

Chapter 2

Level of application of requirements



2.7 Investment holding companies, mixed financial holding companies and mixed-activity holding companies

Qualifications of directors

2.7.1 **G** Under section 143R of the *Act*, a *UK investment holding company*, *UK mixed financial holding company* or *UK mixed-activity holding company* must take reasonable care to ensure that the members of its *management body* are of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their duties effectively.

Mixed-activity holding companies

2.7.2 **G**

- (1) Under section 165 of the *Act*, the *FCA* may require a *parent undertaking* of a *MIFIDPRU investment firm* to provide information that is relevant for the *FCA*'s supervision of the *MIFIDPRU investment firm*.
- (2) Under section 167 of the *Act*, the *FCA* may appoint an investigator to verify the information received from a *parent undertaking* of a *MIFIDPRU investment firm* and any *subsidiaries* of that *parent undertaking*.
- (3) The powers in (1) and (2) also apply to a *mixed-activity holding company*.

2.7.3 **R**

- (1) Where the *parent undertaking* of a *MIFIDPRU investment firm* is a *UK mixed-activity holding company*, the *MIFIDPRU investment firm* must have in place adequate risk management processes and internal control mechanisms.
- (2) The processes and mechanisms in (1) must include sound reporting and accounting procedures to identify, measure, monitor and control transactions between the *firm*, the *UK mixed-activity holding company* and its *subsidiaries*.

Sanctions

2.7.4 **G** Under section 143W of the *Act*, the *FCA* may impose disciplinary measures on the following, where they are not *authorised persons*, to end or mitigate breaches of a requirement under the *MIFIDPRU sourcebook* or sections 143K, 143R or 143S(6) of the *Act*:

- (1) a *UK investment holding company*;
- (2) a *UK mixed financial holding company*;
- (3) a *UK mixed-activity holding company*; or
- (4) a member of the *management body* of the entities in (1) to (3).