

**SUPERVISION MANUAL (RETAIL MEDIATION ACTIVITIES RETURN)  
(AMENDMENT NO 3) INSTRUMENT 2010**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
  - (2) section 156 (General supplementary powers); and
  - (3) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 31 December 2011.

**Amendments to the Handbook**

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Supervision Manual (Retail Mediation Activities Return) (Amendment No 3) Instrument 2010.

By order of the Board  
16 December 2010

## Annex

## Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

## 16.12 Integrated Regulatory Reporting

...

16.12.11 R The applicable *data items* referred to in SUP 16.12.4R are set out according to *firm* type in the table below:

Description of data item	<i>Firms</i> prudential category and applicable <i>data items</i> (note 1)							
	<i>BIPRU firms</i> (note 17)			<i>Firms</i> other than <i>BIPRU firms</i>				
	730K	125K and <i>UCITS investment firms</i>	50K	<i>IPRU (INV)</i> Chapter 3	<i>IPRU (INV)</i> Chapter 5	<i>IPRU (INV)</i> Chapter 9	<i>IPRU (INV)</i> Chapter 13	<i>UPRU</i>
...								
Capital adequacy	FSA003 (note 2)	FSA003 (note 2)	FSA003 (note 2)	FSA033 (note 18)	FSA034 or FSA035 (note 14 )	FSA031	FSA032 (note 15) or <del>Sections D1 and D2</del> <u>Section D6</u> RMAR (note 15 )	FSA036
...								
...								
Note 15	FSA029, FSA030 and FSA032 must be completed by a <i>firm</i> subject to <i>IPRU(INV)</i> Chapter 13 which is an <i>exempt CAD firm</i> . Section A or Section B RMAR and <del>Sections D1 and D2</del> <u>Section D6</u> RMAR only apply to a <i>firm</i> subject to <i>IPRU(INV)</i> Chapter 13 which is not an <i>exempt CAD firm</i> . <u>Where a <i>firm</i> submits data items for both RAG 3 and RAG 9, the <i>firm</i> must complete both Sections D1 and D6 RMAR.</u>							
...								

...

16.12.12 R The applicable reporting frequencies for *data items* referred to in SUP 16.12.4R are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

<i>Data item</i>	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm and UCITS investment firm</i>	<i>BIPRU 50K firm</i>	<i>UK consolidation group or defined liquidity group</i>	<i>Firm other than BIPRU firms</i>
...					
Section <del>D1</del> and <del>D2</del> D6 RMAR					Half yearly (note 2) Quarterly (note 3)
...					

- 16.12.13 R The applicable due dates for submission referred to in SUP 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in SUP 16.12.12R, unless indicated otherwise.

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
...						
Section <del>D1</del> and <del>D2</del> D6 RMAR				30 business days	30 business days	
...						

...

- 16.12.15 R The applicable *data items* referred to in SUP 16.12.4R according to type of *firm* are set out in the table below:

Description of data item	<i>Firms prudential category and applicable data items (note 1)</i>							
	<i>BIPRU firms</i>			<i>Firms other than BIPRU firms</i>				
	730K	125K and UCITS investment firms	50K	IPRU (INV) Chapter 3	IPRU (INV) Chapter 5	IPRU (INV) Chapter 9	IPRU (INV) Chapter 13	UPRU
...								

Capital adequacy	FSA003 (note 2)	FSA003 (note 2)	FSA003 (note 2)	FSA033	FSA034 or FSA035 (note 14 )	FSA031	Section <del>D1 and D2</del> <u>D6</u> RMAR or FSA032 (note 15)	FSA036
...								
...								
Note 15	FSA029, FSA030 and FSA032 must be completed by a <i>firm</i> subject to <i>IPRU(INV)</i> Chapter 13 which is an <i>exempt CAD firm</i> . Section A, B, C or F RMAR and <del>Sections D1 and D2</del> <u>Section D6</u> RMAR only apply to a <i>firm</i> subject to <i>IPRU(INV)</i> Chapter 13 which is not an <i>exempt CAD firm</i> .							
...								

...

16.12.16 R The applicable reporting frequencies for *data items* referred to in *SUP* 16.12.15R are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

<i>Data item</i>	<i>Firm's prudential category</i>				
	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm and UCITS investment firm</i>	<i>BIPRU 50K firm</i>	<i>UK consolidation group or defined liquidity group</i>	<i>Firm other than BIPRU firms</i>
...					
Section <del>D1 and D2</del> <u>D6</u> RMAR					Half yearly (note 2) Quarterly (note 3)
...					
...					

...

16.12.17 R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.16R, unless indicated otherwise.

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual

...						
Section <del>D1</del> and <del>D2</del> <u>D6</u> RMAR				30 business days	30 business days	

...

16.12.19A R The applicable *data items* referred to in *SUP* 16.12.4R are set out according to type of *firm* in the table below:

Description of data item	Firm's prudential category and applicable data item (note 1)				
	<i>IPRU(INV)</i> Chapter 3	<i>IPRU(INV)</i> Chapter 5	<i>IPRU(INV)</i> Chapter 9	<i>IPRU(INV)</i> Chapter 13	<i>UPRU</i>
...					
Capital adequacy	FSA033	FSA034 or FSA035 (note 4)	FSA031	FSA032 ( <del>note 5</del> ) or Section <del>D1</del> and <del>D2</del> <u>D6</u> RMAR ( <del>note notes 5 and 7</del> )	FSA036
...					
...					
Note 5	FSA032 must be completed by a <i>firm</i> subject to <i>IPRU (INV)</i> Chapter 13 which is an <i>exempt CAD firm</i> . <u>Section D6 RMAR applies to a firm which is not an exempt CAD firm.</u>				
...					

16.12.20 R The applicable reporting frequencies for submission of *data items* referred to in *SUP* 16.12.4R are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

...	
Section <del>D1</del> and <del>D2</del> <u>D6</u> RMAR	Half yearly (note 2) Quarterly (note 3)
...	

- 16.12.21 R The applicable due dates for submission referred to in SUP 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in SUP 16.12.20R.

<i>Data item</i>	Quarterly	Half yearly	Annual
...			
Section <del>D1 and D2</del> <u>D6</u> RMAR	30 <i>business days</i>	30 <i>business days</i>	
...			

...

- 16.12.22A R The applicable *data items* referred to in SUP 16.12.4R are set out according to type of *firm* in the table below:

Description of data item	<i>Firm's prudential category and applicable data item (note 1)</i>					
		<i>BIPRU 730k firm</i>	<i>BIPRU 125k firm and UCITS investment firm</i>	<i>BIPRU 50k firm</i>	<i>Exempt CAD firm subject to IPRU(INV) Chapter 13</i>	<i>Firms (other than exempt CAD firms) subject to IPRU(INV) Chapter 13</i>
...						
Capital Adequacy	FSA003 (note 2)	FSA003 (note 2)	FSA003 (note 2)	FSA032	Section <del>D1 and D2</del> <u>D6</u> RMAR ( <u>Note 23</u> )	
...						
...						
<u>Note 23</u>	<u>Where a firm submits data items for both RAG 7 and RAG 9, the firm must complete both Sections D1 and D6 RMAR.</u>					

...

- 16.12.23 R The applicable reporting frequencies for *data items* referred to in SUP 16.12.22AR are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

Data item	Frequency				
	Unconsolidated <i>BIPRU</i> investment firm	Solo consolidated <i>BIPRU</i> investment firm	<i>UK</i> <i>Consolidation</i> Group or defined liquidity group	Annual regulated business revenue up to and including £5 million	Annual regulated business revenue over £5 million
...					
Section <del>D1</del> and <del>D2</del> <u>D6</u> RMAR				Half yearly	Quarterly
...					

16.12.24 R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.23R, unless indicated otherwise.

Data item	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
...						
Section <del>D1</del> and <del>D2</del> <u>D6</u> RMAR				30 business days	30 business days	
...						

...

16.12.25A R The applicable *data items* referred to in *SUP* 16.12.4R are set out according to type of *firm* in the table below:

Description of data item	<i>Firms</i> prudential category and applicable <i>data items</i> (note 1)							
	<i>BIPRU</i>			<i>Firms</i> other than <i>BIPRU</i> firms				
	730K	125K	50K	<i>IPRU</i> ( <i>INV</i> ) Chapter 3	<i>IPRU</i> ( <i>INV</i> ) Chapter 5	<i>IPRU</i> ( <i>INV</i> ) Chapter 9	<i>IPRU</i> ( <i>INV</i> ) Chapter 13	<i>UPRU</i>
...								

Capital adequacy	FSA003 (note 2)	FSA003 (note 2)	FSA003 (note 2)	FSA033	FSA034 or FSA035 (note 14)	FSA031	Section <del>D1 and D2</del> <u>D6</u> RMAR (note 17) or FSA 032 (note 15)	FSA036
...								

...

- 16.12.26 R The applicable reporting frequencies for *data items* referred to in *SUP* 16.12.25AR are set out according to the type of *firm* in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

<i>Data item</i>	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm</i>	<i>BIPRU 50K firm</i>	<i>UK consolidation group or defined liquidity group</i>	<i>Firm other than BIPRU firms</i>
...					
Section <del>D1 and D2</del> <u>D6</u> RMAR					Half yearly (note 2) Quarterly (note 3)
...					

- 16.12.27 R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.26R, unless indicated otherwise.

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
...						
Section <del>D1 and D2</del> <u>D6</u> RMAR				30 <i>business days</i>	30 <i>business days</i>	
...						



...

**16 Annex 18AR      Retail Mediation Activities Return ('RMAR')**

...

*see next page*

**SECTION D1: Regulatory Capital**

**Home finance and non-investment insurance firms subject to MIPRU chapter 4**

	<u>A</u> Mortgage	<u>B</u> Non- investment insurance	Retail investments
Is the firm exempt from these capital requirements in relation to any of its retail mediation activities?	RR0198	RR0199	RR0200

A

**Mortgage and non-investment insurance**

	Client money	Non-client money
<b>2</b> Base requirement	RR0202	RR0203
<b>3</b> 5% of annual income (firms holding client money)	RR0205	
<b>4</b> 2.5% of annual income (firms not holding client money)		RR0206
<b>5</b> <b>Capital resources requirement (higher of above)</b>	RR0207	RR0208
<b>6</b> Other FSA capital resources requirements (if applicable) <u>Additional capital resources requirements for PII (if applicable)</u>	RR0210	
<b>7</b> Additional capital resources requirements for PII (if applicable) <u>Other FSA capital resources requirements (if applicable)</u>	RR0211	
<b>8</b> <b>TOTAL CAPITAL RESOURCES REQUIREMENT</b>	RR0212	
<b>9</b> <b>TOTAL CAPITAL RESOURCES</b>	RR0213	See notes
<b>10</b> <b>TOTAL CAPITAL RESOURCES EXCESS/DEFICIT</b>	RR0214	

**Eligible capital resources (mortgage home finance and non-investment insurance)**

**Incorporated firms**

<b>24</b> Share capital	RR0228
<b>25</b> Reserves	RR0229
<b>26</b> Interim net profits	RR323
<b>27</b> Revaluation reserves	RR0233
<b>28</b> Eligible subordinated <u>Subordinated</u> loans	RR0234
<b>29 less</b> Investments in own shares	RR0235
<b>30 less</b> Intangible assets	RR0236
<b>31 less</b> interim net losses	RR0237
<b>32</b> TOTAL CAPITAL RESOURCES	RR0238

**IPRU(INV) requirements for personal investment firms (retail investment activities only)**

Category of personal investment firm under IPRU(INV)	RR0215a	
<b>Own funds requirement</b>	RR0216	A
Additional own funds requirement for PII (if applicable)		
Other FSA capital requirements (if applicable)		
Total own funds requirement		
<b>Own funds</b>	RR0217	
<b>Surplus/deficit of own funds</b>	RR0218	
	RR0219	RR0219a
<b>Adjusted net current assets requirement (if applicable)</b>	RR0220	D
<b>Adjusted net current assets (if applicable)</b>	RR0221	E
<b>Surplus/deficit (if applicable)</b>	RR0222	F
<b>Expenditure based requirement (if applicable)</b>	RR0223	G
<b>Adjusted Capital/liquid capital (if applicable)</b>	RR0224	H
<b>Surplus/deficit (if applicable)</b>	RR0225	I

**Unincorporated firms and limited liability partnerships (LLPs)**

<b>33</b>	Capital of a sole trader or partnership or LLP members' capital	RR0240
<b>34</b>	Eligible subordinated <u>Subordinated</u> loans	RR0245
<b>36</b>	Personal assets not needed to meet non-business liabilities <b>less</b> Intangible assets	RR0246 RR0247
<b>37</b>	<b>less</b> interim net losses	RR0248
<b>38</b>	<b>less</b> excess of drawings over profits for a sole trader or p'ship	RR0249
<b>35</b>	TOTAL CAPITAL RESOURCES <u>Personal assets not needed to meet non-business liabilities</u>	
<b>39</b>	TOTAL CAPITAL RESOURCES	RR0250

Delete the text of:

**Section D2: Financial Resources – Non-ISD Personal Investment Firms**

The deleted text is not shown.

After D1 insert new **Section D6: Capital resources** (overleaf) in the place of Section D2. This text is not underlined:

**SECTION D6: CAPITAL RESOURCES**

**Personal Investment Firms subject to IPRU(INV) chapter 13**

1	Base requirement	
2	Expenditure based requirement	
3	Capital resources requirement per IPRU (INV) 13.3.2R	
4	Additional capital resources requirement for PII (if applicable)	
5	Other FSA capital resources requirements (if applicable)	
6	Total capital resources requirement	
7	Capital resources - as below	
8	<b>Surplus / deficit of capital resources</b>	

**Capital resources - per IPRU (INV) 13.3.10R**

9	Paid up share capital (excluding preference shares redeemable by shareholders within 2 years)	
10	Eligible LLP members' capital	
11	Balances on proprietor's or partners capital and current accounts, less excess LLP members' drawings and excess of current year drawings over current year profits	
12	Share premium account	
13	Retained profits (losses) plus current year net profits (losses) plus other reserves	
14	Revaluation reserves	
15	Subordinated loans	
16	Less: intangible assets	
17	Less: Contingent liabilities	
18	Less: Deficiencies in subsidiaries	

19	Less: Non-trade debtors (including from group and connected companies)	
20	Less: Trade debtors (including from group and connected companies)	
21	Less: Land and buildings (net of any liabilities secured by a charge on the assets)	
22	Less: Investments	
23	Less: Accrued income	
24	Less: Prepayments	
25	Less: Deposits	
26	Less: Other illiquid assets	
27	Personal assets of partnerships or sole traders	
28	<b>CAPITAL RESOURCES</b>	

**Section E: Professional Indemnity Insurance (PII) Self-Certification** – delete this form in its entirety (deleted text not shown) and replace with new Section E as shown below:

**SECTION E: PII Self-Certification**

	H	I	J
	Home finance advising/a rranging	Non-inv insurance advising/arranging/d ealing/assisting	Retail investmen t advising/a rranging
1	<i>Professional Indemnity Insurance (PII)</i> Does your firm hold a comparable guarantee or equivalent cover in lieu of PII, or is it otherwise exempt from holding PII in respect of any regulated activities (select as appropriate)?		
2	If your firm does not hold a comparable guarantee or equivalent cover and is not exempt does the firm currently hold PII?		
3	Has your firm renewed its PII cover since the last reporting date		

4	A	B	C	D	E	F	G	H	I	J	O	K	L	M	N			
	PII Basic information												PII detailed information					
	Activities covered by the policy								IMD firms should state their indemnity limits in Euros									
PII policy	Home finance advising/arranging	Non-inv insurance advising/arranging/d ealing/assisting	Retail investment advising/a rraging	Retro active start date (if any)	Annu alised premi um (Sterli ng)	Ins urer (fro m list)	St art da te	End date	Indemnity Limit (Single) in: Euros/Sterling/ Unlimited	Limit of Indemnity: Single	Indemni ty Limit (Aggreg ate) in: Euros/S terling/ Unlimite d	Limit of Indemnity : Aggr egate	Busi ness line	Polic y exces s (Sterli ng)	Policy exclu sions			
1																		
2																		
3																		





**16 Annex 18BG      Notes for completion of the Retail Mediation Activities Return ('RMAR')**

...

**NOTES FOR COMPLETION OF  
THE RETAIL MEDIATION ACTIVITIES RETURN ('RMAR')**

**Contents**

Introduction              General notes on the RMAR

...

Section D:                Regulatory Capital Resources

...

**Introduction: general notes on the RMAR**

...

**Defined terms**

...

**Key abbreviations**

5. The following table summarises the key abbreviations that are used in these notes:

...	...
<del>CRED</del> <u>CREDS</u>	The Credit <del>unions</del> <u>Unions</u> sourcebook, <u>which is</u> part of the FSA Handbook
...	...
IPRU(INV)	The Interim Prudential sourcebook for <del>investment</del> <u>Investment</u> <del>businesses</del> <u>Businesses</u> , <u>which is</u> part of the FSA Handbook
...	
MIPRU	The Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries
<u>MiFID</u>	<u>The Markets in Financial Instruments Directive</u>
RMAR	Retail Mediation Activities Return, i.e. the information requirements to which these notes refer.
...	...

**Scope**

6. The following *firms* are required to complete the *RMAR*:

...

(b) *firms with permission to carry on home finance mediation activity;*

(c) ~~*firms (defined as retail investment firms) that have retail customers, and have permission to carry on the following activities in relation to retail investments:*~~

- ~~• *Advising on investments;*~~
- ~~• *Arranging (bringing about) deals in investments;*~~
- ~~• *Making arrangements with a view to transactions in investments; and personal investment firms; and*~~

(d) ~~*personal investment firms*~~ other investment firms that have retail customers (defined as retail investment firms), and have permission to carry on the following activities in relation to retail investments:

- *advising on investments;*
- *arranging (bringing about) deals in investments;*
- *making arrangements with a view to transactions in investments;*

...

## NOTES FOR COMPLETION OF THE RMAR

...

### Section D: Regulatory Capital Resources

Note: *Home purchase and reversion activity* should be included under the existing mortgage headings in this section of the RMAR.

#### ‘Higher of’ requirements

In this section there are separate calculations of regulatory capital resources and capital resources requirements for the different types of business covered by the data requirements. The calculations are the same, however, for both *home finance mediation activity* and *insurance mediation activity* relating to *non-investment insurance contracts*.

If a *firm* carries on one or both of:

- *home finance mediation activity*, and/or
- *insurance mediation activity* relating to *non-investment insurance contracts*;

and additionally carries on

- *designated investment business* (i.e. is subject to *IPRU(INV)*);

then a **‘higher of’** requirement applies. This is set out in *MIPRU 4.2.5R*, which provides that in these circumstances, the higher of the capital resources requirements relating to the respective activities should apply.

In section D1, therefore, there are separate reporting requirements to establish the appropriate capital requirements for the following groups of activities and/or firms (the requirements have to be completed for all applicable categories) :

- (i) firms carrying on *home finance mediation activity*, and/or *insurance mediation activity* relating to *non-investment insurance contracts* (the capital requirements are the same for both activities, calculated in section D1);
- (ii) *personal investment firms* that carry on *retail investment activities*, but no other *designated investment business*. Capital requirements are calculated in section D2;
- (iii) other *personal investment firms*, and firms that are subject to *MIPRU*, but are also subject to *IPRU(INV)* or *CRED* (see below). These additional capital requirements are not calculated as part of the RMAR.

In each case, it is the higher of the capital requirements that applies and is compared with the applicable calculation of financial resources.

- (i) Section D1 covers the appropriate capital resources and connected requirements in

MIPRU chapter 4 for firms carrying on home finance mediation activity, and/or insurance mediation activity relating to non-investment insurance contracts (the requirements have to be completed for all applicable categories). For such a firm that is also subject to IPRU(INV) or BIPRU, the requirement is the higher of the two capital resources requirements that apply (see MIPRU 4.2.5R) and is compared with the higher of the two capital resources calculations (see MIPRU 4.4.1R).

(ii) Section D6 covers the appropriate capital resources and connected requirements for personal investment firms that carry on retail investment activities. Those firms that carry on designated investment business and are subject to the RMAR, but do not meet the definition of personal investment firm (i.e. are not subject to IPRU(INV)) Chapter 13, are not subject to this section. Such firms, e.g. smaller stockbrokers that advise on retail investments as an incidental part of their business, remain subject to the financial resources requirements associated with their principal regulated activities. These additional capital resources requirements are not calculated as part of the RMAR, although will be relevant for the comparison required under MIPRU 4.2.5R.

Standard 'version 1' Some credit unions credit unions are exempt from the capital resources requirements in MIPRU, under the terms set out in 4.1.8R of that sourcebook, although they have a capital resources requirement under the Credit Unions sourcebook (CRED CREDs). For other credit unions credit unions, the capital resources requirement should be the highest of the amounts required under MIPRU, or CRED CREDs or IPRU(INV) (if applicable).

**Note on the scope of Sections D2:** firms that carry on designated investment business and are subject to the RMAR, but do not meet the definition of personal investment firm, i.e. are not subject to IPRU(INV) Chapter 13, will not be subject to this section. Such firms, e.g. smaller stockbrokers that advise on retail investments as an incidental part of their business, remain subject to the financial resources requirements associated with their principal regulated activities.

**Sub-sections:** this section is sub-divided as follows:

**D1:** in this sub-section, firms are required to complete the regulatory capital sections that are applicable for the types of business undertaken. The personal investment firms referred to in

(ii) above are required to complete section D2 to arrive at the totals required in D1.

**D2:** this section is completed by personal investment firms that are not subject to the requirements of MiFID and the Capital Adequacy Directive (CAD). It is used to calculate the financial resources and financial resources requirements set out in Chapter 13.10-12 of the Interim Prudential Sourcebook for Investment Businesses (IPRU(INV)). This in turn will provide the totals to be submitted in the D1 fields marked A to I as applicable.

Firms are required to complete the Sections that are applicable for the types of business they undertake. Personal investment firms must complete section D6 to arrive at the totals required in D1 (if D1 is relevant to them). They should calculate

their capital resources for the purpose of Section D6 as per Chapter 13 of (IPRU(INV)).

### **Guide for the completion of individual fields**

#### **Section D1: Guide for the completion of individual fields firms within the scope of MIPRU chapter 4**

Is the firm exempt from these capital resources requirements in relation to any of its retail mediation activities?	<p>The <i>firm</i> should indicate here if any <i>Handbook</i> exemptions apply in relation to the capital resources requirements in <i>MIPRU</i> or <i>IPRU(INV)</i> Chapter 13. Examples of <i>firms</i> that may be subject to exemptions include</p> <ul style="list-style-type: none"> <li>• Lloyd's <i>managing agents</i> (<i>MIPRU</i> 4.1.11R);</li> <li>• solo consolidated <i>subsidiaries of banks or building societies</i>;</li> <li>• small <i>credit unions</i> (as defined in <i>MIPRU</i> 4.1.8R); and</li> <li>• <i>investment firms</i> not subject to <i>IPRU(INV)</i> Chapter 13 (unless they additionally carry on <i>home finance mediation activity</i> or <i>insurance mediation activity</i> relating to <i>non-investment insurance contracts</i>).</li> </ul>
<b>Home finance and non-investment insurance mediation</b> (see sub paragraph (i) above)	
Base requirement	<p>The minimum capital resources requirements requirement for <i>firms</i> carrying on <i>home finance mediation activity</i> and for <u>and/or</u> <i>insurance mediation activity</i> relating to <i>non-investment insurance contracts</i> <del>are</del> <u>is</u> set out in <i>MIPRU</i> 4.2.11R.</p> <p>If the <i>firm</i> carries on <i>designated investment business</i> as well as <i>home finance mediation activity</i>, <i>insurance mediation activity</i> or both, requirements under both <i>IPRU(INV)</i> and <i>MIPRU</i> need to be considered, as it is the higher of the requirements that needs to be met (see general notes above).</p>
5% of annual income (firms holding client money)	For <i>firms</i> that hold <i>client money</i> or other <i>client</i> assets in relation to <i>insurance mediation activity</i> or <i>home finance mediation activity</i> , <del>this the requirement should be</del> <u>is</u> calculated as 5% of the annual income (see <i>MIPRU</i> 4.2.11R(2)) from the <i>firm's</i> <i>insurance mediation activity</i> , <i>home finance mediation activity</i> , or both.
2.5% of annual income (firms not holding client money)	For <i>firms</i> that do not hold <i>client money</i> or other <i>client</i> assets in relation to <i>insurance mediation activity</i> or <i>home finance mediation activity</i> , <del>this the requirement should be</del> <u>is</u> calculated as 2.5% of the annual income (see <i>MIPRU</i> 4.2.11R(1)) from the <i>firm's</i> <i>insurance mediation activity</i> , <i>home finance mediation activity</i> , or both.
Capital resources requirements requirement (higher of above)	The higher of the base requirement and 5% of annual income ( <i>firms</i> that hold <i>client money</i> or other <i>client</i> assets), or the higher of the base requirement and 2.5% of annual income ( <i>firms</i> that do not hold <i>client money</i> or other <i>client</i> assets).
Additional capital resources requirements for PII (if applicable)	If the <i>firm</i> has any increased excesses on its PII policies, the <u>total of the additional capital resources requirements required by the tables in <i>MIPRU</i> 3.2.13R or <i>MIPRU</i> 3.2.14R should be recorded here. See also section E of the RMAR.</u>
Other FSA capital resources requirements (if applicable)	The FSA may from time to time impose additional requirements on individual <i>firms</i> . If this is the case for your <i>firm</i> , you should enter the relevant amount here. This excludes capital resources requirements in relation to PII,

	<p>which are recorded <del>below</del> <u>above</u>.</p> <p>There may be additional capital <u>resources</u> requirements imposed on <i>firms</i> that carry on a number of different <i>regulated activities</i>. For example, <i>firms</i> that carry on the activities of <i>home finance providing activity</i> or <i>administering a home finance transaction</i> in addition to <i>home finance mediation activity</i> and/or <i>insurance mediation activity</i>, and are not exempted under <i>MIPRU</i> 4.1.4R, may have an additional requirement under <i>MIPRU</i> 4.2.21R(2).</p> <p><u>If the firm carries on designated investment business as well as home finance mediation activity, insurance mediation activity or both, requirements under both IPRU(INV) or BIPRU and MIPRU must be considered, as it is the higher of the requirements that needs to be met (see general note (i) above). So if the requirement under IPRU(INV) or BIPRU for a firm is higher than MIPRU then you should include the difference here.</u></p>
Additional capital requirements for PII (if applicable)	If the <i>firm</i> has any increased excesses on its PII policies, the total of the additional capital requirements required by the tables in <i>MIPRU</i> 3.2.13R or <i>MIPRU</i> 3.2.14R should be recorded here. See also section E of the RMAR.
TOTAL CAPITAL <u>RESOURCES</u> REQUIREMENT	Appropriate totals from above.
TOTAL CAPITAL RESOURCES	<p>This should be the total of <u>the</u> capital resources calculated in accordance with <i>MIPRU</i> 4 in this section (D1) for incorporated or unincorporated <i>firms</i> as applicable.</p> <p>For <i>firms</i> that are additionally subject to <i>IPRU(INV)</i>, <i>BIPRU</i> or <i>CRED</i>, this should be the higher of the amount calculated in this section ('total capital resources') and the financial resources determined by <i>IPRU(INV)</i>, <i>BIPRU</i> or <i>CRED</i>. See <i>MIPRU</i> 4.4.1R.</p>
TOTAL CAPITAL <u>RESOURCES</u> EXCESS/(DEFICIT)	This should show the amount of capital resources that the <i>firm</i> has in relation to its capital <u>resources</u> requirement.
<b>IPRU(INV) requirements for personal investment firms (retail investment activities only)</b>	<i>Firms</i> that carry on <i>retail investment activities</i> , but no other <i>designated investment business</i> , are subject to this section. It is populated from section D2 (see sub paragraph (ii) above).
Category of personal investment firm under <i>IPRU(INV)</i>	If the <i>firm</i> is subject to Chapter 13 of <i>IPRU(INV)</i> , it should enter here its firm category as defined in <i>IPRU(INV)</i> Appendix 13(1), i.e. A1, A2, A3, B1, B2 or B3.
Own funds requirement	<p><b>See Section D2</b></p> <p>The own funds requirement ('OFR') should be calculated in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment Firms.</p> <p><i>Non-MiFID Firms</i> see section <i>IPRU (INV)</i> 13.10</p> <p>For a <i>low resource firm</i>, the OFR is always £10,000.</p>
Additional own funds requirement for PII (if applicable)	If the <i>firm</i> has increased excesses or exclusions on its PII policies, the total of the additional capital requirements required by <i>IPRU(INV)</i> 13.1.4 should be recorded here. See also section E of the RMAR.
Other FSA capital requirements (if applicable)	The FSA may from time to time impose additional requirements on individual <i>firms</i> . If this is the case for your

	<i>firm</i> , you should enter the relevant amount here. This excludes capital requirements in relation to PII, which are recorded above.
Total own funds requirement	Appropriate totals from above.
Own funds	<p><b>See Section D2</b> This field should be filled in using the figure for own funds that is derived from the calculation in Section D2.</p> <p>Own funds should be calculated in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment Firms.</p> <p>Non <i>MiFID Firms</i> see <i>IPRU (INV) 13.10</i> Source data for the own funds calculation should be entered in the separate financial resources section for non <i>MiFID firm</i>.</p>
Surplus/deficit of own funds	<p><b>See Section D2</b> This field should be filled in using the figure for surplus/deficit that is derived from the calculation in Section D2.</p> <p>This should show the amount of the <i>firm's</i> own funds in relation to its own funds requirement</p>
Adjusted net current assets requirement (if applicable)	<p><b>See Section D2</b> All <i>personal investment firms</i> except <i>low resource firms</i> should at all times have adjusted net current assets of at least £1.</p> <p><i>Low resource firms</i> should enter 'n/a' here.</p>
Adjusted net current assets (if applicable)	<p><b>See Section D2</b> All <i>personal investment firms</i> except <i>low resource firms</i> should at all times have adjusted net current assets of at least £1.</p> <p><i>Low resource firms</i> should enter 'n/a' here.</p> <p>This field should be filled in using the figure for adjusted net current assets that is derived from the calculation in Section D2.</p> <p>Adjusted net current assets should be calculated in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment <i>Firms</i>.</p> <p>Non <i>MiFID Firms</i> see <i>IPRU (INV)13.11</i></p>
Surplus/deficit (if applicable)	<p><b>See Section D2</b> All <i>personal investment firms</i>, except <i>low resource firms</i>, should at all times have adjusted net current assets of at least £1.</p> <p><i>Low resource firms</i> should enter 'n/a' here.</p> <p>This field should be filled in using the figure for surplus/deficit that is derived from the calculation in section D2 of the data requirements.</p> <p>This shows whether the <i>firm's</i> net current assets are positive</p>
Expenditure based requirement (if applicable)	<p><b>See Section D2</b> All <i>personal investment firms</i>, except <i>low resource firms</i>, should calculate their expenditure based requirement</p>

	<p>(‘EBR’) in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment Firms.</p> <p><i>Low resource firms</i> should enter ‘n/a’ here.</p> <p><i>Non MiFID Firms</i> see <i>IPRU (INV) 13.12</i></p>
Adjusted Capital/liquid capital (if applicable)	<p><b>See Section D2</b></p> <p>This field should be filled in using the figure for adjusted capital/liquid capital that is derived from the calculation in Section D2.</p> <p>Adjusted/liquid capital should be calculated in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment Firms.</p> <p><i>Non MiFID Firms</i> see <i>IPRU (INV) 13.12</i></p> <p><i>Low resource firms</i> should enter ‘n/a’ here.</p>
Surplus/deficit (if applicable)	<p><b>See Section D2</b></p> <p>This field should be filled in using the figure for surplus/deficit that is derived from the calculation in Section D2.</p> <p>This shows the amount of the <i>firm</i>’s adjusted/liquid capital in relation to its expenditure based requirement.</p> <p><i>Low resource firms</i> should enter ‘n/a’ here.</p>
<b>Eligible capital resources (mortgage home finance and non-investment insurance)</b>	
<b>Incorporated firms</b>	
Share capital	Share capital in section A which is eligible for inclusion as <u>regulatory capital resources</u> .
Reserves	These are the audited accumulated profits retained by the <i>firm</i> (after deduction of tax and dividends) and other reserves created by appropriations of share premiums and similar realised appropriations. Reserves also include gifts of capital, for example, from a <i>parent undertaking</i> . Any reserves that have not been audited should not be included in this field unless the <i>firm</i> is eligible to do so under Note 1 of <i>MIPRU 4.4.2R(3)</i> .
Interim net profits	Interim net profits should be verified by the <i>firm</i> ’s external auditor, net of tax or anticipated dividends and other appropriations to be included as capital. Any interim net profits that have not been verified should not be included in this field unless the <i>firm</i> is eligible to do so under Note 1 of <i>MIPRU 4.4.2R(3)</i> .
Revaluation reserves	Revaluation reserves ( <u>unrealised reserves arising from revaluation of fixed assets</u> ) can only be included here if <u>audited</u> are unrealised reserves arising from the revaluation of fixed assets. They can only be included here if <u>audited unless the firm has an exemption in accordance with Note 1 of MIPRU 4.4.2R</u> .
<del>Eligible subordinated</del> Subordinated loans	Subordinated loans should be included in capital resources on the basis of the provisions in <del>PRU 9.3.56R and PRU 9.3.57R</del> <i>MIPRU 4.4.7R and MIPRU 4.4.8R</i> .
Less: investments in own shares	Amounts recorded in the balance sheet as investments which are invested in the <i>firm</i> ’s own shares should be entered here for deduction.
Less: intangible assets	Any amounts recorded as intangible assets in Section A <del>above</del> should be entered here for deduction.



	<del>The balance sheet value for <b>goodwill</b> does not have to be deducted here until 14 January 2008. See <i>MIPRU</i> 4.4.4R</del>
Less: interim net losses	Interim net losses should be reported where they have not already been incorporated into audited reserves. The figures do not have to be audited to be included.
<b>Unincorporated firms and limited liability partnerships</b>	
Capital of a sole trader or partnership or LLP members' capital	See <i>MIPRU</i> 4.4.2R
<del>Eligible subordinated</del> <u>Subordinated</u> loans	Subordinated loans should be included in capital resources on the basis of the provisions in <i>MIPRU</i> 4.4.7R and <i>MIPRU</i> 4.4.8R.
<del>Personal assets not needed to meet non-business liabilities</del>	<del><i>MIPRU</i> 4.4.5R and 4.4.6G allow a <i>sole trader</i> or <i>partner</i> to use personal assets to cover liabilities incurred in the <i>firm's</i> business unless:</del>  <del>(1) those assets are needed to meet other liabilities arising from: (a) personal activities; or (b) another business activity not regulated by the <i>FSA</i>; or (2) the <i>firm</i> holds <i>client money</i> or other <i>client</i> assets.</del>  <del>This field may be left blank if the <i>firm</i> is able to satisfy the capital resources requirements without relying on personal assets.</del>
Less: intangible assets	Any amounts recorded as intangible assets in Section A above should be entered here for deduction.  <del>The balance sheet value for <b>goodwill</b> does not have to be deducted here until 14 January 2008. See <i>MIPRU</i> 4.4.3R</del>
Less: interim net losses	Interim net losses should be reported where they have not already been incorporated. The figures do not have to be audited to be included.
Less: excess of drawings over profits for a sole trader or partnership or LLP	Any excess of drawings over profits should be calculated in relation to the period following the date as at which the capital resources are being calculated. The figures do not have to be audited to be included.
<del>Personal assets not needed to meet non-business liabilities</del>	<del><i>MIPRU</i> 4.4.5R and 4.4.6G allow a <i>sole trader</i> or <i>partner</i> to use personal assets to cover liabilities incurred in the <i>firm's</i> business unless:</del>  <del>(1) those assets are needed to meet other liabilities arising from: (a) personal activities; or (b) another business activity not regulated by the <i>FSA</i>; or (2) the <i>firm</i> holds <i>client money</i> or other <i>client</i> assets.</del>  <del>This field may be left blank if the <i>firm</i> satisfies the capital resources requirements without relying on personal assets.</del>

## **Section D2: non-ISD personal investment firms**

This section is for non-*MiFID* personal investment firms. Its purpose is to assist in calculating the financial resources data that is required in section D1 above, based on the requirements of *IPRU(INV)* 13.10 to 13.12.

All non-MiFID personal investment firms are required to meet the Own Funds financial resources test as follows:

**Own Funds (test 1)**

IPRU(INV) requires that all non-MiFID personal investment firms have financial resources of at least £10,000 at all times. The Own Funds test is designed to evaluate firms' adherence to this requirement.

In addition, firms that do not fall within the definition of a low resource firm are required to meet the following additional financial resources tests.

**Adjusted Net Current Assets (test 1A)**

The purpose of this test is to ensure that the firm has adequate working capital to be able to meet its liabilities as and when they fall due. It does this by taking the firm's net current assets (from the balance sheet), and applying the following actions:

- (1) excluding assets which cannot be realised or recovered within twelve months;
- (2) excluding amounts receivable from connected persons (to the extent that they are not properly secured, except certain allowable deposits);
- (3) valuing investments at current market value.

The resulting balance should be at least £1.

**Expenditure Based Requirement (test 2)**

This is a capital requirement for personal investment firms that are not low resource firms, based on a firm's overall audited expenditure. The Expenditure Based Requirement is calculated as a fraction of the firm's annual fixed costs which, for this purpose, are based upon the firm's annual expenditure and, in general terms, exclude cost items that would not be incurred were there no income. Thus staff bonuses and partners' profit shares (unless guaranteed) and any shared commissions are not treated as fixed costs for the purposes of the calculation.

**Section D6: Capital Resources – Personal Investment Firms subject to IPRU(INV) chapter 13**

<p><u>Base requirement</u></p>	<p>The minimum capital resources requirement for a firm is set out in IPRU(INV) 13.3.2R(2).</p> <p>Firms must be aware of the Transitional Provisions in IPRU(INV) Chapter 13.</p>
<p><u>Expenditure-based requirement</u></p>	<p>The requirement is calculated as 1/4 of the firm's fixed annual expenditure as required by IPRU(INV) 13.3.2R(1).</p> <p>For the purposes of the calculation fixed expenditure is that which is inelastic relative to fluctuations in the firm's level of business. Fixed expenditure is likely to include most salaries and staff costs, office rent, payment for the rent or lease of office equipment, and insurance premiums. It may</p>

	<p>be viewed as the amount of funds which a <i>firm</i> would require to enable it to cease business in an orderly manner, should the need arise. Staff bonuses, <i>employees</i> and <i>directors</i>' profit shares, some interest charges, shared commission and fees payable, emoluments of directors, partners or a sole trader, and other variable expenditure can be deducted for the purposes of the calculation, but the <i>firm</i> will need to identify for itself which costs amount to fixed expenditure.</p> <p><i>Firms</i> must be aware of the Transitional Provisions in <i>IPRU(INV)</i> Chapter 13.</p>
Capital resources requirement per <i>IPRU(INV)</i> 13.3.2R (higher of above)	<p><i>Firms</i> are required to meet the capital resources requirement which is the higher of:</p> <p>(1) the base requirement; and</p> <p>(2) the expenditure-based requirement.</p>
Additional capital resources requirement for PII (if applicable)	<p>If the <i>firm</i> has increased excesses or exclusions on its PII policies, the total of the additional capital resources requirements required by <i>IPRU(INV)</i> 13.1.23R and 13.1.27R should be recorded here. See also section E of the <i>RMAR</i>.</p>
Other <i>FSA</i> capital resources requirements (if applicable)	<p>The <i>FSA</i> may from time to time impose additional requirements on individual <i>firms</i>. If this is the case for your <i>firm</i>, you should enter the relevant amount here. This excludes capital resources requirements in relation to PII, which are recorded above.</p>
Total capital resources requirement	Appropriate totals from above.
Capital Resources - as below	This field should be filled in using the figure for capital resources as calculated in the second part of this Section.
Surplus/deficit of capital resources	This should show the amount of the <i>firm's</i> capital resources in relation to its capital resources requirement.

#### **Capital resources calculation – per IPRU(INV) 13.3.10R**

Paid up share capital excluding preference shares redeemable by shareholders within 2 years	Exclude redeemable preference shares which fall due within two years. If preference shares are not redeemable by the shareholder within 2 years, they must be treated in accordance with 13.3.1R and 13.3.14R.
Eligible LLP members' capital	
Balances on proprietor's or partners' capital and current accounts, less excess LLP members' drawings and excess of current year drawings over current year profits	
Share premium account	
Retained profits (losses) plus current year net profits (losses) plus other reserves	Retained profits (or losses) do not need to be audited and current year net profits (or losses) do not need to be verified.
Revaluation reserves	
Subordinated loans	Subject to the limits set out in 13.3.11R to 13.3.14R.
Less: Intangible assets	Deduct intangible assets in full.
Less: Contingent liabilities	Deduct any contingent liability (including the overdraft of any other company that the firm has guaranteed).
Less: Deficiencies in <i>subsidiaries</i>	Include a deduction for the amount by which the liabilities of any <i>subsidiary</i> (excluding its capital and reserves) exceed its tangible assets. This requirement applies only to the extent that the <i>firm</i> has not already made such a provision in its balance sheet.
Less: Non-trade debtors (including	Deduct amounts in full.

<u>from group and connected companies)</u>	
<u>Less: Trade debtors (including from group and connected companies)</u>	<u>Deduct amounts due and unpaid for more than 90 days.</u>
<u>Less: Land and buildings (net of any liabilities secured by a charge on the assets)</u>	<u>Deduct 30% of the net book value of land and buildings.</u>
<u>Less: Investments</u>	<u>Deduct the applicable percentage for investments as specified in Table 13.3.10.</u>
<u>Less: Accrued income</u>	<u>Deduct amounts receivable after more than 90 days.</u>
<u>Less: Prepayments</u>	<u>Deduct amounts which relate to goods or services to be received or performed after more than 90 days.</u>
<u>Less: Deposits</u>	<u>Deduct amounts other than:</u>  <u>(a) cash and balances on current accounts and on deposit accounts with an approved bank or National Savings Bank that can be withdrawn within 90 days;</u>  <u>(b) money on deposit with a UK local authority that can be withdrawn within 90 days;</u>  <u>(c) money deposited and evidenced by a certificate of tax deposit.</u>
<u>Less: Other illiquid assets</u>	<u>Deduct amounts in full.</u>
<u>Personal assets of partnerships or sole traders</u>	<u>A sole trader or a partnership may include personal assets (based on a current independent valuation) to make up any shortfall in the required capital resources needed to meet its capital resources requirement. The assets must be discounted by the factors used for the calculations above in this Table and must not be needed to meet liabilities arising from personal activities or another business activity not regulated by the FSA.</u>

## Section E: Professional Indemnity Insurance

~~Note: Home purchase, reversion and sale and rent back activity should be included under the existing mortgage headings in this section of the RMAR.~~

This section requires *firms* to confirm that they are in compliance with the prudential requirements in relation to professional indemnity insurance (PII).

Data is required in relation to all PII policies that a *firm* has in place, up to a limit of ten (the system will prompt you to submit data on all applicable policies). If a *firm* has more than ten policies, it should report only on the ten largest policies by premium.

**Note on the scope of Section E:** *retail investment firms* that fall within the scope of these data requirements, but do not meet the definition of *personal investment firm*, i.e. are not subject to IPRU(INV) 13, will **not** be subject to this section unless they undertake insurance mediation or home finance mediation activities. Insurance mediation activity includes any mediation performed in relation to a contract of insurance and this, for example, will include a life policy.

The PII requirements for *authorised professional firms* ('APFs') that carry on *retail investment activities* are set out in IPRU(INV) 2.3. APFs that carry on *home finance mediation activity* or *insurance mediation activity* are subject to the full requirements of MIPRU 3.

*Firms* which are subject to the requirements in both ~~IPRU and MIPRU~~ IPRU(INV) 13 but also undertake home finance and/or insurance mediation activity in relation to a non-investment insurance contract must apply the PII rules outlined in IPRU(INV) 13, not MIPRU 3.

**Section E: guide for completion of individual fields**

**Part 1**

<p>Does your firm hold a comparable guarantee or equivalent cover in lieu of PII, or is it otherwise exempt from holding PII in respect of any regulated activities (tick as appropriate)?</p>	<p>This question will establish whether a <i>firm</i> is exempt from the requirements and so is not required to hold PII.</p> <p>The conditions for comparable guarantees and <u>other exemptions</u> from the PII requirements for <i>firms</i> carrying on <u>insurance or home finance mediation</u> and <u>subject to MIPRU</u> are set out in <u>MIPRU 3.1.1R</u> paragraphs (3) to (6).</p> <p><b><i>Personal investment firms</i></b> can only be exempted by <del>individual waiver granted by the FSA (unless IPRU(INV) 13.1.7R applies in respect of comparable guarantees)</del> <u>if they have a comparable guarantee that complies with IPRU(INV) 13.1.7R</u>.</p> <p>If the <i>firm</i> is required to hold PII – i.e. is not exempt from holding PII – you should enter 'no' in the data field.</p> <p>A <i>firm</i> is NOT exempt from holding PII if:</p> <ul style="list-style-type: none"> <li>• the <i>firm</i> has a group policy with an insurer; or</li> <li>• the <i>firm</i> has permission for a regulated business that requires PII, but does not currently carry it out; or</li> <li>• it is a <i>personal investment firm</i> meeting the exemption requirements for <i>mortgage intermediaries</i> and <i>insurance intermediaries</i> in <u>MIPRU 3</u>.</li> </ul> <p><i>Retail investment firms</i> that do not meet the definition of <i>personal investment firm</i> are not required to complete this section of the RMAR <u>unless they have permission for non-investment insurance or home finance mediation activities</u>.</p>
<p>If <del>the</del> your firm does not hold a comparable guarantee or equivalent cover and is not exempt, does the firm currently hold PII?</p>	<p><i>Firms</i> are required to take out and maintain PII at all times.</p> <p>You should only enter 'n/a' if the <i>firm</i> is exempt from the PII requirements for all the <i>regulated activities</i> forming part of the RMAR.</p>
<p>...</p>	<p>...</p>

**Part 2**

At this point, if the *firm* has PII policy details to report, it should do so by clicking on the 'add PII policy' button in the summary screen. This will then prompt you to name the sub-section, e.g. 'policy1'. You may also add further sub-sections if the *firm* has two or more policies (up to a maximum of ten).

PII basic information

<p>What activities are covered by the policy(ies)?</p>	<p>You should indicate which <i>regulated activities</i> are covered by the <i>firm's</i> PII policy or policies.</p>
<p>If your policy excludes all business activities carried on prior to a</p>	<p>Required terms of PII are set out for <i>personal investment firms</i> in <del>IPRU(INV) 13.1.5R</del> <u>IPRU(INV) 13.1.9R to 13.1.18R</u></p>

particular date (i.e. a retroactive start date), then insert the date here, if not please insert 'n/a'.	and for <i>mortgage intermediaries</i> and <i>insurance intermediaries</i> in MIPRU 3.2.4R.  ...
...	...
Limit of Indemnity	<p>...</p> <p>Those firms subject to <u>the Insurance Mediation Directive (IMD)</u> requirements should state their limit in Euros; those that are not subject to the <i>IMD</i> should select 'Sterling' from the drop-down list.</p> <p>...</p> <p>For <i>personal investment firms</i>, see <del>IPRU(INV) 13.1.9R</del> <u>13.1.10R</u> and 13.1.13R and select either 'Euros' or 'Sterling' as applicable.</p> <p>...</p>

...	...
Policy exclusion(s) (only in relation to exclusions you have had in the <u>past</u> or will have during the period covered by the policy)	<p>If there are any exclusions in the <i>firm's</i> PII policy which relate to any types of <del>businesses</del> <u>business</u> or <del>activities</del> <u>activity</u> that the <i>firm</i> has carried out either in the <u>past</u> or during the lifetime of the policy, enter the business type(s) to which the exclusions relate here.</p> <p>...</p>
...	...
<del>Insurer</del> Insurer's name (please select from the drop-down list)	<p>The <i>firm</i> should select the name of the <i>insurance undertaking</i> or Lloyd's syndicate providing cover. If the PII provider is not listed you should select 'other' and enter the name of the <i>insurance undertaking</i> or Lloyd's syndicate providing cover in the free-text box.</p> <p>If a policy is underwritten by more than one <i>insurance undertaking</i> or Lloyd's syndicate, you should select 'multiple' and state the names of all the <i>insurance undertakings</i> or Lloyd's syndicates in the free-text box.</p>
Annual income as stated on the most recent proposal form	<p>This should be the income as stated on the <i>firm's</i> most recent PII proposal form. For a <i>personal investment firm</i>, this is relevant income arising from all of the <i>firm's</i> activities for the last accounting year before the policy began or was renewed (<i>IPRU(INV)</i> 13.1.8R). For <i>insurance intermediaries</i> and <i>home finance intermediaries</i> this is the annual income given in the <i>firm's</i> most recent annual financial statement from the relevant <i>regulated activity</i> or activities (<i>MIPRU</i> 4.3.1R to 4.3.3R).</p>
Amount of additional capital <u>resource</u> required for increased excess(es) (where applicable, total amount for all PII policies)	<p>This should be calculated using the tables in <i>IPRU(INV)</i> <del>13.1.19R</del> <u>13.1.27R</u> or <i>MIPRU</i> 3.2.14 to 3.2.16R as applicable. The total of additional capital <u>resources</u> (i.e. in relation to all of the <i>firm's</i></p>

	PII policies) should <del>have been</del> be reported under 'additional capital <u>resources</u> requirements for PII' and/or 'additional own funds for PII' in Section D1.
Amount of additional capital resources required for policy exclusion(s)	<i>Personal investment firms</i> only – this should be calculated in line with <i>IPRU(INV)</i> 13.1.23R. The total of additional capital resources (i.e. in relation to all of the <i>firm's</i> PII policies) should have been reported under 'additional capital resources for PII' in section <del>D4</del> <u>D6</u> .
Total of additional capital resources required	<i>Personal investment firms</i> only – this is the same figure as in section <del>D4</del> <u>D6</u> , representing the total of additional capital resources required under <i>IPRU(INV)</i> 13.1.23R to 13.1.27R for all of the <i>firm's</i> PII policies.
<del>Total of readily realisable capital resources</del>	<del><i>Personal investment firms</i> only – you should state here the total of the own funds reported in section D.</del>
<del>Excess/deficit of readily realisable own funds</del>	<del>This field is no longer relevant.</del>

...