

Chapter 10

Firms acting as clearing members and indirect clearing firms

10.2 Categorisation of clearing firms as non-SNI MIFIDPRU investment firms

- 10.2.1** **R** (1) A MIFIDPRU investment firm that is a clearing member or an indirect clearing firm is a non-SNI MIFIDPRU investment firm.
- (2) The classification in (1) applies irrespective of whether the firm satisfies the conditions in ■ MIFIDPRU 1.2 (SNI MIFIDPRU investment firms) or not.
- 10.2.2** **R** (1) This rule applies where:
- (a) an investment firm group contains a clearing member or an indirect clearing firm; and
- (b) the UK parent entity of the investment firm group in (a) is subject to prudential consolidation in accordance with ■ MIFIDPRU 2.5.
- (2) Where this rule applies, the UK parent entity in (1) must comply with the relevant obligations in MIFIDPRU on a consolidated basis as if it were a non-SNI MIFIDPRU investment firm.
- (3) The requirement in (2) applies irrespective of whether the UK parent entity satisfies the conditions in ■ MIFIDPRU 2.5.21R or not.
- 10.2.3** **R** (1) The effect of ■ MIFIDPRU 10.2.1R is that a firm that acts as a clearing member or indirect clearing firm will always be a non-SNI MIFIDPRU investment firm. This is the case even where the firm may otherwise satisfy all the other criteria in ■ MIFIDPRU 1.2 to be classified as an SNI MIFIDPRU investment firm.
- (2) The effect of ■ MIFIDPRU 10.2.2R is that where the consolidated situation of a UK parent entity includes a clearing member or indirect clearing firm, the UK parent entity will always be a non-SNI MIFIDPRU investment firm on a consolidated basis.
- (3) ■ MIFIDPRU 10.2.1R applies equally to a firm that is a self-clearing firm.