

Chapter 1

Application and General Provisions

1.1 PURPOSE

- 1.1.1 **R** [deleted]
- 1.1.2 **G** The *rules and guidance* in this sourcebook will assist the *appropriate regulator* to meet the statutory objectives. This sourcebook does so by setting minimal capital and other risk management standards thereby mitigating the possibility that firms will be unable to meet their liabilities and commitments to *consumers* and counterparties.
- 1.1.3 **R** The general scheme of this sourcebook is, wherever appropriate, to apply the financial and other prudential standards which applied to a *firm* immediately prior to it becoming authorised by the *appropriate regulator* under the *Act*. For convenience, the chapter numbers adopted in this sourcebook correspond with those of the rulebooks of *previous regulators*.
- 1.1.3A **G** This sourcebook does not apply to a *MIFIDPRU investment firm* (unless it is a *collective portfolio management investment firm*).
- 1.1.3B **R** [deleted]
- 1.1.4 **R** This sourcebook does not apply to *banks*, building societies, insurers, the *Society of Lloyd's* (except in relation to underwriting *agents*), friendly societies and certain other categories of *firm* and *members'* advisers.
- 1.1.5 **R** On becoming authorised by the *appropriate regulator* a *firm* will have to comply with the particular chapter of this sourcebook appropriate to its business. The *firm* will be able to seek guidance on this during the authorisation procedure. If subsequently, the business for which a *firm* has *permission* changes it may be necessary for it to comply with a different set of financial resources requirements. *Firms* will be able to discuss this aspect with the appropriate regulator during the application process.
- 1.1.6 **R** The *Supervision manual* sets out provisions relating to the periodic reporting and notification of financial information to the *appropriate regulator* or to the auditing of accounts. However, this sourcebook contains a few additional notification requirements (*notification rules*).