

Chapter 4

Lloyd's Firms

4.2 PURPOSE

- 4.2.1
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- This chapter identifies the financial resource requirements and requirements as to accounts and statements to be met by certain *firms* conducting business at Lloyd's.
- 4.2.2
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- The directions in ■ IPRU-INV 4.4.1D to■ IPRU-INV 4.4.5D and ■ IPRU-INV 4.5.1D are given under section 318 of the Act (Exercise of powers through Council), for the purpose of achieving the objective specified, as required by section 318(2) of the Act, in ■ IPRU-INV 4.3.1D.
- 4.2.3
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- Underwriting agents* are subject to regulation by the *Society* as well as by the *appropriate regulator*. In particular, they are subject to requirements as to their financial resources and as to making and maintaining accounting records, set by the *Society*. The *appropriate regulator* is satisfied that *underwriting agents* will be subject to adequate financial resource and accounting requirements as long as they remain subject to and comply with requirements at least equivalent to Lloyd's Capital and Solvency Requirements 2001 and the relevant parts of, or requirements made under Lloyd's Underwriting Agents Byelaw (No. 4 of 1984), in each case as amended and in force immediately before *commencement*. Accordingly, instead of imposing an obligation directly on *members' agents*, the directions in ■ IPRU-INV 4.4.1D to ■ IPRU-INV 4.4.5D and ■ IPRU-INV 4.5.1D require the *Society* to require those firms to comply with the relevant requirements.
- 4.2.4
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- A *members' adviser* is not regulated by the *Society* and accordingly this chapter specifies the financial resource and accounting requirements to be met. *Firms* which fall within the scope of this chapter will be *firms* with *permission* only to advise persons on *syndicate* participation at Lloyd's. The nature of that advisory business is akin to corporate finance advice and so the applicable requirements are those in ■ IPRU-INV 3 relevant to *firms* giving corporate finance advice. *Firms* with other *permissions* will fall within the scope of other chapters of *IPRU(INV)*, *MIFIDPRU* or *INSPRU*.