financial Groups Directive by any EEA regulator (you must include details of the EEA regulator and date of notification). Please also include details of any group supervision on a consolidated basis by any non-EEA regulator. Include the name of the consolidating supervisor and a brief description of how the consolidating supervisor undertakes group supervision.

Where it is not practical to include all this information on the chart, please provide the details on a separate sheet

- Group structure chart attached
 Classification of groups form attached

If you have used separate sheets of paper please indicate how many below.

| | |
|-----------------------------|--|
| Number of additional sheets | |
|-----------------------------|--|

1.26 Controller Forms

Applicant firms must submit with this application the appropriate Controller Forms for each of its controllers. Please also provide a copy of the latest financial statements for each controller if applicable (typically the accounts for the most recent reporting period). These forms can be found by following the link below:

<http://www.fca.org.uk/firms/about-authorisation/getting-authorised/additional-forms>

- Controller application forms and where applicable, financial statements attached
 Not applicable – no controllers

Money Laundering Regulations 2007

1.27 Will the applicant firm be acting as a Money Service Business or Trust or Company Service Provider?

- No ▶ Continue to Section 2
- Yes

1.28 What activities will the applicant firm be conducting?

- Bureau de change
- Money Remitter
- Cheque Cashier
- Trust or Company Service Provider

2

Business plan

Why we ask the questions in this section

We need to know about the business that the applicant firm intends to carry on so we can assess (i) the scope of the permission it will need, and (ii) the adequacy of its resources and its suitability to carry on that business.

You must submit a business plan

Your business plan must include all the areas below. The level of detail you provide should allow a clear understanding of the proposals whilst reflecting the scale and complexity of the applicant's proposed business.

If any of the information you provide is unclear, we will ask you about it.

Business plan attached

2.1 Ownership of the firm

2.1.1 Where applicable, summarise the business of the applicant firm's controllers and related group entities as shown on the group structure chart.

2.1.2 Provide details of the source of the funds that will be injected into the applicant firm to support its proposed business activities.

2.2 Business strategy

2.2.1 Explain the applicant firm's overall strategy including strategic goal and why the applicant firm has been established and has decided to carry on the business for which it is seeking authorisation.

2.3 Business model

2.3.1 Description of proposed business, including:

- 2.3.1.1 Geographical scope of operations and future expansion plans
- 2.3.1.2 Target markets and customer segmentation
- 2.3.1.3 Clients – include types, regulatory classification, sources, client base size
- 2.3.1.4 Products and services
- 2.3.1.5 Delivery channels – branches, internet, postal, agencies, subsidiaries
- 2.3.1.6 Pricing
- 2.3.1.7 Promotion and marketing – initial and future
- 2.3.1.8 Funding profile and diversification
- 2.3.1.9 Details of any planned Trading Book activity

2.3.2 Describe how the proposed business aligns to the Scope of Permission applied for.

2.3.3 Explain the competitive advantage and any unique selling proposition of the business proposals.

2.3.4 Provide details of the market research and competitor analysis undertaken and its outcome.

2.3.5 Give details of whether the applicant firm intends, after authorisation, to submit an application to carry on any regulated activities in another European Economic Area (EEA) state under the Capital Requirements Directive (CRD) by:

- providing cross-border services, and/or
- establishing a branch

2.4 Business model viability

2.4.1 Financial projections (five years). Attached**2.4.2 Explain in detail the initial and long-term viability of the business model.****2.4.3 Provide stress scenarios to show what will be the effect of the key assumptions underpinning the business model and its viability not turning out as planned.****2.5 Financial resources**

High-level summary of financial resources.

2.6 Non-financial resources**2.6.1 Description of human resources (including expected changes over the period of the business plan). Please include an organogram.** Organogram attached**2.6.2 Overview of intended IT systems including details of operating systems, databases and applications that will support the core business processes.****2.6.3 Overview of any outsourced functions to third parties.**

This relates to outsourcing of business functions as well as IT activities. Please include details on external and intra-group outsourcing of both business functions and support to the applicant firm's IT operations. Please detail what will be outsourced and to whom. Please note that IT outsourcing would include using a third-party service provider for data centre operations or utilising a cloud service solution for email.

2.7 Governance arrangements, management structure, responsibilities and controls**2.7.1 Board structure**

Provide a structure chart of the proposed Board. For groups, include whether any Board members are employed by a group entity other than the applicant firm. For firms with overseas links, include whether any Board member is based overseas.

 Board structure chart attached**2.7.2 Provide a proposed committee and management structure chart (with reporting lines) and describe how these arrangements will operate in practice, including the experience of the management team in relation to the planned business.** Committee structure chart attached Management structure and reporting lines chart attached**2.7.3 Explain how the 'four eyes' arrangements will be applied.****2.7.4 Give an overview of the intended structure, resources and reporting lines for:**

2.7.4.1 Compliance

2.7.4.2 Internal Audit

2.8 Implementation plan

Provide the applicant firm's implementation plan through to the point when the bank is fully operational.

 Attached

3

Scope of Permission required**Why we ask the questions in this section**

If we grant authorisation to the applicant firm, we will give it a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on
- for each of those regulated activities, the permitted investment types and the client types
- any limitations that apply to any of those regulated activities
- any requirements on the applicant firm

It is the applicant firm's responsibility to ensure that it applies for the Scope of Permission that will cover all the regulated activities it intends to carry on.

The applicant firm's requested Scope of Permission must correspond with the description of its proposed business in its business plan.

3.1 Accepting deposits**3.1.1 Regulated activity and investment type**

You must confirm that the applicant firm is applying for permission to carry on the regulated activity of 'accepting deposits' in relation to the investment type of 'deposit'.

Yes

3.1.2 Client types

You must indicate the types of clients that the firm will accept deposits from:

Retail

Wholesale

3.1.3 Wholesale only limitation

Is the applicant firm applying for the 'wholesale business only' limitation to the regulated activity of accepting deposits?

Yes

No

3.2 Dealing in investments as principal**3.2.1 Is the applicant firm applying for permission to carry on the regulated activity of dealing in investments as principal?**

Yes, for own treasury business ▶ Continue to Question 3.2.2

Yes, in relation to clients ▶ Continue to Question 3.3

No ▶ Continue to Question 3.3

3.2.2 Investment types for own treasury business

For own treasury business, as long as article 15 of the Regulated Activities Order (RAO) is fulfilled, permission is not required for the regulated activity of dealing in investments as principal in relation to 'securities' as defined in article 3 of the RAO.

If appropriate, you must tick the types of contractually-based investments for which the applicant firm is applying for permission to deal as principal.

- Option (excluding a commodity option)
- Commodity option and option on commodity future
- Future (excluding a commodity future)
- Commodity future
- Contract for differences
- Spread bet
- Rolling spot forex
- Rights to or interests in investments (contractually-based investment)

3.2.3 Client types

You must tick the client type(s) for which the applicant firm is proposing to deal in investments as principal:

- Eligible counterparty
- Professional

3.2.4 Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation is attached to the regulated activity of 'dealing in investments as principal' limiting 'investment activity in investments' (security and/or contractually based, as appropriate) to the other investment types granted for this regulated activity.

You must confirm that the applicant firm requests this standard limitation:

- Yes

3.2.5 Standard limitation – dealing in investments as principal ancillary to accepting deposits

The following standard limitation is attached to the regulated activity of dealing in investments as principal ancillary to a firm's main business of accepting deposits:

'The firm, in carrying out this regulated activity, is limited to entering into transactions in a manner which, if the firm was an unauthorised person, would come within article 16 of the RAO'.

You must confirm that the applicant firm requests this standard limitation:

- Yes

3.3 Other investment business regulated activities**3.3.1 Is the applicant firm applying for permission to carry on investment business regulated activities for clients, in addition to its proposed main business of accepting deposits from clients?**

- Yes ▶ Continue to Question 3.3.2
- No ▶ Continue to Question 3.4

3.3.2 Investment Business Permission Profile Table

If the applicant firm intends, in addition to its proposed main business of accepting deposits, to carry on investment business regulated activities for clients, you must apply for permission for those regulated activities. You must do this by completing the following Investment Business Permission Profile Table.

For each investment business regulated activity the applicant firm is applying for permission to carry on, you must tick the respective investment types and client types for which it is seeking to carry on that regulated activity.

The completed table must correspond with the description of the applicant firm's proposed investment business set out in its business plan.

INVESTMENT BUSINESS PERMISSION PROFILE TABLE

| INVESTMENT TYPE | REGULATED ACTIVITY | | | | | | | | |
|--|--|---|--|---------------------------------|-------------------------------------|--------------------------|---|---|-------------------------------------|
| | Advising on investments (excluding pension transfers/opt-outs) | Arranging (bringing about) deals in investments | Making arrangements with a view to transactions in investments | Dealing in investments as agent | Dealing in investments as principal | Managing investments | Safeguarding and administration of assets | Arranging safeguarding and administration of assets | Sending dematerialised instructions |
| SECURITY | | | | | | | | | |
| Share | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Debenture | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Government and public security | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Warrant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Certificates representing certain security | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Unit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rights to or interests in investments (security) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Alternative debenture | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| CONTRACTUALLY-BASED INVESTMENT | | | | | | | | | |
| Option (excluding a commodity option) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commodity option and option on commodity future | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Future (excluding a commodity future) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commodity future | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Contract for differences | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Spread bet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rolling spot forex | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rights to or interests in investments (contractually-based investment) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| CLIENT TYPE | | | | | | | | | |
| Retail (investment) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Professional | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Eligible counterparty | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.3.3 Standard limitation – investment activity in rights to or interests in investments

A standard limitation is attached to each investment business regulated activity that a firm is authorised to carry on. This limits 'investment activity in rights to or interests in investments' to the other investment types granted for this regulated activity.

You must confirm that the applicant firm requests this standard limitation to each regulated activity for which it is applying for permission in its completed Investment Business Permission Profile Table.

Yes

3.4 Home finance business**3.4.1 Is the applicant firm applying for permission to carry on regulated activities in home finance business?**

Yes ▶ Continue to Question 3.4.2

No ▶ Continue to Question 3.5

3.4.2 Home Finance Business Permission Profile Table.

If the applicant firm, in addition to its proposed main business of accepting deposits, is also proposing to carry on home finance business regulated activities, you must apply for permission for those regulated activities. You must do this by completing the following Home Finance Business Permission Profile Table.

You must also tick the investment type(s) for each home finance business regulated activity the applicant firm is applying for permission to carry on. The customer type for all of these regulated activities is 'Customer'.

The completed table must correspond with the description of the applicant firm's proposed home finance business set out in its business plan.

HOME FINANCE BUSINESS PERMISSION PROFILE TABLE

| INVESTMENT TYPE | REGULATED ACTIVITY | | | | |
|--|--------------------------|--------------------------|--------------------------|----------------------------|------------------------------------|
| | Entering into | Administering | Advising on | Arranging (bringing about) | Making arrangements with a view to |
| Regulated mortgage contract | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Home reversion plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Home purchase plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Regulated sale and rent back agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | |
| <u>CLIENT TYPE</u> | Customer | Customer | Customer | Customer | Customer |

3.5 General insurance business

3.5.1 Is the applicant firm applying for permission to carry on regulated activities in general insurance contracts?

- Yes ▶ Continue to Question 3.5.2
 No ▶ Continue to Question 3.6

3.5.2 General Insurance Business Permission Profile Table

If the applicant firm, in addition to its proposed main business of accepting deposits, is also proposing to carry on general insurance business regulated activities, you must apply for permission for those regulated activities. You must do this by completing the following General Insurance Business Permission Profile Table.

You must also tick the customer type(s) for each general insurance business regulated activity the applicant firm is applying for permission to carry on.

The completed table must correspond with the description of the applicant firm's proposed general insurance business set out in its business plan.

GENERAL INSURANCE BUSINESS PERMISSION PROFILE TABLE

| | REGULATED ACTIVITY | | | | |
|-----------------------------------|--|---|--|-----------------------------------|--|
| | Advising on investments (excluding pension transfers/opt-outs) | Arranging (bringing about) deals in investments | Making arrangements with a view to transactions in investments | Dealing in investments as agent | Assisting in the administration and performance of a contract of insurance |
| <u>INVESTMENT TYPE</u> | Non-investment insurance contract | Non-investment insurance contract | Non-investment insurance contract | Non-investment insurance contract | Non-investment insurance contract |
| <u>CUSTOMER TYPE</u> | | | | | |
| Retail (non-investment insurance) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.6 Consumer Credit

3.6.1 Is the applicant firm applying for permission to carry on regulated consumer credit activities?

- Yes ▶ Continue to Question 3.6.2
 No ▶ Continue to Question 3.7

3.6.2 Consumer credit permissions

- | | |
|--|----------------------------|
| <input type="checkbox"/> Credit Broking | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Operating an electronic system in relation to lending | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Debt Adjusting | ▶ Complete Question 3.6.4 |
| <input type="checkbox"/> Debt Counselling | ▶ Complete Question 3.6.7 |
| <input type="checkbox"/> Debt Collecting | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Debt Administration | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Entering into a regulated credit agreement as lender (excluding high-cost short-term credit, bill of sale loan agreement and home credit loan agreement) | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale loan agreement and home credit loan agreement) | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a regulated home credit loan agreement as lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated home credit loan agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into high-cost short-term credit as a lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short-term credit | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a bill of sale loan agreement as a lender | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a bill of sale loan agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Entering into a regulated consumer hire agreement as owner | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Exercising or having the right to exercise the lender's rights and duties under a regulated consumer hire agreement | ▶ Complete Question 3.6.3 |
| <input type="checkbox"/> Providing credit information services | ▶ Complete Question 3.6.12 |
| <input type="checkbox"/> Providing credit references | ▶ Complete Question 3.6.12 |

Limitations

If the applicant ticks “Yes”, the applicant is applying for the permission to be limited as follows. This permission is limited to activities in relation to existing regulated credit agreements or variations supplements or replacements of such agreements.

3.6.3 Will the applicant be limited to debt purchase activities?

This permission is limited to activities in relation to existing regulated credit agreements or variations supplements or replacements of such agreements

Yes ▶ Complete Q 3.6.12

3.6.4 Will the applicant be limited to debt adjusting with no debt management plans?

Limited to debt adjusting excluding the conclusion or administration of debt management plans. In this limitation “debt management plan” is defined as: “a non-statutory agreement between a customer and one or more of the customer’s lenders, the aim of which is to discharge or liquidate the customer’s debts by making regular payments to a third party which administers the plan and distributes the money to the lenders”.

Yes ▶ Complete Q 3.6.12

3.6.5 Will the applicant be limited to debt adjusting for settlements in relation to vehicle finance?

This permission is limited to debt adjusting which is provided in connection with the whole or partial settlement of credit agreements for vehicle finance.

Yes ▶ Complete Q 3.6.12

3.6.6 Will the applicant be limited to debt adjusting for settlements in relation to the sale of goods?

This permission is limited to debt adjusting which is provided in connection with the whole or partial settlement of credit agreements in relation to the sale of goods.

Yes ▶ Complete Q 3.6.12

3.6.7 Will the applicant be limited to debt counselling with no debt management plans?

This permission is limited to debt counselling excluding giving advice about debt management plans. In this limitation ‘debt management plans’ is defined as: ‘a non-statutory agreement between a customer and one or more of the customer’s lenders the aim of which is to discharge or liquidate the customer’s debts, by making regular payments to a third party which administers the plan and distributes the money to the lenders’.

Yes ▶ Complete Q 3.6.12

3.6.8 Will the applicant be limited to debt counselling in relation to the settlement of vehicle finance?

This permission is limited to debt counselling which is provided in connection with the whole or partial settlement of credit agreements for vehicle finance.

Yes ▶ Complete Q 3.6.12

3.6.9 Will the applicant be limited to debt counselling in relation to settlements for the sales of goods?

This permission is limited to debt counselling which is provided in connection with the whole or partial settlement of credit agreements in relation to the sale of goods.

Yes ▶ Complete Q 3.6.12

3.6.10 Will the applicant be carrying out debt management services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16).

Yes ▶ Complete Q 3.6.12

3.6.11 Will the applicant be carrying out credit repair services?

Note: Debt management and credit repair firms require a suitable person (a competent director or senior manager) to be approved for the Compliance oversight function (SMF16).

Yes ▶ Complete Q 3.6.12

Requirements

3.6.12 Will the firm be canvassing any regulated borrower-lender-supplier agreements or regulated consumer hire agreements it supplies, or for which it carries out broking activities, off trade premises?

Yes

No ▶ If 'no' the following requirement must be included in the applicant's scope of permission:

Not permitted to canvass off trade premises

The firm is not permitted to canvass regulated borrower-lender-supplier agreements or regulated consumer hire agreements off trade premises.

3.7 Other regulated activities

Is the applicant firm applying for permission to carry on any other regulated activities?

Yes ▶ You must list them with the corresponding investment and client types below

No ▶ Continue to Question 3.8

3.8 Agreeing to carry on a regulated activity

You must confirm that the applicant firm is applying for permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity'.

- Yes
 Not applicable – refer to the Notes

3.9 Other limitations/requirements

A limitation may come about because either you request one or the PRA or FCA decide to impose one. If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on the applicant firm, you must give details here.

| |
|--|
| |
|--|

3.10 Client money/safe custody assets**3.10.1 Is the applicant firm seeking permission to hold client money in relation to investment business?**

- Yes ▶ You must complete amounts in Question 3.10.4
 No

3.10.2 Is the applicant firm seeking permission to control client money in relation to investment business?

- Yes
 No

3.10.3 Will the applicant firm be holding safe custody assets?

- Yes ▶ You must complete amounts in Question 3.10.4
 No

3.10.4 If yes to 3.10.1 or 3.10.3, please state the highest projected amounts for calendar years from authorisation:

| | Remainder of calendar year from authorisation £000s | Next full calendar year £000s |
|---|---|-------------------------------------|
| Projected highest total amount of client money | | |
| Projected highest total value of safe custody assets | | |

3.10.5 Is the applicant firm seeking permission to hold and/or control client money in relation to home finance activities or insurance distribution business?

| | Hold client monies | Control client monies |
|--------------------------------------|--------------------------|--------------------------|
| Home finance activities | <input type="checkbox"/> | <input type="checkbox"/> |
| Insurance distribution activities | <input type="checkbox"/> | <input type="checkbox"/> |

4 Financial resources, Recovery and Resolution

Why we ask the questions in this section

All authorised firms must satisfy the applicable prudential requirements. We need evidence that the applicant firm will satisfy these requirements and have adequate financial resources at the date of authorisation and on an ongoing basis.

4.1 Capital

4.1.1 You must attach an Individual Capital Adequacy Assessment Process (ICAAP) document.

Attached

4.1.2 You must demonstrate that the applicant firm's capital resources will be sufficient to meet its capital resources requirement both at authorisation and through a severe but plausible stress over five years.

Analysis of capital resources requirement attached

4.1.3 You must provide a copy of the Risk Management Framework, explaining the applicant firm's high-level strategy for identifying and managing risks to its business. Indicate in each case whether the level of risk is perceived as high, medium or low, and outline the strategy for managing that risk.

Risk Management Framework attached

4.1.4 You must attach the following policies to support the ICAAP:

4.1.4.1 Credit/ Lending policy

4.1.4.2 Concentration risk policy

4.1.4.3 Provisioning policy

Attached

4.2 Liquidity

4.2.1 Is the applicant firm applying for any Liquidity Modifications?

No ▶ Continue to Question 4.2.2

Yes ▶ You must select which ones from the list below

Intra-group

Whole firm

Have you completed the Modification application?

Yes ▶ Attached

No ▶ Not applicable

To follow ▶ Give date below

/ /

4.2.2 You must attach an Individual Liquidity Adequacy Assessment (ILAA) unless the applicant firm is applying for a Whole Firm Modification.

Attached

Not applicable

4.2.3 You must demonstrate that the applicant firm's liquidity resources will be adequate to meet its individual liquidity requirements.

Analysis of adequacy of liquid resources requirement attached

4.2.4 You must attach the following policies in support of the ILAA:

4.2.4.1 Liquidity Risk Management Policy

- 4.2.4.2 Funding Concentration/ Diversification Policy
- 4.2.4.3 Collateral Management Policy
- 4.2.4.4 Intra-day Policy
- 4.2.4.5 Trading Book Policy (if applicable)

4.2.5 You must attach Liquidity Reports: forward-looking Liquidity Metric Monitors based on the Balance Sheet at the point of authorisation and the following five projected Balance Sheets at the accounting reference dates following authorisation. These should match with the financial projections in the business plan.

- Yes ▶ Attached
- No ▶ Not applicable

4.3 Other related policies

4.3.1 You must attach the Financial Risk Management Policy

The Financial Risk Management Policy should set out the applicant's asset and liability management and how it will manage and mitigate market risks relevant to its model.

- Attached

4.4 Recovery and Resolution

4.4.1 You must attach a Recovery and Resolution Plan. It must include the following:

- 4.4.1.1 Governance and overview of preparation of the applicant's recovery and resolution plan.
- 4.4.1.2 An explanation of how early warning signs and triggers are integrated within the applicant bank's risk management framework.
- 4.4.1.3 A plan of how the firm is going to implement Single Customer View (if applicable) and consideration of its ability to produce its Single Customer View file.
- 4.4.1.4 Recovery options, their feasibility and estimated impact on the applicant firm's viability (including capital, liquidity, profitability and franchise).
- 4.4.1.5 Service Level Agreements between the applicant firm and any group entities providing services to the applicant (if applicable), or any other outsourcing provider (e.g. provider of a deposit-taking platform) or market infrastructure provider (e.g. clearing counterparties), if applicable.

- Attached

4.5 Annual statutory accounts

You must attach a copy of the last annual statutory accounts for the applicant firm and relevant firms (e.g. group holding company).

- Attached
- Not applicable ▶ New entity

4.6 Bank of England Forms BT and ELS

You must complete and attach a Bank of England Forms BT and ELS based on the projected position 12 months after authorisation.

- Attached

5

Human resources

Why we ask the questions in this section

The applicant firm must demonstrate that it has fit and proper staff with adequate knowledge, skills and experience at all levels so that it satisfies and will continue to satisfy PRA and FCA threshold conditions.

Senior management functions

- 5.1 List the names of the persons who will perform senior management functions. A person may perform more than one senior management function. Where the person for the role has not yet been recruited, please indicate this in the box.**

The applicant firm will not necessarily need to have all these senior management functions.

You must use a separate sheet of paper if necessary.

If you have used separate sheets of paper, you must indicate how many below.

| | |
|-----------------------------|----------------------|
| Number of additional sheets | <input type="text"/> |
|-----------------------------|----------------------|

You should also indicate the country where the person will primarily be based if this is other than the UK.

| Senior management function | Name of individual |
|----------------------------|--------------------|
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |
| SMF | |

5.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 5.1.

| | |
|--|--|
| How many 'Form As' are being sent with this application? | |
|--|--|

5.3 Assessment of the Board

You must provide details of:

- 5.4.1 the applicant firm's assessment of what skills and experience are required collectively by the Board for the business model proposed
- 5.4.2 the gaps identified in the proposed Board against the collective skills and experience assessment
- 5.4.3 the plans to resolve the gaps identified
- 5.4.4 the recruitment process, including such areas as compliance with diversity and equality legislation.

Attached

5.4 Independent non-executive directors

You must provide the applicant firm's assessment of the skills and experience required collectively as a team by the independent non-executive directors to enable them to provide effective challenge to the executive directors. Give details of any gaps identified in the proposed non-executive team together with the plan to fill the gaps.

Attached

5.5 Individuals assessment of competence and capability to perform the role

You must provide this assessment, in relation to the role, for each individual for whom the applicant firm is applying for approval to perform a senior management function.

Attached

5.6 Board (including non-executive) and executive committees, terms of reference and membership

Attached

6

Compliance, Internal Audit and Policies

Why we ask the questions in this section

The applicant firm must demonstrate that it has the appropriate compliance arrangements in place to satisfy its regulatory obligations, and appropriate internal audit arrangements to adequately assess its risk management, systems and controls on an ongoing basis. The applicant firm's policies must be appropriate to its proposed business.

6.1 Compliance arrangements

6.1.1 You must attach the applicant firm's compliance structure and resources.

Attached

6.1.2 You must confirm that the applicant firm has in place a comprehensive compliance procedures manual.

You must include the following:

6.1.2.1 Regulatory regime, applicable Handbooks sourcebooks and compliance oversight

6.1.2.2 Compliance with relevant sourcebooks, for example BCOBS, COBS, MCOB

6.1.2.3 Whistle-blowing

6.1.2.4 Personal account trading

6.1.2.5 Conflicts of interest policy

6.1.2.6 Complaints handling

6.1.2.7 Market abuse policies

You must be ready to provide on request any part of the compliance manual.

Yes, a comprehensive compliance manual is in place

6.1.3 You must attach the applicant firm's compliance monitoring programme for 12 months from authorisation.

Attached

6.2 Training and competence regime

You must attach the applicant firm's Training and Competence regime or arrangements.

Attached

6.3 Internal Audit arrangements

6.3.1 You must attach the applicant firm's Internal Audit (including technology audit) structure and resources.

Attached

6.3.2 You must attach the applicant firm's Internal Audit methodology.

Attached

6.3.3 You must attach the applicant firm's Internal Audit plan for 12 months from authorisation.

Attached

6.4 Policies and procedures

6.4.1 You must attach the following policies:

6.4.1.1 Product governance policy and procedures

6.4.1.2 Responsible lending policy (if applicable)

6.4.1.3 Arrears and repossessions management (if applicable)

Attached

6.4.2 You must attach the applicant firm's Financial Crime policies, including anti-money laundering and anti-fraud, and an overview of the key procedures that they have put in place to counter the risk that it might be used by others to further financial crime. This includes any offence involving: fraud or dishonesty; misconduct in, or misuse of information relating to, financial markets; handling the proceeds of crime; and bribery and corruption offences.

You must include the following as a minimum:

- 6.4.2.1 Steps that the applicant firm will take to prevent it from being used to further fraud.
- 6.4.2.2 Steps that the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their role effectively, with regard to 'know your business' information.
- 6.4.2.3 Anti-money laundering training the applicant firm will provide for its staff.
- 6.4.2.4 Steps that the applicant firm will take to assess its exposure to the risk of being used for money laundering and terrorist financing
- 6.4.2.5 'Know your customer' procedures, including additional due diligence to be undertaken in relation to high risk customers/sources of funds.
- 6.4.2.6 Procedures for monitoring transactions and reporting details of suspicious transactions.
- 6.4.2.7 How the applicant firm will ensure that it complies with anti-terrorist financing requirements.

Attached

6.4.3 You must attach the applicant firm's Treating Customers Fairly (TCF) policy and related management information.

Principle 6 of the Principles for Business states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' Firms must have in place policies and procedures to deliver the six consumer outcomes and demonstrate that it treats its customers fairly. You must include the following:

- 6.4.3.1 What treating customers fairly means to the applicant firm and its customers.
- 6.4.3.2 How the fair treatment of customers has been incorporated into the applicant firm's values and business plan.
- 6.4.3.3 What controls the applicant firm has put in place to ensure it treats its customers fairly.
- 6.4.3.4 How the applicant firm develops the competence and knowledge of its staff.
- 6.4.3.5 How the Board and Senior Management assess compliance with Principle 6 and fulfil their TCF responsibilities.

Attached

6.4.4 You must attach the applicant firm's Business Continuity Plan and policy.

Attached

7 Infrastructure

Why we ask the questions in this section

The applicant firm must have infrastructure appropriate to the scale and complexity of its proposed business. Firms may outsource activities but remain responsible for the operation of proper systems and controls over the activities, and for regulatory compliance. We expect the business of accepting deposits to be heavily dependent upon IT systems, and the risks to the applicant firm's proposed business and customers from any compromise, failure and error of its IT systems will therefore be significant.

7.1 Outsourcing excluding IT outsourcing

7.1.1 You must attach details of proposed external and intra-group outsourcing to support the applicant firm's operations.

You must include the following details:

- 7.1.1.1 Outsource supplier (identifying any link to the applicant firm)
- 7.1.1.2 Supplier location
- 7.1.1.3 Rationale for the outsourcing
- 7.1.1.4 Supplier due diligence and selection process
- 7.1.1.5 Contingency plans in the event the outsourced service provider cannot provide continuity of service.

- Attached
- Not applicable

7.1.2 You must attach details of oversight responsibilities and arrangements, systems and controls for each outsourced function necessary to the applicant firm's management and operations.

- Attached
- Not applicable

7.1.3 You must attach copies of service level agreements and arrangements for each outsourcing material to the applicant firm's management and operations.

- Attached
- Not applicable

7.2 IT systems including IT outsourcing arrangements

7.2.1 You must confirm whether the core IT systems that the applicant firm will use in its business will be:

- New to the applicant firm or group
- Existing systems already in use in the applicant firm or group, not requiring material amendment
- Partly existing systems and partly new systems or materially amended systems

7.2.2 Will the applicant firm's IT systems applications automatically interface with customers/counterparties?

- Yes
- No

7.2.3 You must attach a Complex IT form.

- Attached

No ▶ exceptional circumstances (refer to Notes) agreed with the PRA Supervisor and the FCA Permissions Department.
You must explain why in the box below.

8 Regulatory reporting

Why we ask the questions in this section

The applicant firm must have infrastructure and processes to accurately meet its obligations for regulatory reporting appropriate to its proposed business to enable the regulators to appropriately supervise the firm.

8.1 Regulatory returns – Gathering Better Regulatory Information Electronically (GABRIEL)

All regulated firms have to supply regular regulatory returns. GABRIEL is the mandatory reporting tool that you must use when completing and submitting the majority of these regulatory returns. To complete your returns you must have access to a personal computer with an internet connection.

8.1.1 You must confirm that the applicant firm has the ability to complete its regulatory returns via GABRIEL.

Yes

8.1.2 Do you agree to submit to us, at regular and stated intervals, financial information that can be used to help supervise and assess the firm on an ongoing basis as specified in the Handbook?

Yes

8.1.3 Do you agree to submit this information using GABRIEL in a timely manner?

Yes

8.2 FINREP Reporting

8.2.1 Will you be required to report FINREP?

Yes

No

9 Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual fees for the PRA and the FCA once they are authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (the Ombudsman Service) and the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

FEES 4 Annex 1A of the FCA Handbook has detailed notes on the fee blocks and tariff bases. Please refer to the notes that accompany this form before answering the questions in this section.

Regulatory fees

9.1 Fee block A.1 – Deposit acceptors

What is the applicant firm's projected average monthly Modified Eligible Liabilities for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.2 Fee block A.2 – Home finance providers and administrators

How many new mortgages, home purchase plans, home reversion plans and regulated sale and rent back agreements does the applicant firm estimate it will enter into in the first year of authorisation?

| | |
|-------------------------|--|
| Number | |
| Confirm number in words | |

- 9.3 How many mortgages contracts, home purchase plans, home reversion plans and regulated sale and rent back agreements does the applicant firm estimate it will administer, by the end of its first year of authorisation? Please multiply this number by 0.05 for home finance outsourcing firms, and 0.5 for all other firms.**

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.4 Fee block A.7 – Portfolio managers**

How much total funds under management does the applicant firm estimate it will have at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.5 Fee block A.9 – Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes**

How much total gross income does the applicant firm estimate it will receive from the activities relating to fee block A.9 for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.6 Fee block A.10 – Firm dealing as principal**

How many traders does the firm estimate it will have at the end of its first year of authorisation??

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.7 Fee Block A.13 – Advisers, arrangers, dealers or brokers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activities for fee-block A.13 i.e. advisers, arrangers, dealers or brokers?

Please exclude income arising from corporate finance business.

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.8 Fee Block A.14– Corporate finance advisers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to corporate finance business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.9 Fee block A.18 – Home finance providers, advisers and arrangers**

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business (including home reversion, home purchase and regulated sale and rent back activities)?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.10 Fee block A.19 – General insurance mediation

How much annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.11 Fee block A.21 – Firms holding client money or assets, or both

What is the highest value of client money and/or safe custody assets the applicant firm expects to hold during the first year of authorisation?

Client money

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

Safe custody assets

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.12 Fee block CC.02 – Credit-related regulated activities

How much annual income does the applicant firm estimate for the first year of authorisation in relation to credit related regulated activities? Annual income for credit related regulated activities is defined in FEES 4 Annex 11B R.

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

The Money Advice Service Levy

The data provided under the Regulatory Fees section above will be used to calculate most of the MAS fees with the exception of the debt advice levies.

9.13 Fee block MA01 – Debt advice levy – Depositors**Unsecured debt**

What is the GBP value of the outstanding loans to individuals in the UK that the applicant firm estimates for the end of the first year of authorisation, excluding bridging loans and loans secured on dwellings and land? This includes all:

- credit card lending
- 'charge card' lending, even if the outstanding balance has to be paid off in full at the end of each charging period: and other loans and advances to individuals that are not bridging loans or secured on dwellings or land

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.14 Fee block MA02 – Debt advice levy – Home finance providers and administrators**Secured debt**

What is the GBP value of all regulated and non-regulated residential loans to individuals – the sum of gross unsecuritised and securitised balances – that the applicant firm estimates for the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

The Ombudsman Service General Levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with **consumers**. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the Regulatory fees. The Handbooks Glossary defines 'Relevant Business' as business done **with consumers only**. If the applicant firm does not conduct any business with eligible complainants it may apply for Ombudsman Service exemption (see Question 9.31).

9.15 The ombudsman service's industry block I001 – Deposit acceptors, home finance providers and administrators

How many relevant accounts does the applicant firm estimate it will have at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.16 The ombudsman service's industry block I005 – Portfolio managers

How much relevant funds under management does the applicant firm estimate for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.17 The ombudsman service's industry block I006 – Managers and depositaries of investment funds, and operators of collective investment schemes or pension schemes

How much relevant gross income does the applicant firm estimate for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.18 The ombudsman service's industry block I007 – Dealers as principal

How many relevant traders does the firm estimate it will have at the end of its first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.19 The ombudsman service's industry block I008/I009 – Advisers, arrangers, dealers or brokers

How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to advisers, arrangers, dealers or brokers? Please exclude income from corporate finance business.

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.20 The ombudsman service's industry block I010 – Corporate finance advisers**
How much annual income does the applicant firm estimate for the first year of authorisation in relation to its corporate finance business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.21 The ombudsman service's industry block I016 – Home finance providers, advisers and arrangers**
How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.22 The ombudsman service's industry block I017 – General insurance mediation**
How much relevant annual income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (including pure protection) business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

Financial Services Compensation Scheme Levy

The FSCS levy only covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be lower than that reported under the Regulatory fees. If the applicant firm does not conduct any business that could give rise to a protected claim from an eligible claimant, it may apply for FSCS exemption (see Question 9.28).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

- 9.23 Class SA01 – Deposit**
How much covered deposits does the applicant firm estimate it will have, at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

- 9.24 Class SJ01 – Dormant Account Scheme**
How much covered deposits held in the Dormant Account Scheme does the applicant firm estimate it will have, at the end of the first year of authorisation? Please multiply this figure by 0.2.

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.25 Class SB02 – General insurance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its non-investment insurance contracts (excluding pure protection) business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.26 Class SC02 – Life and pensions mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its life and pensions mediation (including pure protection) business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.27 Class SD01 – Investment provision

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment provision business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.28 Class SD02 – Investment mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to investment mediation business?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

9.29 Class SE02 – Home finance mediation

How much annual eligible income does the applicant firm estimate for the first year of authorisation in relation to its home finance mediation business? (Home finance providers should refer to the notes in fee block A.18)

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

Declaration of ongoing FCA fees liability

- 9.30** 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.

Yes

Declaration of Financial Ombudsman Service exemption

Please note that if the applicant firm will carry on business with retail clients then exemption is unlikely to be available. This is because retail clients are likely to qualify as eligible complainants.

9.31 The Ombudsman Service exemption – if the applicant firm will not carry on business with eligible complainants and does not foresee doing so in the immediate future, please tick the box below.

Applicant firm is Ombudsman Service exempt

10

Fee, checklist & declaration

This checklist and declaration form includes:

- details about the application fee and how to submit the application
- a checklist of documents you need to send us with this application
- the declaration

10.1 Application fee

You must send a cheque for the appropriate application fee in full with this application pack, otherwise the application will not be processed.

You must tick below to confirm that you have paid the appropriate application fee.

£25,000 Complex application for new firms

£12,500 Regulated firms applying for Variation of Permission to add 'accepting deposits'

You must pay the full application fee by cheque. It is not refundable (even if the applicant firm decides to withdraw its application).

How to pay and how to submit the application

- 1 Make the cheque payable to the **Financial Conduct Authority**. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for authorisation' on the back of the cheque.
- 4 Send the cheque with the application pack that should consist of **two** manual copies and two electronic copies (on CD) of the forms and supporting documents to PRA Authorisations, Central Supervisory Support, Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA.

Please note that firms applying for a Variation of Permission to add 'accepting deposits' must make their application through the ONA system and include details that they have manually submitted (as detailed in point 4 above) the relevant material detailed in this application form.

10.2 Documents for this application

You must confirm the documents you have sent in this application.

10.2.1 This 'application for authorisation' pack consists of the following documents. Please tick below to confirm the forms you have completed and enclosed.

Application documents

Compulsory documents

Application form for Banks Attached

A cheque for the application fee in full (see section 10.1 of this form) Attached

Other application documents

Please select the appendices (if any) you have completed and attached below:

| | | |
|--------------------------------------|-----------------|----------------------|
| Controllers appendices – Corporate | Number enclosed | <input type="text"/> |
| Controllers appendices – Partnership | Number enclosed | <input type="text"/> |
| Controllers appendices – Individual | Number enclosed | <input type="text"/> |
| Controllers appendices – Trust | Number enclosed | <input type="text"/> |
| Add an Appointed Representative form | Number enclosed | <input type="text"/> |
| Liquidity modification application | Number enclosed | <input type="text"/> |

Supporting documents you are sending with this application

You must tick below the documents you are sending with this application.

10.2.2 List of supporting documents

| Question | Supporting documents | |
|----------|--|--|
| 1.13 | Copy of Partnership or Limited Liability Partnership agreement deeds | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 1.24 | Disclosure of significant events appendix | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 1.25 | Group Structure Chart | <input type="checkbox"/> Attached |
| 1.25 | Classification of groups form | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 1.26 | Controller Forms | <input type="checkbox"/> Attached |
| 1.26 | A copy of the latest accounts of any controller that is a body corporate, partnership or trust | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 2 | Business plan | <input type="checkbox"/> Attached |
| 2.4 | Financial projections | <input type="checkbox"/> Attached |

| | | |
|-----|--|---|
| 2.6 | Organogram | <input type="checkbox"/> Attached |
| 2.7 | Board structure chart | <input type="checkbox"/> Attached |
| 2.7 | Committee structure chart | <input type="checkbox"/> Attached |
| 2.7 | Management structure and reporting lines chart | <input type="checkbox"/> Attached |
| 2.8 | Implementation plan | <input type="checkbox"/> Attached |
| 4.1 | Individual Capital Adequacy Assessment Process (ICAAP) | <input type="checkbox"/> Attached |
| 4.1 | Analysis of capital resources requirement attached | <input type="checkbox"/> Attached |
| 4.1 | Risk Management Framework | <input type="checkbox"/> Attached |
| 4.1 | Credit/Lending Policy | <input type="checkbox"/> Attached |
| 4.1 | Concentration Risk Policy | <input type="checkbox"/> Attached |
| 4.1 | Provisioning Policy | <input type="checkbox"/> Attached |
| 4.2 | Liquidity Modification application | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 4.2 | Individual Liquidity Adequacy Assessment (ILAA) | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 4.2 | Analysis of adequacy of liquid resources requirement attached | <input type="checkbox"/> Attached |
| 4.2 | Liquidity reports | <input type="checkbox"/> Attached |
| 4.2 | Liquidity Risk Management Policy | <input type="checkbox"/> Attached |
| 4.2 | Funding Concentration/Diversification Policy | <input type="checkbox"/> Attached |
| 4.2 | Collateral Management Policy | <input type="checkbox"/> Attached |
| 4.2 | Intra-day Policy | <input type="checkbox"/> Attached |
| 4.2 | Trading book policy | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 4.3 | Financial Risk Management Policy | <input type="checkbox"/> Attached |
| 4.4 | Recovery and Resolution Plan | <input type="checkbox"/> Attached |
| 4.5 | Last annual statutory accounts | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable |
| 4.6 | Bank of England forms BT and ELS | <input type="checkbox"/> Attached |
| 5.3 | Form A – Application to perform controlled functions including senior management functions | Number enclosed <input style="width: 100px; height: 20px;" type="text"/> |
| 5.4 | Assessment of the Board | <input type="checkbox"/> Attached |
| 5.5 | Independent Non-Executive Directors assessment | <input type="checkbox"/> Attached |
| 5.6 | Individuals assessment senior management functions | <input type="checkbox"/> Attached |
| 5.7 | Details of Board (including non-executive) and Executive Committees, Terms of reference and membership | <input type="checkbox"/> Attached |
| 6.1 | Compliance structure and resources | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.1 | Compliance monitoring programme | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.2 | Training and Competence regime or arrangements | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.3 | Internal Audit structure and resources | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.3 | Internal Audit methodology | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.3 | Internal Audit Plan | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |

| | | |
|-----|--|--|
| 6.4 | Product governance policy and procedures | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.4 | Responsible lending policy (if applicable) | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.4 | Arrears and repossessions management (if applicable) | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.4 | Financial Crime, including anti-money laundering and anti-fraud policies and overview procedures | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.4 | Treating Customers Fairly policy and related management information | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 6.4 | Business Continuity Plan and policy | <input type="checkbox"/> Attached <input type="checkbox"/> To follow in Mobilisation |
| 7.1 | Details of outsourcing excluding IT outsourcing | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation |
| 7.1 | Details of oversight responsibilities and arrangements, systems and controls | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation |
| 7.1 | Details of service level agreements | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation |
| 7.2 | Complex IT form and documents | <input type="checkbox"/> Attached <input type="checkbox"/> Not applicable <input type="checkbox"/> To follow in Mobilisation |

Other documents

10.2.3 Please list any other documents you have provided.

| |
|--|
| |
| |

10.2.4 Please provide any comments on supporting documents if necessary.

| |
|--|
| |
|--|

Other information

10.2.5 If there is anything else you would like to tell us about this application please give details below.

| |
|--|
| |
|--|

10.3 Declaration

It is a criminal offence to – knowingly or recklessly – give us information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify the PRA and FCA immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant firm's suitability to be authorised.

- D1** I am authorised to make this application for authorisation on behalf of the applicant firm named on the front of this form.
- D2** I attach the documents requested and I have taken all reasonable steps to ensure they are correct.
- D3** I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.
- D4** I authorise the PRA and FCA to make such enquiries and to seek such further information as they think appropriate to verify the information given on this form.
- D5** I understand that the PRA and FCA may require the applicant firm to provide further information or documents at any time after I have sent this application and before the applicant firm has been authorised.

Who must sign the declaration?

This declaration must be signed by two directors of the applicant firm.

| Signature one | | Signature two | |
|---------------|----------|---------------|--|
| Name | | | |
| Position | | | |
| Signature | | | |
| Date | dd/mm/yy | dd/mm/yy | |



Application for Authorisation

Supplement for insurance companies

Full name of applicant firm

Important information that you should read before completing this form

The notes that accompany this form will help you to answer our questions and explain why we need the information that we request.

Purpose of this form

This supplement collects information that is specific to the type of regulated business that the applicant firm is applying for authorisation to carry on.

You must answer every question. If a question does not apply to the applicant firm, then you must answer it 'Not Applicable'.

Contents of this form

| | | |
|---|------------------------------|----|
| 1 | Regulatory Business Plan | 2 |
| 2 | Scope of Permission required | 6 |
| 3 | Financial resources | 14 |
| 4 | Personnel | 16 |
| 5 | Compliance arrangements | 18 |
| 6 | Fees and levies | 20 |

1

Regulatory business plan (scheme of operations)

We need to know about the business that the applicant firm intends to carry on so that we can assess (i) the scope of the permission that it will need, and (ii) the adequacy of its resources and its suitability to carry on that business.

Where necessary you must use separate sheets of paper to answer the questions in sections 1.1 to 1.5.

| | |
|--|--|
| | |
|--|--|

The level of detail you provide should reflect the scale and complexity of the applicant firm's proposed business.

1.1 Background

1.1.1 Will the applicant firm be:

- A United Kingdom incorporated company ▶ continue to question 1.1.2
- A United Kingdom branch of a non-EEA insurer (including Swiss insurer)

1.1.2 What type of insurance business is the applicant firm going to underwrite predominately?

- General insurance business (including reinsurance)
- Long-term insurance business (including reinsurance)
- Reinsurance only

It is the policy of the PRA and FCA not to grant a Part 4A if it would allow a newly established firm to engage in both general and long-term insurance business.

1.1.3 What is the rationale for the application and what is the intended business strategy (and if applicable how does this fit into the group's overall future strategy)?

1.1.4 Firms should include a scheme of operations, containing the content as described in Article 23 of the Solvency II Directive, with or as part of their regulatory business plan. Firms should also provide a copy of their proposed Own Risk and Solvency Assessment (ORSA) report.

1.2 Insurance activities

1.2.1 Describe the insurance activities that the applicant firm is proposing to conduct in the United Kingdom.

1.2.2 Is the applicant firm proposing to underwrite direct motor liability business within the United Kingdom?

- No ▶ continue to question 1.2.3
- Yes. Please confirm the following:
 - The applicant firm is content for the PRA to share the contents of its application with the Motor Insurers Bureau (MIB).

- The applicant firm will seek membership of the MIB shortly after receiving authorisation and subsequently provide the PRA with proof of MIB membership.
- The applicant will appoint a claims representative in every country within the European Union before authorisation is granted.

1.2.3 Is the applicant applying for permission to write legal expenses insurance?

- No ▶ continue to question 1.2.4
- Yes. Please provide details of the provisions that will be put in place to avoid conflicts of interest in line with Regulation 5 (arrangement for avoiding conflicts of interest) of the Insurance Companies (Legal Expenses Insurance) Regulations 1990.

1.2.4 Will the applicant firm be passporting into the EEA?

- No ▶ continue to question 1.2.5
- Yes. Please describe the following:
 - the business that will be transacted
 - how the proposed business will be transacted
 - the geographical spread of the business to be transacted and where the risk is situated
 - any branch/freedom of services notifications

See notes to this supplement for link to passporting notification forms

1.2.5 Describe the proposed sources of the insurance business and provide an analysis of the approximate percentage from each source, split between United Kingdom, other EEA States and elsewhere.

1.2.6 Will the applicant firm be using reinsurance to protect the insurance business it is proposing to underwrite?

- No ▶ continue to question 1.3
- Yes ▶ Please provide the following:
 - a full explanation of the proposed reinsurance strategy, including the guiding principles as to reinsurance, how the firm will address reinsurance counterparty risk, and the kind of reinsurance arrangements which the applicant firm proposes to make with ceding undertakings (please notes for further guidance)
 - copies or drafts of reinsurance contracts (new or existing) that will be relied upon at *authorisation*

1.3 Corporate governance and non-financial resources

1.3.1 Please provide full details of the proposed board composition together with a) terms of references for the board and b) job descriptions for each board member.

1.3.2 Please provide a copy of the management responsibilities map as specified in Chapter 5 of the Insurance- Allocation of Responsibilities part of the PRA Rulebook.

1.3.3 Please provide an organogram for the applicant showing all the functions and available resources required to conduct its proposed business.

1.3.4 Describe how each of the applicant firm's underwriters are qualified to underwrite the proposed business.

1.3.5 Are there any associations that exist or will exist between a director or controller of the applicant firm and any person who will undertake material contracts with the applicant firm?

- No ▶ continue to question 1.3.6
 Yes ▶ Please provide details clarifying the relationship

1.3.6 Please provide details of all material outsourcing or sub-contracting arrangements.

- background information on the parties to which functions will be outsourced
- details of which functions will be outsourced
- details of how control over the outsourced functions will be maintained, including those persons at the firm who will be responsible for overseeing such arrangements and how performance will be monitored and controlled
- copies or drafts of all material outsourcing agreements

1.4 Risk management and Internal systems and controls

1.4.1 Describe the responsibilities and reporting lines for the following functions (this should include details of resource allocated as well as procedures and controls that will be implemented, for each function):

- (a) the internal audit function
- (b) actuarial function
- (c) risk management function
- (d) compliance function
- (e) financial reporting

1.4.2 Please provide the composition and the terms of reference for all senior committees which the applicant firm is proposing to establish.

1.4.3 Provide details of the applicant firm's intended risk profile, risk appetite, and risk tolerance limits

1.4.4 How will risks be identified, managed, mitigated and monitored? Potential risks to consider may arise from the following:

- (f) Underwriting
- (g) Claims management
- (h) Reserving
- (i) Investments, including concentration risk
- (j) Counterparties (including disputes or defaults by reinsurers)
- (k) Asset-liability management
- (l) Liquidity

- (m) Operational risk – IT/People
- (n) Outsourcing (including use of coverholders)
- (o) Complaints handling

- 1.4.5 How will the firm regularly assess its ongoing own funds needs to be reasonably confident that it will either continue to meet its regulatory requirements, or be able to take appropriate actions to meet these requirements, following realistic stress events?
- 1.4.6 Provide details of the management information that the applicant firm will provide regularly to the board, key internal committees and key individuals, including information relevant to the risks borne by the firm.
- 1.4.7 Provide details of the plausible recovery actions that could be taken, including in times of general market stress. Include details of the recovery options or exit strategy identified and the triggers and governance that would activate the plan.
- 1.4.8 Provide details of the IT business continuity and the disaster recovery plans the applicant firm will put in place to ensure business continuity.

1.5 Complex IT systems

- 1.5.1 Are the applicant firm's IT systems complex?

- No
- Yes

- 1.5.2 Is the applicant firm's proposed business heavily dependent on its IT systems?

- No
- Yes

- 1.5.3 Will the applicant firm's IT systems automatically interface with customers/counterparties?

- No
- Yes

If you have answered 'Yes' to one or more of questions 1.5.1 to 1.5.3, you must complete the Detailed IT Controls Form.

Please see the notes to this supplement for the link to the appropriate form.

2

Scope of permission required

Why we ask the questions in this section

If we grant authorisation to the applicant firm, we will issue a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on
- for each regulated activity, the investment types (i.e. classes of business) and the client types for which the applicant firm is authorised
- for each regulated activity, any limitations attaching to it and
- any requirements on the applicant firm

It is the applicant firm's responsibility to ensure that the Scope of Permission it applies for will cover all the regulated activities it is seeking to carry on.

The Scope of Permission requested by applicant firm should correspond with the description of its proposed business in Section 1. If it is not clear how it does so, we will ask you about this.

2.1 Insurance business

2.1.1 Regulated activities

You must confirm that the applicant firm is seeking permission to carry on both the regulated activities of:

- Effecting contracts of insurance; and
- Carrying out contracts of insurance.

2.1.1a Standard requirement – reinsurance firms only

As a matter of course, a standard requirement is added to firms that engage in reinsurance business only.

If applicable, you must confirm that the applicant firm agrees to this standard requirement:

- Yes

2.1.2 Investment types

You must indicate in which class(es) of business the applicant firm is seeking to carry on the regulated activities of effecting contracts of insurance and carrying out contracts of insurance:

General insurance contract

- Accident
- Sickness
- Land vehicles
- Railway rolling stock
- Aircraft
- Ships
- Goods in transit
- Fire and natural forces
- Damage to property
- Motor vehicle liability
- Aircraft liability
- Liability of ships

Long-term insurance contract

- Life and annuity
- Marriage or the formation of a civil partnership and birth
- Linked long-term
- Permanent health
- Tontines
- Capital redemption
- Pension fund management
- Collective insurance
- Social insurance

- General liability
- Credit
- Suretyship
- Miscellaneous financial loss
- Legal expenses
- Assistance

2.1.3 Client types

You must indicate how your customers will be categorised, in terms of regulatory classification:

- Market counterparty
- Intermediate customers
- Private customers
- All

2.2 Ancillary deposit-taking business

As a matter of course, you will also require the regulated activity of ‘Accepting Deposits’. Please confirm that you are content for this activity to be included in your Scope of Permission Notice.

- No ▶ Please provide your rationale for not requiring this regulated activity
- Yes ▶ continue to question 2.2.1

See notes.

2.2.1 Standard limitation – deposit taking activities (insurance)

As a matter of course, a standard limitation (Limited to accepting deposits in the course of carrying on insurance business for which the firm holds a permission) will be attached to the regulated activity of ‘Accepting Deposits’.

You must confirm that the applicant firm agrees to this standard limitation:

- Yes

2.3 Insurance distribution business

2.3.1 Will the applicant firm be conducting insurance distribution business?

- No ▶ Continue to question 2.4
- Yes ▶ Continue to question 2.3.2

2.3.2 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of ‘making arrangements with a view to transactions in investments’?

- No ▶ Continue to question 2.3.5
- Yes ▶ Continue to question 2.3.3

2.3.3 Investment types

You must tick the types of investments below

- Non-investment insurance contracts

2.3.4 Client types

You must tick the client type(s) which relates to your business:

- Commercial
- Retail (non-investment insurance)

2.3.5 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'arranging (bringing about) deals in investments'?

- No ▶ Continue to question 2.3.8
- Yes ▶ Continue to question 2.3.6

2.3.6 Investment types

You must tick the types of investments below:

- Non-investment insurance contracts

2.3.7 Client types

You must tick the client type(s) which relates to your business:

- Commercial
- Retail (non-investment insurance)

2.3.8 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'advising on investments (except on pension transfer and pension opts outs)'?

- No ▶ Continue to question 2.3.11
- Yes ▶ Continue to question 2.3.9

2.3.9 Investment types

You must tick the types of investments below:

- Non-investment insurance contracts

2.3.10 Client types

You must tick the client type(s) which relates to your business:

- Commercial
- Retail (non-investment insurance)

2.3.11 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'assisting in the administration and performance of a contract of insurance'?

- No ▶ Continue to question 2.4
- Yes ▶ Continue to question 2.3.12

2.3.12 Investment types

You must tick the types of investments below:

- Non-investment insurance contracts

2.3.13 Client types

You must tick the client type(s) which relates to your business:

- Commercial
 Retail (non-investment insurance)

2.4 Designated Investment Business**2.4.1 Will the applicant firm be conducting designated investment business?**

- No ▶ Continue to question 2.5
 Yes ▶ Continue to question 2.4.2

See notes

2.4.2 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'making arrangements with a view to transactions in investments'?

- No ▶ Continue to question 2.4.5
 Yes ▶ Continue to question 2.4.3

2.4.3 Investment types

You must tick the types of investments below:

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Certificates representing certain security | <input type="checkbox"/> | Rights to or interests in investments |
| <input type="checkbox"/> | Commodity future | <input type="checkbox"/> | Rights to or interests in investments (contractually-based investment) |
| <input type="checkbox"/> | Commodity option and option on commodity future | <input type="checkbox"/> | Rights to or interests in investments (security) |
| <input type="checkbox"/> | Contract for differences (excluding a spread bet and a rolling forex contract) | <input type="checkbox"/> | Shares |
| <input type="checkbox"/> | Funeral plan contracts | <input type="checkbox"/> | Spread Bet |
| <input type="checkbox"/> | Future (excluding a commodity future and rolling forex contract) | <input type="checkbox"/> | Rolling Spot Forex |
| <input type="checkbox"/> | Government and Public Security | <input type="checkbox"/> | Stakeholder pension scheme |
| <input type="checkbox"/> | Life Policies | <input type="checkbox"/> | Warrant |
| <input type="checkbox"/> | Non-investment insurance contracts | <input type="checkbox"/> | Unit |
| <input type="checkbox"/> | Option (excluding a commodity option) | <input type="checkbox"/> | Personal Pension scheme |
| <input type="checkbox"/> | Debenture | <input type="checkbox"/> | Alternate Debenture |

2.4.4 Client types

You must tick the client type(s) which relates to your business:

| | |
|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Retail (investment) |
| <input type="checkbox"/> | Retail (non-investment insurance) |
| <input type="checkbox"/> | Professional |
| <input type="checkbox"/> | Eligible counterparty |

2.4.5 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'arranging (bringing about) deals in investments'?

- No ▶ Continue to question 2.4.8
 Yes ▶ Continue to question 2.4.6

2.4.6 Investment types

You must tick the types of investments below:

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Certificates representing certain security | <input type="checkbox"/> | Rights to or interests in investments |
| <input type="checkbox"/> | Commodity future | <input type="checkbox"/> | Rights to or interests in investments (contractually-based investment) |
| <input type="checkbox"/> | Commodity option and option on commodity future | <input type="checkbox"/> | Rights to or interests in investments (security) |
| <input type="checkbox"/> | Contract for differences (excluding a spread bet and a rolling forex contract) | <input type="checkbox"/> | Shares |
| <input type="checkbox"/> | Funeral plan contracts | <input type="checkbox"/> | Spread Bet |
| <input type="checkbox"/> | Future (excluding a commodity future and rolling forex contract) | <input type="checkbox"/> | Rolling Spot Forex |
| <input type="checkbox"/> | Government and Public Security | <input type="checkbox"/> | Stakeholder pension scheme |
| <input type="checkbox"/> | Life Policies | <input type="checkbox"/> | Warrant |
| <input type="checkbox"/> | Non-investment insurance contracts | <input type="checkbox"/> | Unit |
| <input type="checkbox"/> | Option (excluding a commodity option) | <input type="checkbox"/> | Personal Pension scheme |
| <input type="checkbox"/> | Debenture | <input type="checkbox"/> | Alternate Debenture |

2.4.7 Client types

You must tick the client type(s) which relates to your business:

| | |
|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Retail (investment) |
| <input type="checkbox"/> | Retail (non-investment insurance) |
| <input type="checkbox"/> | Professional |
| <input type="checkbox"/> | Eligible counterparty |

2.4.8 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'advising on investments (except on pension transfer and pension opts outs)'?

- No ▶ Continue to question 2.4.11
 Yes ▶ Continue to question 2.4.9

2.4.9 Investment types

You must tick the types of investments below:

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Certificates representing certain security | <input type="checkbox"/> | Rights to or interests in investments |
| <input type="checkbox"/> | Commodity future | <input type="checkbox"/> | Rights to or interests in investments (contractually-based investment) |
| <input type="checkbox"/> | Commodity option and option on commodity future | <input type="checkbox"/> | Rights to or interests in investments (security) |
| <input type="checkbox"/> | Contract for differences (excluding a spread bet and a rolling forex contract) | <input type="checkbox"/> | Shares |
| <input type="checkbox"/> | Funeral plan contracts | <input type="checkbox"/> | Spread Bet |
| <input type="checkbox"/> | Future (excluding a commodity future and rolling forex contract) | <input type="checkbox"/> | Rolling Spot Forex |
| <input type="checkbox"/> | Government and Public Security | <input type="checkbox"/> | Stakeholder pension scheme |
| <input type="checkbox"/> | Life Policies | <input type="checkbox"/> | Warrant |
| <input type="checkbox"/> | Non-investment insurance contracts | <input type="checkbox"/> | Unit |
| <input type="checkbox"/> | Option (excluding a commodity option) | <input type="checkbox"/> | Personal Pension scheme |
| <input type="checkbox"/> | Debenture | <input type="checkbox"/> | Alternate Debenture |

2.4.10 Client types

You must tick the client type(s) which relates to your business:

| | |
|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Retail (investment) |
| <input type="checkbox"/> | Retail (non-investment insurance) |
| <input type="checkbox"/> | Professional |
| <input type="checkbox"/> | Eligible counterparty |

2.4.11 Regulated activities

Is the applicant firm proposing to carry on the regulated activity of 'dealing in investments as principal'?

- No ▶ Continue to question 2.5
 Yes ▶ Continue to question 2.4.12

2.4.12 Investment types

You must tick the types of investments below:

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Certificates representing certain security | <input type="checkbox"/> | Rights to or interests in investments |
| <input type="checkbox"/> | Commodity future | <input type="checkbox"/> | Rights to or interests in investments (contractually-based investment) |
| <input type="checkbox"/> | Commodity option and option on commodity future | <input type="checkbox"/> | Rights to or interests in investments (security) |
| <input type="checkbox"/> | Contract for differences (excluding a spread bet and a rolling forex contract) | <input type="checkbox"/> | Shares |
| <input type="checkbox"/> | Funeral plan contracts | <input type="checkbox"/> | Spread Bet |
| <input type="checkbox"/> | Future (excluding a commodity future and rolling forex contract) | <input type="checkbox"/> | Rolling Spot Forex |
| <input type="checkbox"/> | Government and Public Security | <input type="checkbox"/> | Stakeholder pension scheme |
| <input type="checkbox"/> | Life Policies | <input type="checkbox"/> | Warrant |
| <input type="checkbox"/> | Non-investment insurance contracts | <input type="checkbox"/> | Unit |
| <input type="checkbox"/> | Option (excluding a commodity option) | <input type="checkbox"/> | Personal Pension scheme |
| <input type="checkbox"/> | Debenture | <input type="checkbox"/> | Alternate Debenture |

2.4.13 Client types

You must tick the client type(s) which relates to your business:

| | |
|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Retail (investment) |
| <input type="checkbox"/> | Retail (non-investment insurance) |
| <input type="checkbox"/> | Professional |
| <input type="checkbox"/> | Eligible counterparty |

2.4.14 Standard limitation – investment activity in rights to or interests in investments

As a matter of course, a standard limitation on investment activity in rights to or interests in investments (security and/or contractually based, as appropriate) is attached to each regulated activity for designated investment business that a firm is authorised to carry on.

Please confirm that the applicant firm wants us to attach this limitation to each regulated activity specified in respect of its designated investment business.

- Yes

2.5 Agreeing to carry on a regulated activity

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. If the applicant firm is proposing to carry on the regulated activity of 'dealing in investments as principal' and any of the insurance distribution activities then, as a matter of course, it will also carry on this regulated activity (which will be limited to agreeing to carry on only the other regulated activities specified in the applicant firm's Scope of Permission Notice).

You must confirm that the applicant firm requests permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity':

- Yes ▶ Continue to question 2.5.1
 N/A ▶ Continue to question 2.6.1

2.5.1 Standard limitation – Agreeing to carry on a regulated activity

As a matter of course, a standard limitation (The firm can only agree to carry on the regulated activities specified in this Notice) will be attached to the regulated activity of 'Agreeing to carry on a regulated activity'.

You must confirm that the applicant firm agrees to this standard limitation:

- Yes

2.6 Consumer credit activities

Credit broking

- No
 Yes ▶ see requested requirements for consumer credit below

Debt collecting

- No
 Yes ▶ see requested requirements for consumer credit below

Entering into a regulated credit agreement as lender (excluding high cost short-term credit, bill of sale, loan agreement and home credit loan agreements)

- No
 Yes

Exercising or having the right to exercise the lenders rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale, loan agreement and home credit loan agreements)

- No
 Yes

Requested requirements for consumer credit

Will the firm be canvassing any regulated borrower-lender-supplier agreements or regulated consumer hire agreements it supplies for which it carries out broking activities off trade premises?

- Yes
 No ▶ if 'no' the following requirement must be included in the applicants scope of permission:

Not permitted to canvass off trade premises

The firm is not permitted to canvas regulated borrower-lender-supplier agreements or regulated consumer hire agreements off trade premises

2.7 Any other regulated activities

2.7.1 Will the applicant firm be carrying on any other regulated activity?

- No ▶ Continue to question 3.1
 Yes ▶ Please provide the following:

- **the regulated activity the applicant firm is proposing to undertake**
- **the investment type that the applicant will be dealing in**
- **the customer type**

3 Financial resources

Why we ask the questions in this section

All authorised firms must meet the applicable prudential requirements. We need to be satisfied that the applicant will meet these requirements, both at the date of authorisation and on an ongoing basis.

Please read the notes to the supplement before completing this section.

3.1 Prudential sub-categories

The prudential category for all insurance companies is 'Insurer' and the prudential requirements that will apply to the applicant firm will depend upon its prudential sub-category. Its prudential sub-category will be determined by its Scope of Permission, which will in turn be determined by its proposed business.

3.1.1 Which prudential sub-category applies to the applicant firm?

- General insurer
 Long-term Insurer
 Friendly society

3.2 Own funds

The applicant firm must provide details (amount and type) of its proposed source of own funds and in doing so will have to ensure that its source of own funds, to cover each of the Minimum Capital Requirement (MCR) and Solvency Capital Requirement (SCR) going forward, meets the requirements both in terms of eligibility and the limits in relation to its proposed business as prescribed in the Own Funds part of the PRA Rulebook and Chapter IV of the Commission Delegated Regulation (EU) 2015/35 (the 'Delegated Acts').

3.2.1 Applicant firms proposing to underwrite long-term insurance must provide the following:

- Financial projections for three years on three bases: best estimate, optimistic and pessimistic. Attached
- A statement showing how the SCR is calculated. Attached
- A statement detailing the technical bases which the Chief Actuary function holder proposes to employ for each class of business when calculating technical provisions. Attached
- A projection of the present value of future profits of new business by product line for each year's new business. Attached

A certificate provided by the Chief Actuary Function holder stating that he/she considers: Attached

(1) The premium rates that will be used by the applicant firm to be suitable for the proposed Regulatory Business Plan.

(2) The financing of the applicant firm to be sufficient to cover the required technical provisions for its total business on optimistic, realistic and pessimistic bases in the first three financial years following authorisation, and to provide the SCR.

(3) And they agree with the information provided in the application form regarding:

(a) the nature of commitments the applicant firm proposes to cover

(b) the guiding principles as to reinsurance, including the applicant firm's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers and

(c) the financial projections for the first three years following *authorisation*

See Notes.

3.2.2 Applicant firms proposing to underwrite general insurance business must provide the following:

Financial projections for three years on three bases, one best estimate and two pessimistic. Attached

A statement showing how the SCR is calculated. Attached

Confirmation from the CRO or Chief Actuary that they agree with the information provided in the application form regarding:

(a) the nature of commitments the applicant firm proposes to cover

(b) the guiding principles as to reinsurance, including the applicant firm's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers and

(c) the financial projections for the first three years following *authorisation*

See Notes.

3.2.3 All applicant firms must provide the following:

A description of the types of the financial resources designed to cover the Technical Provisions, SCR and MCR being assets valued in line with rules set out in the Own Funds part of the PRA Rulebook. Attached

A description of the applicant firm's proposed investment strategy, including any intended use of derivatives. Attached

Forecasts in underlying currency if foreign currency business is significant and an assessment of exchange risk. Attached

A statement of the applicant firm's intended risk appetite expressed in terms of the margins it intends to hold over the SCR to cover the eventuality that the financial projections deviate from the original business plan. Attached

A credit rating report for a) the applicant firm and b) any entity that will be providing material reinsurance cover to the applicant firm. Attached

If the applicant firm is part of an insurance group then it must provide a copy of the group SCR calculation. Attached

Note on calculation of SCR: Article 100 of the Solvency II Directive states that the SCR shall be calculated either in line with the standard formula or using an internal model. The appropriateness of the standard formula should be considered in the ORSA. Please discuss any proposal to use an internal model with the PRA before submitting a formal application.

| | |
|-----------------------------|--|
| Number of additional sheets | |
|-----------------------------|--|

| Name | Description of Key Function for which the individual is notified | Where will the individual be based |
|------|--|------------------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

4.2.2 Please fill in a 'Form M – Notification of non SMF appointment' for each individual who will be responsible for a key function that you have listed in question 4.2.1.

How many 'Form M – Notification of non SMF appointment' forms are you sending in with this application?

5

Compliance arrangements

Why we ask the questions in this section

We need to be satisfied that the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

5.1 Compliance procedures

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

The applicant firm must ensure that it establishes and adopts compliance procedures to comply with the relevant rules in the PRA Rulebook and FCA Handbook that applies to the type of business it is proposing to carry on. Each compliance procedure should identify and address the applicant firm's obligations in the PRA Rulebook and FCA Handbook. Please see the notes to the core details form for a brief explanation about the PRA Rulebook and FCA Handbook.

5.1.1 You must confirm the applicant firm has in place documented compliance procedures that relate specifically to the regulated business for which it is seeking permission.

- Yes
 The applicant firm's documented compliance procedures are not in place at the time of submission of this application, but will be in place prior to authorisation.

5.2 Compliance monitoring programme

5.2.1 You must confirm the applicant firm has in place a documented compliance monitoring programme that relates specifically to its compliance procedures manual.

- Yes
 The applicant firm's documented compliance monitoring programme is not in place at the time of submission of this application, but will be in place prior to authorisation.

5.3 Financial crime

General insurers and general insurance brokers are not subject to Anti-Money Laundering (AML) rules, see notes for further details.

5.3.1 Please describe the steps the applicant firm has put in place to counter the risks that it might be used by others to further financial crime (this includes any offence involving a) fraud or dishonesty, b) misconduct in, or misuse of information relating to, financial markets or c) handling the proceeds of crime). Where relevant, this should include but not be limited to the following:

- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their senior management function effectively
- the procedures that will be in place to ensure that the applicant firm will obtain sufficient evidence of the identity of all its clients
- the systems and controls that will be in place to ensure that know your business information (see SYSC 3.2.6) is made available to its MLRO
- the anti-money laundering training the applicant firm will provide for its relevant staff and
- the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring

5.4 Treating Customers Fairly

5.4.1 Principle 6 of the Principles for Business Handbook states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' This includes Treating Customers Fairly (TCF). To help firms understand what treating

customers fairly means in practice, *six outcomes* has been defined which they should deliver to retail consumers. Please briefly describe the steps the applicant firm has put in place to deliver the six consumer outcomes and demonstrate that it treats its customers fairly.

Please include the following:

- What treating customers fairly means to the applicant and its customers.
- How the fair treatment of customers has been incorporated into the applicant firm's values and business plan eg:
 - a) Is it part of the long-term strategy of the firm?
 - b) Are management aware of the TCF requirements?
 - c) Will it be a regular item on the board agenda?
- What controls the applicant firm has put in place to ensure it treats its customers fairly. What management information is collected to allow senior management to assess compliance with TCF requirements.
- How the applicant firm develops the competence and knowledge of its staff.

5.4.2 Can you please confirm that you have the procedures in place to comply with the management information requirements in respect of TCF?

Yes No

6

Fees and levies

Why we ask the questions in this section

We require this information so we can calculate the applicant firm's annual fees for the PRA and FCA once they are authorised. We will also use this information to calculate the fees for the Money Advice Service (MAS) and the levies for the Financial Ombudsman Service (FOS) and the levy for the Financial Services Compensation Scheme (FSCS).

The permission we grant the applicant firm will allocate it to one or more fee blocks. Each fee block uses the tariff data provided in the sections below to calculate the applicant firm's regulatory fees and levies. The firm will be billed on the information supplied here for the first fee year of being authorised and in some cases also for the subsequent fee year.

Please note:

- When reporting monetary fee tariff data, firms should provide a projected valuation covering the first 12 months from the date of authorisation measured according to the relevant tariff base(s).
- Monetary figures should be denominated in **GBP**. Please round your answers up for this section to the nearest whole number.
- Take care to be as accurate as possible - a poor estimate or forecast is unlikely to be grounds to revise fees at a later stage.
- **If the answer is 'nil' please write 'nil' – do not leave any boxes blank.**

Regulatory fees

6.1 Fee-block A.3 – Insurers - General

For an insurer – In relation to general insurance business, how much total gross premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

For an insurer – In relation to general insurance business, how much gross technical liabilities does the firm estimate it will have, as at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

For a non-directive friendly society – In relation to general insurance business, what is the estimated value of the firm's contribution income for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

For a directive friendly society – In relation to general insurance business, what is the estimated value of the firm's gross premiums written for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

6.2 Fee-block A.4 – Insurers - Life

In relation to life insurance business, how much adjusted gross premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|--|
| Number | |
| Confirm amount in words | |

In relation to life insurance business, how much mathematical reserves does the firm estimate it will have, as at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Number | |
| Confirm amount in words | |

Financial Ombudsman Service levy

For the purposes of the Ombudsman Service general levy, a firm will fall into one or more industry blocks depending on the business activities it has permission for. This levy only covers business conducted with consumers. As a result, the data reported under the Ombudsman Service levy can be lower than that reported under the Regulatory fees. The Handbooks Glossary defines 'Relevant Business' as business done with consumers only. If the applicant firm does not conduct any business with eligible complainants it may apply for Ombudsman Service exemption (see Question 6.8).

6.3 Fee-block I002 – Insurers - General

In relation to general insurance business, how much relevant annual gross premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|--|
| Number | |
| Confirm number in words | |

6.4 Fee-block I004 – Insurers - Life

In relation to life insurance business, how much relevant adjusted annual gross premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|---|
| Amount | £ |
| Confirm amount in words | |

Financial Services Compensation Scheme (FSCS) levy

The FSCS levy only covers business that could give rise to a protected claim from an eligible claimant. As a result, the data reported under the FSCS levy can be lower than that reported under the Regulatory fees. If the applicant firm does not conduct any

business that could give rise to a protected claim from an eligible claimant, it may apply for FSCS exemption (see Question 6.7).

Newly authorised firms are not liable to contribute towards the FSCS specific and compensation costs in the first fee year. We will only use the information here for calculating the FSCS levy in the second fee year where a firm obtains authorisation in the last quarter of the fee year.

6.5 Fee-block SB01 – Insurers - General

In relation to general insurance business, how much relevant net premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

In relation to general insurance business, how much how much eligible gross technical liabilities does the firm estimate it will have, as at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

6.6 Fee-block SC01 – Insurers - Life

In relation to life insurance business, how much relevant net premium income does the firm estimate it will receive for the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

In relation to life insurance business, how much eligible mathematical reserves does the firm estimate it will have, as at the end of the first year of authorisation?

| | |
|-------------------------|--|
| Amount | |
| Confirm amount in words | |

Declaration of FSCS and FOS exemption

Please note that if the applicant firm will carry on business with private customers then this exemption is unlikely to be available. This is because private customers are likely to qualify as eligible claimants and/or complainants.

6.7 FSCS Exemption – if the firm will not carry on business that could give rise to a protected claim by an eligible claimant and does not foresee doing so in the immediate future, please tick the box below.

Applicant firm is FSCS exempt

6.8 FOS Exemption – if the firm will not carry on business with eligible complainants and do not foresee doing so in the immediate future, please tick the box below.

Applicant firm is FOS exempt

End of supplement



Application for Authorisation

Supplement for Lloyd's managing agents

Full name of applicant firm

Important information you should read before completing this form

The notes that accompany this form will help you to answer our questions and explain why we need this information.

Purpose of this form

This form asks you for information specific to the type of regulated business the applicant firm is applying for authorisation to carry on.

You must answer every question. If a question doesn't apply to the applicant firm then answer it 'Not Applicable'.

Contents of this form

| | | |
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| 1 | Regulatory business plan | 2 |
| 2 | Scope of Permission required | 5 |
| 3 | Financial resources | 9 |
| 4 | Personnel | 10 |
| 5 | Compliance arrangements | 12 |

1

Regulatory business plan

Why we ask the questions in this section

We need to know about the business the applicant firm intends to carry on so we can assess (i) the scope of the permission it will need; and (ii) the adequacy of its resources and its suitability to carry on that business.

You must use a separate sheet of paper to answer the questions in section 1.1. to 1.4

| | |
|--|----------------------|
| You must indicate the number of separate sheets used | <input type="text"/> |
|--|----------------------|

The level of detail you give us should reflect the scale and complexity of the applicant firm's proposed business.

If any of the information you provide is unclear, we will ask you about it.

1.1 Background

- 1.1.1 Briefly explain why the applicant firm has been established to carry on the business it is seeking authorisation for.
- 1.1.2 Summarise the business of the applicant firm's controllers and related group entities shown on the group structure chart provided with the Owners and Influencers appendix.
- 1.1.3 Provide details of the source of the funds the applicant firm's controllers are intending to inject into the applicant firm to support its proposed business activities.

1.2 Description of proposed business

Refer to the notes for details of the information that you must provide.

1.3 Corporate governance and management structure

- 1.3.1 Provide full details of the proposed board composition together with a) terms of references for the board; b) job descriptions for each board member; and c) job descriptions of all other staff in senior management positions.
- 1.3.2 Provide full details for all committees which the applicant firm is proposing to establish containing terms of reference and composition for each committee. Where the applicant firm intends to rely on group committees, such as an audit committee, details of these arrangements should be explained.
- 1.3.3 Please provide an organogram for the applicant firm showing all senior management positions.

1.4 Internal systems and controls

- 1.4.1 Describe how each of the following areas will operate within the applicant firm:
-

- risk management;
- compliance;
- internal audit; and
- external audit arrangements.

1.4.2 Provide details of the IT business continuity and the disaster recovery plans the applicant firm will put in place to ensure business continuity.

1.5 Outsourcing

Will the applicant firm be outsourcing any functions to third parties or other group entities?

No ▶ Continue to question 1.6

Yes ▶ You must give details below of the functions that will be outsourced, the parties to which the functions will be outsourced, and how the applicant firm will monitor and control the outsourced functions.

1.6 Complex IT systems

1.6.1 Are the applicant firm's IT systems applications complex?

- No
 Yes

1.6.2 Is the applicant firm's proposed business heavily dependent on its IT systems applications?

- No
 Yes

1.6.3 Will the applicant firm's IT systems applications automatically interface with customers/counterparties?

- No
 Yes

If you have answered 'Yes' to one or more of questions 1.6.1 to 1.6.3, you must complete the Detailed IT Controls Form.

Please see the notes to this supplement for the link to the appropriate form

2

Scope of Permission required

Why we ask the questions in this section

If we grant authorisation to the applicant firm, we will give it a Scope of Permission notice. This sets out:

- the regulated activities the applicant firm is authorised to carry on;
- for each regulated activity, the investment types in which, and the client types for which, the applicant firm is authorised to carry it on;
- for each regulated activity, any limitations attaching to it; and
- any requirements on the applicant firm.

It is the applicant firm's responsibility to ensure the Scope of Permission it applies for will cover all the regulated activities it is seeking to carry on.

The applicant firm's requested Scope of Permission should correspond with the description of its proposed business in Section 1. If it is not clear how it does so, we will ask you about this.

2.1 Insurance business at Lloyd's

Regulated activities, investment and client types

You must confirm by ticking the box below if the applicant firm is applying for permission to carry on the regulated activities and corresponding investment and client types as set out in the pro-forma table below. If the pro-forma table does not cover your proposed activities you should specify the regulated activities and corresponding investment and client types separately in question 2.4.

The applicant firm is seeking permission for the regulated activities and corresponding investment and client types in table 2.1:

Yes

No, the details have been given in question 2.4

Table 2.1**INSURANCE BUSINESS AT LLOYD'S PERMISSION PROFILE TABLE**

| | REGULATED ACTIVITY | | |
|--|--|---|--|
| | Managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's | Arranging (bringing about) deals in investments | Making arrangements with a view to transactions in investments |
| <u>INVESTMENT TYPE</u> | | | |
| Underwriting capacity of a Lloyd's syndicate | ✓ | ✓ | ✓ |
| Rights to or interests in investments in so far as they relate to a Lloyd's syndicate or membership of a Lloyd's syndicate | ✓ | ✓ | ✓ |
| <u>CLIENT TYPE</u> | | | |
| All | ✓ | ✓ | ✓ |

2.2 Lloyd's managing agents also carrying on insurance mediation business

If the applicant firm will also be carrying on insurance mediation activities in addition to or in conjunction with its main activity of managing the underwriting capacity of a Lloyd's syndicate as a managing agent it must apply for permission for these activities. You must do this by completing the insurance mediation business permission profile table.

You must confirm whether the applicant firm has completed the general insurance business permission profile table:

- Yes
 No, the applicant firm is not seeking permission to carry on insurance mediation business

INSURANCE MEDIATION BUSINESS PERMISSION PROFILE TABLE

| | REGULATED ACTIVITY | | | | |
|-----------------------------------|--|---|--|---------------------------------|--|
| | Advising on investments (excluding pension transfers/opt-outs) | Arranging (bringing about) deals in investments | Making arrangements with a view to transactions in investments | Dealing in investments as agent | Assisting in the administration and performance of a contract of insurance |
| <u>INVESTMENT TYPE</u> | | | | | |
| Non-investment insurance contract | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>CUSTOMER TYPE</u> | | | | | |
| Retail (non-investment insurance) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2.3 Agreeing to carry on a regulated activity

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. As a matter of course, the applicant firm will also carry on this regulated activity (which will be limited to agreeing to carry on only the other regulated activities specified in the applicant firm's Scope of Permission Notice).

You must confirm the applicant firm requests permission to carry on the regulated activity of 'Agreeing to carry on a regulated activity':

Yes

2.4 Other regulated activities

Is the applicant firm applying for permission to carry on any other regulated activities?

No ▶ Continue to question 2.5

Yes ▶ You must list them (with the corresponding investment and client types) below:-

You should also specify below your regulated activities with corresponding investment and client types if the pro-forma table 2.1 does not capture your proposed activities as a managing agent.

2.5 Other limitations/requirements

If the applicant firm is seeking to attach any other limitations to any of its regulated activities, or any other requirements on it, then you must give details here:

3 Financial resources

Why we ask the questions in this section

All authorised firms must satisfy the applicable prudential requirements. We need to ensure the applicant firm will satisfy these requirements at the date of authorisation and on an ongoing basis.

3.1 Financial resources

The applicant firm must demonstrate that its capital will meet the financial resources requirements for a managing agent by providing the following information:

You must provide forecasts for the first three years of trading for the following:

- (a) profit and loss account;
- (b) balance sheet;
- (c) cash flow; and
- (d) capital resources requirement calculation.

4.2 You must fill in 'Form A - Application to perform controlled functions including senior management functions' for each person who will be performing a senior management function that you have listed in Question 4.1.

| | |
|--|--|
| How many 'Form As' are being sent with this application? | |
|--|--|

4.4 Key functions

4.4.1 List the names of the individuals who will be responsible for each identified 'key function' (other than the senior management functions above) at either the firm or the wider group, ie the 'key function holders', and also where they are based. An individual may perform more than one key function.

Please use a separate sheet of paper if necessary.
If you have used separate sheets of paper then please indicate how many below:

| | |
|-----------------------------|--|
| Number of additional sheets | |
|-----------------------------|--|

| Name | Description of Key Function for which the individual is notified | Where will the individual be based |
|------|--|------------------------------------|
| | | |
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| | | |

4.4.2 Please fill in a 'Form M – Notification of non SMF appointment' for each individual who will be responsible for a key function that you have listed in question 4.2.1.

How many 'Form M – Notification of non SMF appointment' forms are you sending in with this application?

| |
|--|
| |
|--|

5

Compliance arrangements

Why we ask the questions in this section

We need to ensure the applicant firm has the appropriate compliance arrangements in place to satisfy its regulatory obligations.

Compliance procedures

5.1. You must confirm the applicant firm has in place a compliance procedures manual that relates specifically to the regulated business it is seeking permission for.

- Yes
 The applicant firm's documented compliance procedures manual is not in place at the time of submitting this application, but will be in place before authorisation.

Compliance monitoring programme

5.2 You must confirm the applicant firm has in place a documented compliance monitoring programme that relates specifically to its compliance procedures.

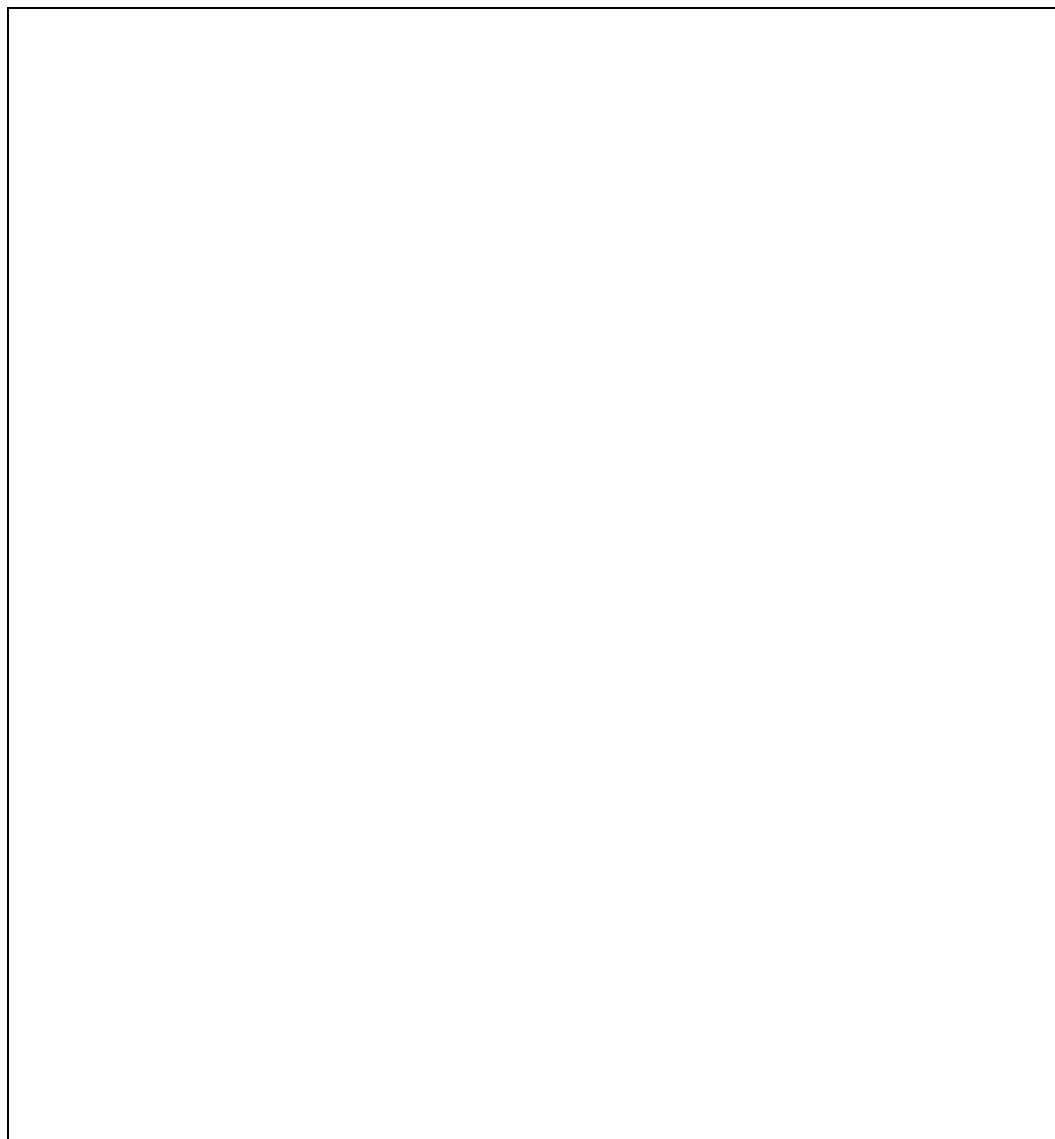
- Yes
 The applicant firm's documented compliance monitoring programme is not in place at the time of submitting this application, but will be in place before authorisation.

Financial crime

5.3 You must describe the steps the applicant firm has put in place to counter the risk that it might be used by others to further financial crime. This includes any offence involving: a) fraud or dishonesty; b) misconduct in, or misuse of information relating to financial markets; or c) handling the proceeds of crime (SYSC 3).

As a minimum, you must include a summary of at least the following:

- the steps the applicant firm will take to prevent it from being used to further fraud;
- the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows his/her duties and is able to perform his/her role effectively, having regard to 'know your business' information;
- the anti-money laundering training the applicant firm will provide for its staff;
- the steps the applicant firm will take to assess its exposure to the risk of being used for money laundering and terrorist financing;
- 'know your customer' procedures;
- procedures for monitoring transactions and reporting details of suspicious transactions; and
- how the applicant firm will ensure it will comply with anti-terrorist financing requirements.



Treating Customers Fairly

5.4 Principle 6 of the Principles for Business Handbook states that 'a firm must pay due regard to the interests of its customers and treat them fairly.' This includes Treating Customers Fairly (TCF). To help firms understand what treating customers fairly means in practice, *six outcomes* has been defined which they should deliver to retail consumers. Please briefly describe the steps the applicant firm has put in place to deliver the six consumer outcomes and demonstrate that it treats its customers fairly.

Please include the following:

- What treating customers fairly means to the applicant and its customers;
- How the fair treatment of customers has been incorporated into the applicant firm's values and business plan;
- What controls the applicant firm has put in place to ensure it treats its customers fairly;
- How the applicant firm develops the competence and knowledge of its staff.

| | |
|--|------------|
| | 5.5 |
|--|------------|

Can you please confirm that you have the procedures in place to comply with the management information requirements in respect of TCF?

Yes No

End of supplement