

Chapter 2

Level of application of requirements

2.1 Application and purpose

Application

2.1.1

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■ MIFIDPRU 2 applies to:

- a *MIFIDPRU investment firm*;
- a *UK parent entity*;
- a *UK investment holding company, UK mixed financial holding company or UK mixed-activity holding company*; and
- a *parent undertaking* in the *UK* that is a *relevant financial undertaking* in an *investment firm group*.

Purpose

2.1.2

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This chapter contains:

- (1) a *rule* in ■ MIFIDPRU 2.2.1R applying requirements in this sourcebook to *MIFIDPRU investment firms* on an individual basis;
- (2) *rules* in ■ MIFIDPRU 2.3 outlining the circumstances in which a *MIFIDPRU investment firm* may apply to the *FCA* for an exemption from specific requirements in this sourcebook that apply on an individual basis;
- (3) *rules and guidance* in ■ MIFIDPRU 2.4 which cover:
 - (a) the definition of an *investment firm group*;
 - (b) the *undertakings* that are included within an *investment firm group*; and
 - (c) when and how an *investment firm group* may apply to the *FCA* for permission to use the *group capital test* as an alternative to the prudential consolidation requirements in ■ MIFIDPRU 2.5;
- (4) *rules and guidance* in ■ MIFIDPRU 2.5 which cover the following:
 - (a) when requirements in this sourcebook apply on a *consolidated basis*;
 - (b) the circumstances in which the *FCA* may permit an *investment firm group* to disapply certain prudential consolidation requirements; and
 - (c) how an *investment firm group* must apply obligations in this sourcebook on a *consolidated basis*;

- (5) *rules and guidance in ■ MIFIDPRU 2.6 in relation to the *group capital test*; and*
- (6) *rules and guidance in ■ MIFIDPRU 2.7 which cover:*
 - (a) *additional requirements and FCA supervisory powers that are relevant to a UK parent entity; and*
 - (b) *additional requirements that are relevant to a MIFIDPRU investment firm which is a subsidiary of a UK mixed-activity holding company.*