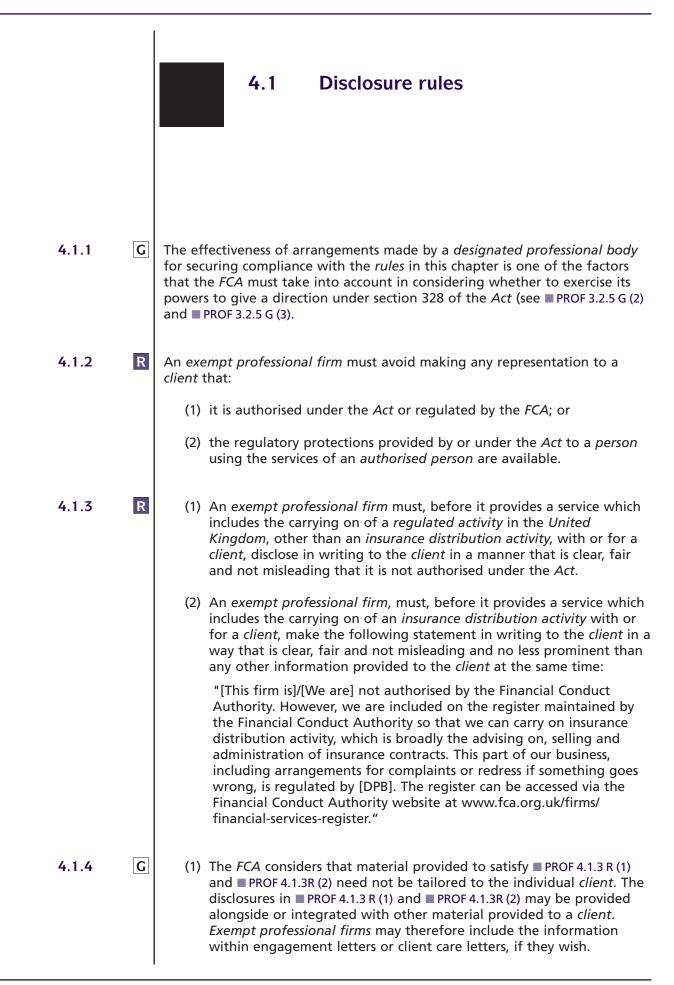
Professional firms

Chapter 4

Disclosure



	(2)	The FCA considers that it is important that <i>clients</i> understand the implications for them of receiving services from an <i>exempt</i> professional firm that is not authorised under the Act. It is also important that <i>clients</i> understand the implications of the difference between authorisation under the Act and being on the register maintained by the FCA, so that the <i>exempt professional firm</i> can conduct <i>insurance distribution activity</i> , in relation to which activity the regulatory protections established by the Act for the benefit of <i>consumers</i> will not apply. The FCA therefore expects designated professional bodies to make rules covering the information to be provided to <i>clients</i> . These rules should requireexempt professional firms to make a disclosure to <i>clients</i> containing the following elements:
		(a) where the exempt professional firm conducts a regulated activity other than an insurance distribution activity, a statement that the exempt professional firm is not an authorised person;
		(b) the nature of the <i>regulated activities</i> carried on by the <i>exempt professional firm</i> , and the fact that they are limited in scope;
		 (c) a statement that the exempt professional firm is regulated for these regulated activities by the exempt professional firm's designated professional body, identifying the designated professional body concerned;
		(d) the nature of the complaints and redress mechanisms available to <i>clients</i> in respect of these <i>regulated activities</i> ; and
		(e) where the regulated activity consists of insurance distribution activity, the statement contained at ■ PROF 4.1.3 R (2).
	(3)	Exempt professional firms should also ensure that any statement that makes reference to the FCA does not lead a <i>client</i> to suppose that the FCA has direct regulatory responsibility for the exempt professional firm. This could be a breach of \blacksquare PROF 4.1.2 R. This consideration is particularly important in relation to <i>insurance distribution activity</i> , where <i>clients</i> may well fail to appreciate the difference between authorisation under the Act and being included on the register maintained by the FCA so as to permit the exempt professional firm to carry on <i>insurance distribution activity</i> .
G	Kingdo	Ther guidance on when a regulated activity is carried on 'in the United om', exempt professional firms are referred to section 418 of the Act e guidance in PERG 2.4.

4.1.5