

Chapter 3

Rules about application

3.1 Who?

- 3.1.1** **R** *PRIN* applies to every *firm*, except that it does not apply to a *firm* in relation to its carrying on of *auction regulation bidding*.
- 3.1.1A** **R** *PRIN* also applies:
- (1) to an *electronic money institution*, an *authorised payment institution*, a *small payment institution* or a *registered account information service provider*; and
 - (2) [deleted]
- 3.1.1B** **R**
- (1) *Principle 7* applies to a *registered person communicating a financial promotion* relating to one or more *qualifying cryptoassets* (in reliance on the exemption in article 73ZA of the *Financial Promotion Order*) as it applies to an *authorised person communicating a financial promotion* relating to one or more *qualifying cryptoassets* (■ PRIN 3.2.2R), disregarding the effect of ■ PRIN 3.2.10R.
 - (2) For the purpose of (1), relevant references in this sourcebook to a *firm* include reference to a *registered person*.
- 3.1.2** **G** [deleted]
- 3.1.3** **G** [deleted]
- 3.1.4** **G** [deleted]
- 3.1.5** **G** [deleted]
- 3.1.6** **R** A *firm* will not be subject to a *Principle* or ■ PRIN 2A to the extent that it would be contrary to the requirements of an *EU* measure passed or made before *IP completion day*, to the extent that those requirements continue to have effect after *IP completion day* under the *EUWA*.
- 3.1.7** **G** ■ PRIN 4 provides specific guidance on the application of the *Principles* and ■ PRIN 2A for *MiFID business*.

- 3.1.8** **G** The *Principles* will not apply to the extent that they purport to impose an obligation which is inconsistent with requirements which implemented the *Payment Services Directive*, the *Consumer Credit Directive* or the *Electronic Money Directive*. For example, there may be circumstances in which *Principle 12* and **■ PRIN 2A** may be limited by the conduct of business obligations derived from the *Payment Services Directive* and the *Electronic Money Directive* and applicable to *payment service providers* and *electronic money issuers* (see Parts 6 and 7 of the *Payment Services Regulations* and Part 5 of the *Electronic Money Regulations*) or derived from the *Consumer Credit Directive* (see, for example, the information requirements in the *Consumer Credit (Disclosure of Information) Regulations 2010 (SI 2010/1013)*).
- 3.1.9** **R** *PRIN* applies to a *TP firm*, except that *Principle 4* only applies to the extent that a *TP firm* is subject to *rules* relating to capital adequacy.
- 3.1.10** **R**
- (1) Only *Principles 1, 2, 3, 9, 11, 12* and **■ PRIN 2A** apply to a *TP UCITS qualifier* and a *TP AIFM qualifier*, and only with respect to the activities in **■ PRIN 3.2.2R** (Communication and approval of financial promotions).
 - (2) Where *Principle 12* and **■ PRIN 2A** do not apply, *Principle 7* also applies to a *TP UCITS qualifier* and a *TP AIFM qualifier* with respect to the activities in **■ PRIN 3.2.2R**.
- 3.1.11** **G** For the purposes of **■ PRIN 3.1.9R**, a *TP firm* should refer to **■ GEN 2.2.30R** and **■ GEN 2.2.31G** to determine which *rules* relating to capital adequacy apply to it.
- 3.1.12** **R** *Principle 12* and **■ PRIN 2A** only apply where a *client* is a *retail customer*, or there is distribution chain which involves a *retail customer*.
- 3.1.13** **R** *Principle 12* and **■ PRIN 2A** apply to:
- (1) a *TP firm*; and
 - (2) a *Gibraltar-based firm*.