

Chapter 6A

Permission to approve financial promotions



6A.2 Applications relating to approver permission

Applying for approver permission

6A.2.1

G

- (1) The following *persons* may apply to the FCA for the grant of *approver permission*:
 - (a) a *firm*; or
 - (b) a *person* whose application for *Part 4A permission* has yet to be determined.
- (2) In the case of an applicant for *Part 4A permission*, the FCA is likely to consider the application for *approver permission* alongside the application for *Part 4A permission*.

Determination of applications for approver permission

6A.2.2

G

- (1) The FCA may grant *approver permission* to a *firm* enabling it to *approve*:
 - (a) any *financial promotions*; or
 - (b) only certain *financial promotions*.
- (2) In relation to (1)(b), the FCA may grant *approver permission* subject to any terms the FCA considers appropriate. This may, in particular, provide for the *approver permission* to cover only *financial promotions* relating to certain kinds of *controlled investment*.
- (3) Where the FCA grants *approver permission* only in relation to certain *financial promotions* this may be:
 - (a) in accordance with the *firm's* own application; or
 - (b) because the FCA determines that it is appropriate to grant *approver permission* on terms which are different to those applied for.

[Note: section 55NA(4) of the Act]

6A.2.3

G

If the FCA grants or varies *approver permission*, the FCA will set out the terms on which the permission is granted, in particular, by describing what kinds of *financial promotion* the *firm* is entitled to *approve* and any conditions applicable to the exercise of the *approver permission*.

[Note: section 55NA(6) of the Act]

6A.2.4

G

- (1) The FCA may refuse to grant an application for *approver permission* under section 55NA of the Act, or refuse an application to vary or cancel an existing *approver permission*, if it appears to the FCA that it is desirable to do so in order to advance one or more of its *operational objectives*.
- (2) The FCA can only grant an application for *approver permission* made by an applicant for *Part 4A permission* if the applicant obtains *authorisation*.

[Note: section 55NA(7) of the Act]

6A.2.5

G

The FCA will assess an application for *approver permission* by reference to its *operational objectives*. In making this assessment, the FCA is likely to have particular regard to:

- (1) the applicant’s systems, controls and resources (including relevant personnel) relating to the *approval of financial promotions*;
- (2) the competence and expertise of relevant individuals;
- (3) the applicant’s processes (or intended processes) for *approving financial promotions*; and
- (4) the applicant’s readiness to comply with the relevant *financial promotion rules*.

[Note: for the FCA’s guidance on *approving financial promotions* see: <https://www.fca.org.uk/firms/financial-promotions-and-adverts/approving-financial-promotions>]

Applicant’s competence and expertise to approve financial promotions

6A.2.6

G

- (1) The FCA ordinarily expects to grant permission only to *approve financial promotions* relating to *controlled investments* (or, where relevant, *controlled claims management activity*) of a kind in relation to which the applicant can demonstrate that it has appropriate competence and expertise to assess compliance with the applicable *financial promotion rules*.
- (2) In assessing an applicant’s expertise in (1), the FCA will have regard, among other factors, to the *regulated activities* for which the applicant has applied for, or for which the applicant has, *Part 4A permission*.

6A.2.7

G

- (1) The FCA expects a *person* applying for *approver permission* to apply only for permission to *approve financial promotions*:
 - (a) of a kind which the *person* anticipates they will, in fact, assess for the purposes of giving, or refusing to give, *approval* (if *approver permission* is granted); and
 - (b) relating to *controlled investments* (or, where relevant, *controlled claims management activity*) of a kind in relation to which the *person* reasonably believes they have appropriate competence

and expertise to assess compliance with the applicable *financial promotion rules*.

- (2) In accordance with (1), the *FCA* discourages applicants from applying for blanket *approver permission* in respect of *financial promotions* generally.

Preparing for an application

6A.2.8 G

A *firm* that intends to apply for:

- (1) *approver permission*;
- (2) a variation of its *approver permission*; or
- (3) cancellation of its *approver permission*,

should, consistent with *Principle 11* (Relations with regulators), discuss its plans with its supervisory contact at the *FCA* as early as possible before making an application. These discussions will help the *FCA* and the *firm* to agree the correct approach for the *firm's* application.

Making an application

6A.2.9 D

- (1) A *firm* wishing to apply for *approver permission*, or for a variation or cancellation of its *approver permission*, must apply online using the relevant form specified on the *online notification and application system*.
- (2) Until the application has been determined, a *firm* which submits an application must inform the *FCA* of any significant change to the information given in the application immediately after it becomes aware of the change.
- (3) If the *online notification and application system* fails and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit the relevant form in ■ SUP 6 Annex 5D in the way set out in ■ SUP 15.7.4R to ■ SUP 15.7.9G (Form and method of notification).

6A.2.10 G

- (1) If the *online notification and application system* fails and online submission is unavailable for 24 hours or more, the *FCA* will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in ■ SUP 15.7.4R to ■ SUP 15.7.9G (Form and method of notification) should be used.
- (2) Where ■ SUP 6A.2.9D(3) applies to a *firm*, ■ GEN 1.3.2R (Emergency) does not apply.

6A.2.11 G

An applicant for *Part 4A permission* that also wishes to apply for *approver permission* should refer to the *FCA's* website for information on how to make this application.

6A.2.12 **G** As soon as possible after receipt of an application for *approver permission*, the *FCA* will advise the applicant of any additional information which is required as part of its application. The amount of information required will vary depending on the type of *financial promotions* in relation to which the applicant is seeking *approver permission* and the related risk profile of the application.

6A.2.13 **G** The fees payable by a *person* applying for *approver permission*, or an extension of *approver permission*, are set out in ■ FEES 3 Annex 14R.

How long will an application take?

- 6A.2.14** **G**
- (1) Under section 55V(1) of the *Act* (Determination of applications), the *FCA* has 6 months to consider a completed application from the date of receipt.
 - (2) If the *FCA* receives an application which is incomplete (that is, if information or a document required as part of the application is not provided), section 55V(2) of the *Act* requires the *FCA* to determine that incomplete application within 12 months of the initial receipt of the application.
 - (3) If the *FCA* fails to determine an application within the time period specified in section 55V of the *Act*, this does not mean that *approver permission* is deemed to be granted.

How will an application be determined?

- 6A.2.15** **G**
- (1) A decision to grant an application will be taken by appropriately experienced staff at the *FCA*. However, if the staff dealing with the application recommend that a *firm's* application for *approver permission*, or for a variation of its *approver permission*, be either refused or granted on terms other than those applied for, the decision will be subject to the *FCA's* formal decision-making process.
 - (2) *DEPP* gives *guidance* on the *FCA's* decision-making procedures, including the procedures it will follow if it proposes to refuse an application for *approver permission* either in whole or in part.

Consultation with other regulators

- 6A.2.16** **G** Before granting *approver permission*, or varying or cancelling a *firm's* *approver permission* in response to an application under section 55NA of the *Act*, the *FCA* will consult:
- (1) the *PRA*, if the applicant is a *person*:
 - (a) who is, or on the granting of an application for *Part 4A permission* will be, a *PRA-authorized person*; or
 - (b) who is a member of a *group* which includes a *PRA-authorized person*;

- (2) the Gibraltar regulator, if the applicant or *firm* is a Gibraltar-based person (in each case within the meaning of Schedule 2A of the Act).

[Note: section 55NA(9) and (10) of the Act]

Threshold conditions

- 6A.2.17 **G** In granting *approver permission*, the FCA is required by section 55B(3) of the Act to ensure that the applicant or *firm* satisfies, and will continue to satisfy, the *threshold conditions* for which the FCA is responsible in relation to all the *regulated activities* for which the applicant or *firm* has, or will have, *Part 4A permission*.

Approvals of financial promotions of investments subject to marketing restrictions

- 6A.2.18 **G**
- (1) A *firm* that applies for permission to *approve financial promotions* relating to certain types of *investment* will be asked whether it expects to *approve financial promotions* relating to:
- (a) *restricted mass market investments*; and
 - (b) *non-mass market investments*.
- (2) Reference to these categories of *investment* subject to marketing restrictions is unlikely to form part of a *firm's approver permission*.
- (3) Nevertheless, the FCA expects *firms* to keep it informed of changes to their plans to *approve financial promotions* relating to *restricted mass market investments* and *non-mass market investments*.
- 6A.2.19 **R**
- (1) A *firm* must give the FCA:
- (a) reasonable advance notice if it intends to begin *approving financial promotions* relating to *restricted mass market investments* or *non-mass market investments* for the first time; or
 - (b) notice if it ceases *approving financial promotions* relating to *restricted mass market investments* or *non-mass market investments*.
- (2) A notification in accordance with (1) must be made in the manner set out in ■ SUP 15.7.