

# Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries

## MIPRU TP 1 Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	MIPRU 4.4.4 R and MIPRU 4.4.8 R (3)	R	[expired]		
2	MIPRU 5.2.2 R and MIPRU 5.2.4 R	R	[expired]		
3	MIPRU 3.2.7 R	R	[deleted]		
4	MIPRU 1.3.2 R and MIPRU 1.3.4 R	R	A firm to which MIPRU 1.3.2 R will apply from 21 March 2016 may elect to comply with MIPRU 1.3.2 R from 21 September 2015.  If a firm elects to comply with MIPRU 1.3.2 R, it must also comply with MIPRU 1.3.4 R.	21 September 2015 to 20 March 2016	21 March 2016
5	MIPRU 2.2.1BR(2)(b) and MIPRU 2.2.1BR(2)(c) (c)	R	If a <i>Directory person</i> does not submit a <i>Directory person</i> report, a notification must be made in a way set out in MIPRU 2.2.1BR(2)(c).	1 October 2020 to 31 March 2021	1 October 2020
6	MIPRU 3.2.7R	R	The new <i>limits of indemnity</i> apply to a professional indemnity policy or a comparable guarantee agreement commenced, renewed or extended with effect from or after 1 August 2021. Any other existing non-annual arrangements must be aligned with the new <i>limits of indemnity</i> before 1 August 2022.	1 August 2021 to 31 July 2022	1 August 2021



## Transitional Provisions for former exempt CAD firms

### MIPRU TP 2

#### Transitional Provisions for former exempt CAD firms

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2.1	MIPRU 3.2	R	<p>This <i>rule</i> applies to a <i>MIFID-PRU investment firm</i> that was classified as an <i>exempt CAD firm</i> subject to IPRU-INV 9 on 31 December 2021.</p> <p>Instead of complying with the requirements relating to professional indemnity insurance in MIPRU 3.2, a <i>firm</i> may comply with the professional indemnity insurance requirements set out in IPRU-INV 9.2.4R(1)(b) (except that the minimum limits of indemnity are at least EUR 1,250,000 for a single claim and EUR 1,850,000 in aggregate), together with IPRU-INV 9.2.7R and IPRU-INV 9.4.</p>	Until 31 December 2024	1 January 2022
2.2	MIPRU 3.2	R	<p>This <i>rule</i> applies to a <i>MIFID-PRU investment firm</i> that was classified as an <i>exempt CAD firm</i> and was subject to IPRU-INV 13 on 31 December 2021.</p> <p>Instead of complying with the requirements relating to professional indemnity insurance in MIPRU 3.2, a <i>firm</i> may comply with IPRU-INV 13.1.5R; IPRU-INV 13.1.7R to 13.1.10R; and IPRU-INV 13.1.15R to 13.1.29G.</p>	Until 31 December 2024	1 January 2022
2.3	MIPRU 3.2	R	<p>References in this transitional provision to <i>IPRU-INV</i> are to the version of <i>IPRU-INV</i> that applied on 31 December 2021.</p> <p>References to an <i>exempt CAD firms</i> in <i>IPRU-INV</i> are to the <i>firm</i> to which this</p>	Until 31 December 2024	1 January 2022

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2.4	MIPRU 3.2	G	<p>transitional provision applies.</p> <p><i>Exempt CAD firms</i> that carried on activities in scope of MIPRU 3.2 were exempt from the requirements in MIPRU 3.2, on the basis that they were subject to similar professional indemnity insurance requirements in IPRU-INV 9 or 13.</p> <p>The category of <i>exempt CAD firm</i> ceases to exist on 1 January 2022. These <i>firms</i> will no longer be subject to IPRU-INV, and instead will become subject to prudential requirements in MIFIDPRU. MIFIDPRU does not require the holding of professional indemnity insurance.</p> <p>Former <i>exempt CAD firms</i> that carry on activities in scope of MIPRU 3.2 will therefore have to comply with the requirements to hold professional indemnity insurance in MIPRU 3.2 for the first time, consistent with other <i>investment firms</i> that have always had to comply with MIPRU 3.2.</p> <p>The purpose of this transitional provision is to give former <i>exempt CAD firms</i> time to comply with any new requirements in MIPRU 3.2. In particular, former <i>exempt CAD firms</i> should note that the minimum <i>limit of indemnity</i> for claims in aggregate can be higher under MIPRU 3.2.7R(2)(b) than under the relevant provisions in IPRU-INV. MIPRU 3.2 also contains material relating to excess levels that differs from the material in IPRU-INV.</p> <p>IPRU-INV 9.4.4R requires that professional indemnity insurance policies must not be subject to unreasonable limits. IPRU-INV 13.1.9R requires that policies must incorporate terms which are</p>	Until 31 December 2024	1 January 2022

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			appropriate. The <i>FCA</i> therefore expects former <i>exempt CAD firms</i> to have regard to the requirements in <b>MIPRU 3.2</b> when renewing their professional indemnity insurance whilst this transitional applies.		



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## Schedule 1 Record keeping requirements

### Sch 1.1 G

- 1 The aim of the *guidance* in the following table is to give the reader an overview of the relevant record keeping requirements.
- 2 It is not a complete statement of those requirements and should not be relied on as if it were.

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
MIPRU 4.2D.9 R (3)	Stress tests	All stress tests performed by a <i>firm</i> to which MIPRU 4.2D.1 R applies, and the results of those tests	As soon as practicable after a test has been performed	Not specified



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## Schedule 2 Notification requirements

### Sch 2.1 G

There are no notification requirements in MIPRU



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## Schedule 3 Fees and other required payments

### Sch 3.1 G

There are no requirements for fees or other payments in MIPRU.



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## Schedule 4 Powers exercised

**Sch 4.1 G**  
[deleted]

**Sch 4.2 G**  
[deleted]



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## Schedule 5 Rights of actions for damages

### Sch 5.1 G

The table below sets out the *rules* in MIPRU contravention of which by an *authorised person* may be actionable under section 138D of the Act (Actions for damages) by a person who suffers loss as a result of the contravention.

### Sch 5.2 G

If a 'Yes' appears in the column headed 'For private person', the *rule* may be actionable by a 'private person' under section 138D of the Act (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001 No 2256)). A 'Yes' in the column headed 'Removed' indicates that the *appropriate regulator* has removed the right of action under section 138D(3) of the Act. If so, a reference to the *rule* in which it is removed is also given.

### Sch 5.3 G

The column headed 'For other person' indicates whether the *rule* may be actionable by a person other than a private person (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of person by whom the *rule* may be actionable is given.

### Sch 5.3 G

Table

Chapter/ Appendix	Section/Annex	Right of action under section 138D		
		For private person	Removed	For other person
All <i>rules</i> in MIPRU with the status letter "E"		No	No	No
All other <i>rules</i> in MIPRU		No	Yes, MIPRU 1.2.1 R	No



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## Schedule 6 Rules that can be waived

### Sch 6.1 G

The *rules* in MIPRU may be waived by the *appropriate regulator* under section 138A and 138B of the *Act* (Modification or waiver of rules).

