

# Appendix 7

## QRG: impact assessment

### 7.1 Carrying out an impact assessment: who will be affected?

**App7.1.1** **G** In an impact assessment, a *firm* may ask the following questions to identify the stakeholders who may be affected by the winding down.

- (1) How might *customers* be affected by the wind-down? For instance, how many existing *customers* will the *firm* have to deal with if it is winding down now? How will the *firm* close *transactions* with these remaining *customers* and will *customers* be diligent in responding to the *firm's* notices and ending their business relationship?
- (2) Does the *firm* have an effective system to maintain *client* and *transactions* records?
- (3) Does the *firm* need to execute risk-reducing trades and, if so, will it continue to have access to the right market counterparties to do so?
- (4) How will *employees*, trade suppliers, counterparties or other third parties be affected?
- (5) What are the potential tax implications of winding down?

Effective	Less effective
Take into account the possibility of <i>customers</i> disputing <i>transactions</i> when closing out.	Take the view that if a <i>firm</i> is insolvent the administrator will ultimately allocate the assets according to priority.