

**INTEGRATED REGULATORY REPORTING (AMENDMENT NO 3) INSTRUMENT
2007**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the following sections of 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 Financial Services and Markets Act 2000.

Commencement

- C. This instrument comes into force as follows:
- (1) Annex A and Parts 1, 2 and 3 of Annex B come into force on 1 January 2008;
 - (2) Part 4 of Annex B comes into force on 6 March 2008;
 - (3) Part 5 of Annex B comes into force on 1 May 2008; and
 - (4) Part 6 of Annex B comes into force on 30 September 2008.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Integrated Regulatory Reporting (Amendment No 3) Instrument 2007.

By order of the Board
6 December 2007

Annex A

Amendments to the Glossary of definitions

This Annex comes into force on 1 January 2008.

In this Annex, underlining indicates new text.

drawn down capital

(in SUP 16, in the case of an *investment management firm* carrying out *venture capital business*) the total current value of contributions committed by investors under contractual agreement which has been invested by the *firm*.

Annex B

Amendments to the Supervision manual (SUP)

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

Part 1: Comes into force on 1 January 2008

Amendments to Transitional provisions

TP1.2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional Provisions	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
12 M	(1) <i>SUP</i> 16.12.5R	R	<p>Firms in <i>Regulated Activity Group</i> 1 are not required to submit the following data items:</p> <p>(i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA010 FSA012 FSA013 FSA016 FSA018 <u>FSA045</u> and</p> <p>(ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 FSA014 FSA020 FSA021 FSA022 FSA023 FSA024 FSA025 FSA026 and</p>	1 January 2008 to 30 August <u>29 September</u> 2008	1 January 2008

				<p><u>(iii) for reporting dates falling prior to 30 September 2008:</u> <u>FSA015</u> <u>FSA044</u> <u>FSA046</u></p>		
	...					
	(5)	SUP 16.12.11R	R	<p><i>Firms in Regulated Activity Group 3 other than exempt BIPRU commodity firms, are not required to submit the following data items:</i></p> <p>(i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 <u>FSA045</u> and</p> <p>(ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 FSA039 FSA040 and</p> <p><u>(iii) for reporting dates falling prior to 30 September 2008:</u> <u>FSA046</u></p>	1 January 2008 to 30 August <u>29 September</u> 2008	1 January 2008
	(6)	SUP 16.12.15R	R	<p><i>Firms in Regulated Activity Group 4 are not required to submit the following data items:</i></p> <p>(i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 <u>FSA045</u> and</p> <p>(ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006</p>	1 January 2008 to 30 August <u>29 September</u> 2008	1 January 2008

				<p>FSA007 FSA038 FSA039 FSA040 FSA041 FSA042 <u>and</u> <u>(iii) for reporting dates falling prior to 30 September 2008:</u> FSA046</p>		
	(7)	SUP 16.12.22R	R	<p><i>Firms in Regulated Activity Group 7</i> are not required to submit the following data items: (i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 <u>FSA045</u> <u>and</u> (ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 <u>and</u> <u>(iii) for reporting dates falling prior to 30 September 2008:</u> <u>FSA046</u></p>	1 January 2008 to 30 August <u>29 September</u> 2008	1 January 2008
	(8)	SUP 16.12.25R	R	<p><i>Firms in Regulated Activity Group 8</i> are not required to submit the following data items: (i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 <u>FSA045</u> <u>and</u> (ii) for reporting dates falling prior to 31 August 2008: FSA005</p>	1 January 2008 to 30 August <u>29 September</u> 2008	1 January 2008

				FSA006 FSA007 FSA039 FSA040 and <u>(iii) for reporting dates falling prior to 30 September 2008:</u> <u>FSA046</u>		
				
	(21)	<u>SUP</u> 16.12.23R	<u>R</u>	<u>Firms in RAGs 3, 4, 6, 7 and 8 that are required to complete Section J of the RMAR, with an accounting reference date falling between 1 July 2007 and 31 August 2007 inclusive, must additionally report on section J of the RMAR at their half year (i.e. for reporting dates falling between 1 January 2008 and 29 February 2008 inclusive), to be submitted within 30 business days of the half year date.</u>	<u>1 January 2008 to 29 February 2008</u>	<u>1 January 2008</u>
12 N	...					

Part 2: Comes into force on 1 January 2008

SUP 16.12

...

Regulated Activity Group 1

Applicable data items

16.12.5 R The applicable *data items* and forms or reports referred to in SUP 16.12.4R are set out according to ~~firm~~ firm type in the table below:

Description of data item	Prudential category of firm <u>firm</u> and applicable data items (Note 1)						
	<i>UK bank</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<i>EEA bank that has permission to accept deposits, other than one with permission for cross border services only</i>	<i>EEA bank that does not have permission to accept deposits, other than one with permission for cross border services only</i>	<i>Electronic money institutions</i>	<i>Credit union</i>
...							
Non-EEA sub-group	...					...
<u>Sectoral information, including arrears and impairment</u>	<u>FSA015</u>	<u>FSA015</u>					
<u>Maturity analysis of assets and deposits</u>	<u>FSA044</u> (note 11)	<u>FSA044</u> (note 11)					
<u>IRB portfolio risk</u>	<u>FSA045</u> (note 13)	<u>FSA045</u> (note 13)					
<u>Securitisation</u>	<u>FSA046</u> (note 14)	<u>FSA046</u> (note 14)					
Note 1	...						
...							
Note 11	Members of a <i>UK consolidation group</i> should only submit this <i>data item</i> at the <i>UK consolidation group</i> level. <i>Firms'</i> attention is drawn to SUP 16.3.25G regarding a single submission for all <i>firms</i> in the <i>group</i> .						

Note 12	...
Note 13	Only applicable to <i>firms</i> that have an IRB permission to use the IRB approach and <i>BIPRU 4</i> .
Note 14	Only applicable to <i>firms</i> that undertake <i>securitisations</i> .

16.12.6 R The applicable reporting frequencies for submission of *data items* and periods referred to in *SUP 16.12.5R* are set out in the table below according to ~~firm~~ *firm* type. Reporting frequencies are calculated from a *firm's* *accounting reference date*, unless indicated otherwise.

	Unconsolidated <i>UK banks and building societies</i>	Solo consolidated <i>UK banks and building societies</i>	Report on a <i>UK consolidation group</i> basis by <i>UK banks and building societies</i>	Other members of RAG 1
...				
FSA014	Half yearly			
FSA015	Quarterly		Half yearly	
FSA016		...		
...				
FSA044	Quarterly		Half yearly	
FSA045	Quarterly		Half yearly	
FSA046	Half yearly		Half yearly	
Note 1	...			
...				

16.12.7 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 16.12.6R*.

<i>Data item</i>	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
...				
FSA014			...	
FSA015		<u>20 business days</u>	<u>45 business days</u>	
FSA016			...	
...				
FSA028			...	
FSA044		<u>25 business days</u>	<u>25 business days</u>	
FSA045		<u>20 business days</u>	<u>45 business days</u>	
FSA046			<u>30 business days</u> (note 3), 45 <i>business days</i> (note 4)	

Note 1	...
...	
Note 3	Applicable to unconsolidated and solo consolidated reports
Note 4	Applicable to <i>UK consolidation group</i> reports

...

Regulated Activity Group 3

...

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 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
...								
CFTC	...	...	...	...	...	...	...	...
<u>IRB portfolio risk</u>	<u>FSA045</u> (note <u>22</u>)	<u>FSA045</u> (note <u>22</u>)	<u>FSA045</u> (note <u>22</u>)					
<u>Securitisation</u>	<u>FSA046</u> (note <u>23</u>)	<u>FSA046</u> (note <u>23</u>)	<u>FSA046</u> (note <u>23</u>)					
Note 1	...							
...								
Note 21	...							
<u>Note 22</u>	<u>Only applicable to firms that have an IRB permission to use the IRB approach and BIPRU 4.</u>							
<u>Note 23</u>	<u>Only applicable to firms that undertake securitisations.</u>							

16.12.12 R The applicable reporting frequencies for *data items* referred to in SUP 16.12.16 R 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.

Data item	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm and UCITS investment firm</i>	<i>BIPRU 50K firm</i>	<i>Consolidated BIPRU investment firm</i>	<i>Firms other than BIPRU firms</i>
...					
FSA040

<u>FSA045</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
<u>FSA046</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
Section A RMAR					...
...					

16.12.13 R The applicable due dates for submission referred to in *SUP* 16.12.6R 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.

<i>Data item</i>	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
...				
<u>FSA040</u>		...		
<u>FSA045</u>		<u>20 business days</u>	<u>30 business days (note 1), 45 business days (note 2)</u>	
<u>FSA046</u>			<u>30 business days (note 1), 45 business days (note 2)</u>	
Section A RMAR		...	...
...				
Note 1	For unconsolidated and solo-consolidated reports.			
Note 2	For <i>UK consolidation group</i> reports.			

Regulated Activity Group 4

...

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</i>			<i>Firms other than BIPRU firms</i>				
	730K	125K and UCITS investment firms	50K	<i>IPRU (INV) Chapter 3</i>	<i>IPRU (INV) Chapter 5</i>	<i>IPRU (INV) Chapter 9</i>	<i>IPRU (INV) Chapter 13</i>	<i>UPRU</i>
...								
<u>UCITS</u>	...	...	...	...	...	...	...	...
<u>IRB</u>	<u>FSA04</u>	<u>FSA04</u>	<u>FSA04</u>					

<u>portfolio risk</u>	<u>5 (note 18)</u>	<u>5 (note 18)</u>	<u>5 (note 18)</u>					
<u>Securitisatio n</u>	<u>FSA04 6 (note 19)</u>	<u>FSA04 6 (note 19)</u>	<u>FSA04 6 (note 19)</u>					
Note 1:	...							
...								
Note 17	...							
Note 18	<u>Only applicable to firms that have an IRB permission to use the IRB approach and BIPRU 4.</u>							
Note 19	<u>Only applicable to firms that undertake securitisations.</u>							

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.

Data item	Firms' prudential category				
	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm and UCITS investment firm</i>	<i>BIPRU 50K firm</i>	<i>Consolidated BIPRU investment firm</i>	<i>Firms other than BIPRU firms</i>
...					
FSA042	...	...	...		...
<u>FSA045</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
<u>FSA046</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
...					
Note 1	...				

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.

<i>Data item</i>	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
...				
FSA042		...		
<u>FSA045</u>		<u>20 business days</u>	<u>30 business days (note 2); 45 business days (note 3)</u>	
<u>FSA046</u>			<u>30 business days (note 2); 45 business days (note 3)</u>	

...				
Note 1	[deleted]			
Note 2	For unconsolidated and solo-consolidated reports.			
Note 3	For <i>UK consolidation group</i> reports.			

...

Regulated Activity Group 7

...

16.12.22 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 <i>Data item</i>	Firm prudential category and applicable <i>data item</i> (note 1)				
	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm and UCITS investment firm</i>	<i>BIPRU 50K firm</i>	IPRU(INV) Chapter 13 firms carrying out European – wide activities under MiFID	IPRU(INV) Chapter 13 firms not carrying out European-wide activities under MiFID
...					
Fees and levies	...	...	...	...	...
<u>IRB portfolio risk</u>	<u>FSA045</u> (note 13)	<u>FSA045</u> (note 13)	<u>FSA045</u> (note 13)		
<u>Securitisation</u>	<u>FSA046</u> (note 14)	<u>FSA046</u> (note 14)	<u>FSA046</u> (note 14)		
Note 1	...				
...					
Note 12	...				
<u>Note 13</u>	<u>Only applicable to firms that have an IRB permission to use the IRB approach and BIPRU 4.</u>				
<u>Note 14</u>	<u>Only applicable to firms that undertake securitisations.</u>				

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

<i>Data item</i>	Frequency				
	Unconsolidated <i>BIPRU investment</i>	Solo consolidated <i>BIPRU</i>	Consolidated <i>BIPRU investment</i>	Annual regulated business	Annual regulated business

	<i>firm</i>	<i>investment firm</i>	<i>firm</i>	revenue up to and including £5 million	revenue over £5 million
...					
FSA031				...	...
<u>FSA045</u>	<u>Quarterly or half yearly (note 1)</u>	<u>Quarterly or half yearly (note 1)</u>	<u>Half yearly</u>		
<u>FSA046</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>		
Section A RMAR				..	...
...					
Note 1:	<i>BIPRU 730K firms and BIPRU 125 K firms – quarterly; BIPRU 50K firms – half yearly.</i>				
...					

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.

<i>Data item</i>	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
...				
FSA031		...	...
<u>FSA045</u>		<u>20 business days</u>	<u>30 business days (note 1), 45 business days (note 2)</u>	
<u>FSA046</u>			<u>30 business days (note 1), 45 business days (note 2)</u>	
Section A RMAR		...	...
...				
Note 1	For unconsolidated and solo consolidated reports			
Note 2	For <i>UK consolidation group</i> reports			

Regulated Activity Group 8

...

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

A

Description of data item	<i>Firms prudential category and applicable data item (note 1)</i>							
	<i>BIPRU</i>			<i>Firms other than BIPRU firms</i>				
	730K	125K	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>
...								
CFTC	...	...	...	...	...	...	...	...
<u>IRB portfolio risk</u>	<u>FSA04 5 (note 18)</u>	<u>FSA04 5 (note 18)</u>	<u>FSA04 5 (note 18)</u>					
<u>Securitisatio</u> <u>n</u>	<u>FSA04 6 (note 19)</u>	<u>FSA04 6 (note 19)</u>	<u>FSA04 6 (note 19)</u>					
Note 1:	...							
...								
Note 17								
Note 18	<u>Only applicable to firms that have an IRB permission to use the IRB approach and BIPRU 4.</u>							
Note 19	<u>Only applicable to firms that undertake securitisations.</u>							

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

	<i>BIPRU 730K firm</i>	<i>BIPRU 125K firm</i>	<i>BIPRU 50K firm</i>	<i>Consolidated BIPRU investment firm</i>	<i>Firms other than BIPRU firms</i>
...					
FSA040	...	...	...	...	...
<u>FSA045</u>	<u>Quarterly</u>	<u>Quarterly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
<u>FSA046</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	
...					
Note 1	...				

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.

<i>Data item</i>	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
...				

FSA040		...		
<u>FSA045</u>		<u>20 business days</u>	<u>30 business days</u> <u>(note 1);</u> <u>45 business days</u> <u>(note 2)</u>	
<u>FSA046</u>			<u>30 business days</u> <u>(note 1);</u> <u>45 business days</u> <u>(note 2)</u>	
...				
Note 1	For unconsolidated and solo consolidated reports.			
Note 2	For <i>UK consolidation group</i> reports			

...

Part 3: comes into force on 1 January 2008

SUP 16 Ann 18BG

Notes for completion of the Retail Mediation Activities Return ('RMAR')

...

Section J: data required for the calculation of fees

...

Personal investment firms and firms whose regulated activities are limited to one or more of: insurance mediation activity, home finance mediation activity, or retail investment activity, are required to complete section J of the RMAR.

For reporting dates up to and including end February 2008, ~~Firms~~ firms with an *accounting reference date* of between 1 February and 31 August (inclusive) ~~must~~ should report the information required in this section ~~solely~~ on their half year end *RMAR*. Thus a firm that is due to report on 29 February 2008, that has an *accounting reference date* of 31 August 2007, should report its fees data on that return. However, thereafter, it should, like ~~All~~ other firms, ~~must~~ report the information in their year end *RMAR*. ...

SUP 16 Ann 24R

The following 5 pages of data items are new and are not underlined, and should be inserted in numerical order. They are FSA015, FSA044, FSA045 and FSA046.

QRRE

25 Tick here if you have no exposures in this asset class
 26 Please indicate whether your PDs are PiT or TTC or Hybrid PiT
 27 Enter number of days in the definition of Default

A

28	PD range at reporting date		Gross exposure value	Exposure at default estimate	Probability of default	Loss Given Default	Expected Loss	RWEA
	Lower PD bound	Upper PD bound						
	Above %	Up to %	A 000s	B 000s	C %	D %	E 000s	F 000s
1	0.000							
2								
3								
4								
5								
6								
7								
...								
n								
29	In default							
30	Total							

Other retail

31 Tick here if you have no exposures in this asset class
 32 Please indicate whether your PDs are PiT or TTC or Hybrid PiT
 33 Enter number of days in the definition of Default

A

34	PD range at reporting date		Gross exposure value	Exposure at default estimate	Probability of default	Loss Given Default	Expected Loss	RWEA
	Lower PD	Upper PD						
	Above %	Up to %	A 000s	B 000s	C %	D %	E 000s	F 000s
1	0.000							
2								
3								
4								
5								
6								
7								
...								
n								
35	In default							
36	Total							

FSA046
Securitisation

Transaction level information - Where the firm is an originator or sponsor

A	
1	Location of BIPRU 11.5.17R disclosures
2	Additional capital requirement for BIPRU 9.3.1R

	A	B	C	D	E	F	G	H
3	Programme Name	Asset class	Originator's Interest	Investors' Interest	Location of Investor Reports	Assets appear on FSA001?	BIPRU 9.3.1R Applied?	BIPRU 9.13 applies?
1								
...								
n								

Risk Positions - standardised exposures

	A	B	C	D	E	F
	CQS1	CQS2	CQS3	CQS4	CQS5 and below	Deductions from capital
4	As Originator					
5	As sponsor of an ABCP programme					
6	Counterparty credit risk					
7	All other exposures					

Risk positions - IRB exposures

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Firms applying BIPRU 9.12.16R	CQS1	CQS2	CQS3	CQS4	CQS5	CQS6	CQS7	CQS8	CQS9	CQS10	CQS11	Below CQS1 All other credit	Supervisory formula	Deductions from capital
			ST CQS1			ST CQS2			ST CQS3							
8	As Originator	A														
9		B														
10		C														
11	As Sponsor on an ABCP programme	A														
12		B														
13		C														
14	Counterparty credit risk	A														
15		B														
16		C														
17	All other exposures	A														
18		B														
19		C														

The following change is made to existing text.

...

FSA038

Volumes and Type of Business

Total Value of Funds Under Management		A
1	Total funds under management (000s)	
<u>5</u>	<u>Of which drawn down capital (000s)</u>	
2	Of which UK funds under management (000s)	
...	...	
...	...	
...	...	

SUP 16 Ann 25G

The following section is inserted after FSA014 – Forecast data validations. The text is all new and is not underlined.

FSA015 – Sectoral information, including arrears and impairment

This data item provides the *FSA* with information on the credit quality of a *firm's* portfolio, enabling the *FSA* to assess potential threats to the firm's viability. It also provides information to be used at a macro level to monitor changes in the economic climate. This *data item* relates only to credit risk.

Completion of this data item is acceptable on a best endeavours basis. Allocation between sectors is adequate at portfolio level; accuracy to individual account level is not required.

Valuation

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

Currency

You should report in the currency of your annual audited accounts i.e. in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

Definitions

Column A: "All balances (customer) outstanding at period end"

This is the amount of total debt owed by the customer at the reporting date, and should comprise the total amount outstanding (after deducting any write-offs but without deduction for any provisions) in respect of:

- (i) the principal of the advance (including any further advances made);

(ii) interest accrued on the advance (but only up to the reporting date), including any interest suspended; and

(iii) any other sum which the borrower is obliged to pay the *firm* and which is due from the borrower, e.g. fees, fines, administration charges, default interest and insurance premiums.

The information in respect of balances to be reported in this column should not be fair-valued but should report the contractual position (i.e. between the lender and borrower).

The treatment of loan assets that are being operated as part of a current account offset mortgage product (or similar products where *deposit* funding is offset against loan balances in arriving at a net interest cost on the account) will depend on the conditions pertaining to the mortgage product. The balance outstanding on such loans will need to be reported on the basis of the contractually defined balance according to the terms of the mortgage product. This might be the amount of loan excluding any offsetting funds, or it might be the net amount.

It is not expected that these figures in this column will necessarily reconcile to any of the *firm's* published statutory data.

Columns B-G, rows 1-11: "Balances of accounts in arrears /default by band"

The analysis is based on expressing the amount of arrears on each loan as a percentage of the balance outstanding on the loan, allocating cases to relevant arrears bands, providing details of cases moving up into more serious arrears bands in the quarter (or half year in the case of a *UK consolidation group*), and giving information on loan performance during the quarter or half year. (In cases where there is more than one loan secured on a single property, these should be amalgamated, where possible, in reporting details of arrears cases.)

Arrears will arise through the borrower failing to service any element of his debt obligation to the *firm*, including capital, interest, or fees, fines, administrative charges, default interest or insurance premiums.

At the reporting date, the amount of arrears is the difference between:

(i) the accumulated total amounts of (monthly or other periodic) payments due to be received from the borrower; and

(ii) the accumulated total amount of payments actually made by the borrower.

Only amounts which are contractually due at the reporting date should be included in the above. That is:

(i) include accrued interest only up to the reporting date but not beyond;

(ii) only include a proportion of any annual insurance premium if the firm permits such amounts to be paid in periodic instalments. However if the terms of the loan or the lender's practice are such as to permit insurance premiums to be added to the loan principal then do not treat such amounts as contractually due;

(iii) similarly, where 'any other sum' has been added to the loan, only include such proportions as are contractually due (e.g. if it is the practice in particular circumstances to add the sum/charge to the loan and require repayment over the residual term of the loan);

(iv) in assessing 'payments due' when a borrower has a flexible loan, it is important to apply the contractual terms of the loan: for example, payment holidays which satisfy the terms of the loan should not be treated as giving rise to an arrears position;

(v) do not however include 'Deeds Store' loans in the arrears figures (that is, loans where the debt is de minimis e.g. £100, but the borrower still has insurance premiums to pay and perhaps some instalments are overdue).

In the case of annual review schemes the 'payment due to be received' is that calculated under the scheme. This may well differ from the amount charged to the account but should not of itself give rise to any arrears, providing the borrower is making the level of payments advised by the *firm*. The same principles apply to deferred interest products – if the borrower is making the payments that are required under the loan arrangements then he is not in arrears, even though the debt outstanding is increasing.

Where a firm makes a temporary 'concession' to a borrower (i.e., an agreement with the borrower whereby monthly payments are either suspended or less than they would be on a fully commercial basis) for a period, the amounts included are those contractually due (and at commercial rates of interest). Hence the borrower will continue to be in arrears and the level of arrears will in fact continue to increase until such time as he is able fully to service the debt outstanding.

Where the terms of the loan do not require payment of interest (or capital) until a stated date or until redemption or until certain conditions are triggered, as for example in the case of certain building finance loans, then the loan is not in arrears until such time as contractual repayments are overdue.

Where a 'capitalisation' case that has at one time been correctly removed as fully performing but at some later time defaults, then this should be treated as a new default and the amount of arrears taken as that arising from this new default. That is, the previously capitalised arrears should not be reinstated as current arrears. By 'capitalisation' we mean a formal arrangement agreed with the borrower to add all or part of a borrower's arrears to the amount of outstanding principal (i.e. advance of principal including further advances less capital repayments received during the period of the loan) and then treating that amount of overall debt as the enlarged principal. This enlarged principal is then used as the basis for calculating future monthly payments over the remaining term of the loan. Where less than the full amount of arrears is capitalised (or indeed where none of the arrears is capitalised) then, providing there are arrangements made for the borrower to repay the non-capitalised arrears over a shorter period ranging for example from 3 to 18 months, this type of arrangement should also be regarded as an equivalent of 'capitalisation'.

The decision to 'capitalise' (or treat as if capitalised) is a business decision between the *firm* and the borrower. However for the purposes of consistency in reporting arrears cases the following reporting criteria should be used where a *firm* has capitalised the loan (or treated as if capitalised) and reset the monthly payment:

(i) such an arrears case should continue to be included as an arrears case until the loan has been 'fully performing' (see (ii) below) for a period of six consecutive months (any temporary increase in arrears during this qualifying period has the effect of requiring six consecutive months of fully performing after such an event). Until that time it should be included in the table and be allocated to the arrears band applicable at each reporting date as if 'capitalisation' had not taken place;

(ii) for these purposes a loan is considered to be 'fully performing' only where the borrower has been meeting all obligations on the loan with regard to repayments of principal, interest (at a normal mortgage rate on the full balance outstanding, including as appropriate any relevant past arrears), any payment towards clearing past arrears as agreed with the *firm* and any default payments due levied in respect of previous missed repayments. That is, amounts may be either added to the principal of the loan or otherwise repaid over a shorter period than the residual term of the mortgage, as agreed between firm and borrower. But then this revised payment schedule must be fully maintained for a six month period before the arrears can qualify to be treated as capitalised for reporting purposes and hence removed from the arrears cases in this table.

Column B rows 12-26

Include here the amount of any payments that a counterparty has failed to make when they were contractually due.

Column C rows 12-26

Include here the amount by which any *exposures* in column B are also deemed to be impaired.

Column D rows 12-26

Include here the amount by which any other *exposures* which, whilst not past due, are deemed to be impaired.

Column E rows 12-26

Enter the total gross value, before deduction of impairment charges, of *exposures* against which impairment charges have been made (i.e. included in columns C and D) and where no collateral is held against the *exposure*; i.e. report here loans which are included in columns C and D because they are impaired, reporting the amount of the loan which is unsecured. Report the unsecured amount of the loan, irrespective of the impaired amount.

Column B rows 27-31

Include here any *exposures* where payments have not made on the date due and where there is little prospect for recovery of principal or interest.

Column C rows 27-31

Include here the amount by which any other *exposures* which, whilst not in default, are deemed to be impaired.

Column D rows 27-31

Include here the Mark-to-market value of any impaired *exposures* included in columns B and C.

Column H: All balances (accounting) at period end

This is the total value of the on balance sheet exposures in each category, valued in line with the *firm's* accounting policies.

Column J: Write-offs net of recoveries

Enter the net amount written off during the period, after any recoveries of exposures previously written off.

Columns K and L: Charge/credit to the Income statement (P&L)

Enter the net charge or credit to the income statement (profit & loss account) in respect of impairment charges during the period. A net credit should be shown with a minus sign (not brackets). The gross charge for new impairment charges should be offset by other items including any charges made in earlier periods but now released. The charge or credit for individual impairment charges should include the charge or credit for provisions in respect of suspended interest where it is the practice of the reporting institution to show suspended interest as interest receivable in the income statement (profit and loss account).

Column M: Other Adjustments

This includes any adjustments made as a result of an acquisition or disposal of a subsidiary company the balance sheet of which includes impairment balances and is included in the consolidation for the particular return. Also include any adjustments made for exchange rate movements in respect of impairment balances denominated in currencies other than the reporting currency. Where the adjustment is negative, report the amount with a minus sign (not brackets).

Column N: individual impairment balance

Enter the total value of individual impairment balances.

Column P: collective impairment balance

Enter the total value of collective impairment balances.

Column Q: balances of loans with individual impairment

Include the total balance of any *exposures* against which there is an individual impairment charge.

Sectors (rows)**UK and Non-UK**

Where a split of *exposures* between UK and non-UK is required, this should be done based on the location of the lending entity.

Retail sector

This section comprises all *Retail exposures*, including *exposures to retail SME*.

1 First charge mortgages to individuals

This comprises lending to individuals secured by mortgage on land and buildings, where such loans are fully secured by a first equitable or legal charge, where at least 40% of the land and buildings is used for residential purposes, and where the premises are for occupation by either the borrower (or dependant), or any other third party (e.g. it includes ‘buy to let’ lending to individuals). Both regulated and non-regulated mortgage contracts should be included.

Do not include here any residential loans to individuals that are part of a ‘business loans’ type package (involving multiple loans and multiple securities, where there is no one-to-one correspondence between a loan and a specific security), but report them under ‘other secured loans to individuals’.

2 Other fully secured loans to individuals

Include here all other *secured lending* in the UK to individuals where the *firm* does not have a first charge.

3 Partially secured exposures to individuals

Include here any lending in the UK to individuals where the exposure is only partially secured.

4 Card accounts

This includes UK charge card lending (even if the outstanding balance is required to be paid off in full at the end of each charging period).

5 Unsecured exposures to individuals

Report here all other *exposures* in the UK to individuals.

6 Retail SME

Include here all UK *exposures to retail SME* irrespective of security held.

7 Fully secured loans to individuals

Include here any lending outside the UK to individuals where the *exposure* is fully secured.

8 Partially secured exposures to individuals

Include here any lending outside the UK to individuals where the *exposure* is only partially secured.

9 Unsecured exposures to individuals

Comprises all other exposures outside the UK to individuals. Credit card lending outside the UK should be included here.

10 Retail SME

Include here all non-UK *exposures to retail SME* irrespective of security held.

Corporate sector

This section comprises all *corporate exposures*.

12 UK commercial real estate (secured and unsecured)

This will typically include any *exposures* defined by Basel as "Claims secured by commercial real estate" or "Income-producing real estate", or lending where the counterparty has been allocated to SIC code 70 and the lending is done in the UK.

13, 17 Other fully secured lending

Include here any lending where the *exposure* is fully secured

14, 18 Other partially secured lending

Include here any lending where the *exposure* is only partially secured.

15, 19 Unsecured lending

Include here all other *corporate exposures*.

16 Non-UK commercial real estate

This will typically include any *exposures* defined by Basel as "exposures secured by commercial real estate" or "Income-producing real estate", or lending where the counterparty has been allocated to SIC code 70 and the lending is done outside the UK.

Financial sector

This section comprises all *exposures* to the *financial sector*.

Non-financial institutions (inc government)

All other *exposures* other than those defined above.

Debt instruments (banking book)

27 UK collateralised debt obligations

Include here all CDOs issued by UK companies.

28 Other UK asset backed securities

Comprises holding of all other *asset backed securities*, except CDOs, issued by UK entities.

29 Other UK securities

Comprises holding of all other securities, except those listed above, issued by UK entities.

30 Other non-UK securities

Comprise holdings of any securities issued by non-UK companies.

FSA015– sectoral information, including arrears and impairment - validations

Internal validations

Data elements are referenced by row then column

Validation number	Data element		
1	1G	=	1B+1C+1D+1E+1F
2	2G	=	2B+2C+2D+2E+2F
3	3G	=	3B+3C+3D+3E+3F
4	4G	=	4B+4C+4D+4E+4F
5	5G	=	5B+5C+5D+5E+5F
6	6G	=	6B+6C+6D+6E+6F
7	7G	=	7B+7C+7D+7E+7F
8	8G	=	8B+8C+8D+8E+8F
9	9G	=	9B+9C+9D+9E+9F
10	10G	=	10B+10C+10D+10E+10F
11	11G	=	11B+11C+11D+11E+11F
12	11A	=	1A+2A+3A+4A+5A+6A+7A+8A+9A+10A
13	11B	=	1B+2B+3B+4B+5B+6B+7B+8B+9B+10B
14	11C	=	1C+2C+3C+4C+5C+6C+7C+8C+9C+10C
15	11D	=	1D+2D+3D+4D+5D+6D+7D+8D+9D+10D
16	11E	=	1E+2E+3E+4E+5E+6E+7E+8E+9E+10E
17	11F	=	1F+2F+3F+4F+5F+6F+7F+8F+9F+10F
18	11G	=	1G+2G+3G+4G+5G+6G+7G+8G+9G+10G
19	20B	=	12B+13B+14B+15B+16B+17B+18B+19B
20	20C	=	12C+13C+14C+15C+16C+17C+18C+19C
21	20D	=	12D+13D+14D+15D+16D+17D+18D+19D
22	20E	=	12E+13E+14E+15E+16E+17E+18E+19E
23	23B	=	21B+22B
24	23C	=	21C+22C
25	23D	=	21D+22D
26	23E	=	21E+22E
27	26B	=	24B+25B
28	26C	=	24C+25C
29	26D	=	24D+25D
30	26E	=	24E+25E
31	31B	=	27B+28B+29B+30B
32	31C	=	27C+28C+29C+30C
33	31D	=	27D+28D+29D+30D
34	11H	=	1H+2H+3H+4H+5H+6H+7H+8H+9H+10H
35	11J	=	1J+2J+3J+4J+5J+6J+7J+8J+9J+10J
36	11K	=	1K+2K+3K+4K+5K+6K+7K+8K+9K+10K
37	11L	=	1L+2L+3L+4L+5L+6L+7L+8L+9L+10L
38	11M	=	1M+2M+3M+4M+5M+6M+7M+8M+9M+10M
39	11N	=	1N+2N+3N+4N+5N+6N+7N+8N+9N+10N
40	11P	=	1P+2P+3P+4P+5P+6P+7P+8P+9P+10P
41	11Q	=	1Q+2Q+3Q+4Q+5Q+6Q+7Q+8Q+9Q+10Q
42	20H	=	12H+13H+14H+15H+16H+17H+18H+19H
43	20J	=	12J+13J+14J+15J+16J+17J+18J+19J
44	20K	=	12K+13K+14K+15K+16K+17K+18K+19K
45	20L	=	12L+13L+14L+15L+16L+17L+18L+19L

46	20M	=	12M+13M+14M+15M+16M+17M+18M+19M
47	20N	=	12N+13N+14N+15N+16N+17N+18N+19N
48	20P	=	12P+13P+14P+15P+16P+17P+18P+19P
49	20Q	=	12Q+13Q+14Q+15Q+16Q+17Q+18Q+19Q
50	23H	=	21H+22H
51	23J	=	21J+22J
52	23K	=	21K+22K
53	23L	=	21L+22L
54	23M	=	21M+22M
55	23N	=	21N+22N
56	23P	=	21P+22P
57	23Q	=	21Q+22Q
58	26H	=	24H+25H
59	26J	=	24J+25J
60	26K	=	24K+25K
61	26L	=	24L+25L
62	26M	=	24M+25M
63	26N	=	24N+25N
64	26P	=	24P+25P
65	26Q	=	24Q+25Q
66	31H	=	27H+28H+29H+30H
67	31J	=	27J+28J+29J+30J
68	31K	=	27K+28K+29K+30K
69	31L	=	27L+28L+29L+30L
70	31M	=	27M+28M+29M+30M
71	31N	=	27N+28N+29N+30N
72	31P	=	27P+28P+29P+30P
73	31Q	=	27Q+28Q+29Q+30Q
74	32H	=	11H+20H+23H+26H+31H
75	32J	=	11J+20J+23J+26J+31J
76	32K	=	11K+20K+23K+26K+31K
77	32L	=	11L+20L+23L+26L+31L
78	32M	=	11M+20M+23M+26M+31M
79	32N	=	11N+20N+23N+26N+31N
80	32P	=	11P+20P+23P+26P+31P
81	32Q	=	11Q+20Q+23Q+26Q+31Q
82	12C	<=	12B
83	13C	<=	13B
84	14C	<=	14B
85	15C	<=	15B
86	16C	<=	16B
87	17C	<=	17B
88	18C	<=	18B
89	19C	<=	19B
90	20C	<=	20B
91	21C	<=	21B
92	22C	<=	22B
93	23C	<=	23B

94	24C	<=	24B
95	25C	<=	25B
96	26C	<=	26B

External validations

There are no external validations for this data item.

...

Amend the following, as shown.

FSA038 – Volumes and Type of Business

Invested/uninvested funds

As far as possible, the amount reported should be a true reflection of the value of funds that are available to buy assets at the time of reporting, added to the value of the assets themselves. Funds 'in process' should not be included.

Discretionary/advisory clients

Firms should include any FUM relating to all investment management clients whether managed under a discretionary or an advisory arrangement.

Delegation and extent of delegation

- (a) FUM should exclude the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated to another firm (and which firm will include the value of the assets in question in its own FUM total).
- (b) However, the firm must include FUM where:
 - (i) the firm to whom the management is delegated will not be reporting it – e.g. if it is not FSA-regulated, or is a non-UK firm; and
 - (ii) the reporting firm has discretion over the delegation or retains the right to terminate an arrangement for third party asset management, and the reporting firm may either bring the management of that FUM back in-house or delegate it to another party.

Valuation issues

As a general rule, firms should apply a consistent basis for valuation across the range of clients in respect of which they are reporting. Firms should be able to express and justify the basis of valuation they select and should, as far as possible, consistently apply the methodology, such that time-series analysis is meaningful.

The FSA is encouraged by the ongoing development of industry standards in relation to valuation and encourages reporters to make use of any relevant industry-agreed standards.

Debt gearing

The value of assets purchased through borrowing should be reported as FUM, including any cash amount available for investment as a result of debt gearing.

Value of derivatives

The value of derivative instruments and other assets is calculated on a mark-to-market basis.

Double-counting

Firms should make all reasonable efforts to eliminate double-counting in the submission of sums. However, it is accepted that reporting on the basis of our guidance may in certain circumstances lead to the overstatement of FUM.

Timing of calculation

In respect of the timing for calculating of total FUM, we expect firms to collect and aggregate the information to base their reporting on within a reasonable timeframe. However, the valuation point used for any client should be the last mandatory valuation point and the total valuation should not include the sum of valuations that are more than 30 days apart.

Client/fund domicile

The value of all clients' assets, regardless of domicile, should be included in the calculation.

Private equity and venture capital business

In relation to investment management firms carrying out venture capital business, those firms should report that element of their total FUM by reference to the value of their drawn down capital plus any remaining committed but un-drawn investor capital and loans. All the preceding guidelines apply to reporting by these firms.

Description	Data element	Guidance
<u>Total funds under management</u>	<u>1A</u>	<u>This should be reported by all firms with permission of managing investments.</u>
<u>Of which drawn down capital</u>	<u>5A</u>	<u>All firms carrying out venture capital business should report here the amount of drawn down capital included within data element 1A above.</u>
<u>UK funds under management</u>	<u>2A</u>	<u>This data element is intended to capture the proportion of UK clients as a percentage of total funds under management UK funds relate to management agreements that are directly contracted with UK resident clients. For example, a UK authorised collective investment scheme constitutes a UK client for the purposes of this question.</u>
...		

...

Insert the following after FSA043 – Key data [deleted]. The text is all new and is not underlined.

FSA044 – Maturity analysis of assets and deposits

This data item captures the funding profile, by sector and maturity, of *UK banks* and *building societies*, to monitor mismatches.

Valuation

For the general policy on valuation, please see the rules and guidance set out in *GENPRU* 1.3.

Currency

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

Definitions

Maturity (columns A to G)

This is worked out on a residual maturity basis. There should be no netting of assets and deposits. Where a loan is made with a number of repayments spread over the period of the loan, the capital repayment elements should be in the relevant maturity bands. For example, a mortgage with 15 years remaining maturity would have in excess of 150 individual repayments; each of these should be classified in the appropriate maturity band.

Assets

1A - 1G Intra-group

Include here balances that relate to counterparties connected to the reporting institution.

2A - 2G Inter bank

This includes other *credit institutions*, but excludes any balances with intra-group firms, which should go in element 1 (i.e. intragroup).

3A - 3G Of which: unsecured loans

Include here any interbank exposures which are not backed by any form of collateral.

4A - 4G Of which: reverse repos

include here securities or other assets have been purchased from credit institutions for a finite period with a commitment to re-sell.

5A - 5G OFC exposures

Include here exposures to Other Financial Companies, i.e. excluding *banks* and *building societies*. This will include investment firms, insurance companies, pension funds, securities firms.

6A - 6G Of which: unsecured loans

Include here any exposures to OFC which are not backed by any form of collateral.

7A - 7G Of which: reverse repos

Include here securities or other assets have been purchased from OFC for a finite period with a commitment to re-sell.

8A - 8G Loans to Customers

Include here loans to all counterparties other than intra-group, *credit institutions* and OFC.

9A - 9G Of which: wholesale

This includes non-bank, non-connected corporate counterparties and will include those customers who deal directly with a *firm's* treasury/markets unit.

10A - 10G Other financial assets

This covers financial exposures not included in any of the above categories.

11A - 11G Of which: pledgable

These are assets which a reporting institution is freely able to pledge as collateral (i.e. where those assets remain on the reporting institution's balance sheet but have been charged as collateral)

12A - 12G Total financial assets

This will equal the sum of the above elements.

13A Other assets

Include here all other assets of a non-financial nature.

14A Total assets

This will equal the sum of financial plus other assets and also the sum of total liabilities.

Liabilities

15A -15G Intra-group

Include here balances that relate to counterparties connected to the reporting institution.

16A - 16G Interbank deposits

This includes other *credit institutions*, but excludes any balances with intra-group firms, which should go in element 1 (i.e. intragroup).

17A - 17G Of which: repos

Report sale and repurchase agreements (“repos”), ie when the reporting institution is the seller of the asset where the asset sold is not reported on the balance sheet

18A - 18G OFC Deposits

Include here deposits from Other Financial Companies, i.e. excluding *banks* and *building societies*. This will include investment firms, insurance companies, pension funds, securities firms.

19A - 19G Of which: repos

Report sale and repurchase agreements (“repos”), i.e. when the reporting institution is the seller of the asset where the asset sold is not reported on the balance sheet.

20A - 20G Debt securities in issuance

Include here all *debt securities* issued by the reporting entity.

21A - 21G Of which: CDs

This comprises all Certificates of Deposit issued by the reporting entity which are still outstanding, whether at fixed or floating interest rates, allocated to the appropriate maturity column. Include negotiable deposits taken on terms in all respects identical to those on which a certificate of deposit would have been issued, but for which it has been mutually convenient not to have issued a certificate.

22A - 22G Of which: unsecured bonds

Include here any bonds issued which are not backed by collateral

23A - 23G Of which: CP

Include here all Commercial Paper issued by the reporting institution

24A - 24G Of which: asset backed securities

Include here all *asset backed securities* issued by the reporting institution.

25A -25G Of which: covered bonds

Include here all *covered bonds* issued by the reporting institution.

26A - 26G Customer deposits

Include here deposits from all counterparties other than intra-group, *credit institutions* and OFC.

27A - 27G Of which: wholesale

This includes non-bank, non-connected corporate counterparties and will include those customers who deal directly with a *firm's* treasury/markets unit.

28A - 28G Other

Include all other non-capital liabilities here.

29A - 29G Subordinated liabilities

Include all subordinated debt issued by the reporting institution. *Building societies* should include *PIBS* here.

30A - 30G Capital

Includes called up share capital and reserves.

31A - 31G Total liabilities

This is the total of elements 15, 16, 18, 20, 26 and 28 and will also equal total assets.

Off-balance sheet elements**Maturity (columns B - D)**

Firms should include in column B any commitments, contingent liabilities or undrawn credit lines inward that are either unconditionally cancellable.

Commitments, contingent liabilities or undrawn credit lines inward with a residual maturity up to one year should be included in column C and commitments, contingent liabilities or undrawn credit lines inward with a residual maturity over one year should be included in column D.

32 Contingent liabilities

This includes:

- (a) transaction-related contingents, such as performance bonds, warranties and indemnities; bid or tender bonds; advance payment guarantees; VAT, customs and excise bonds; standby letters of credit relating to a particular contract or to non-financial transactions (including arrangements backing, inter alia, subcontractors' and suppliers' performance, labour and materials, contracts, and construction bids); and
- (b) trade-related contingents, including short-term, self liquidating trade-related items such as documentary letters of credit issued by the reporting entity which are, or are to be, collateralised by the underlying shipment; endorsements of bills; direct credit substitutes (including guarantees, standby letters of credit serving as financial guarantees, bills accepted by the reporting entity but not held by it, 'per aval' endorsements and other endorsements with equivalent effect); claims sold with recourse, where the credit risk remains with the reporting bank; transaction related contingents not having the character of direct credit substitutes (including tender and performance bonds, bid bonds, warranties, standby letters of credit related to particular transactions, retention money guarantees, import and export excise duty bonds, VAT bonds); undrawn documentary letters of credit issued or confirmed; and those arising from similar transactions entered into by the reporting institution.

The following should be excluded: indemnities in respect of lost share certificates and import/export carnets; bill endorsements on bills already endorsed by another bank; and where the reporting institution acts as a lessor, mortgagee, or owner of goods under a hire-purchase agreement, those contingent liabilities which may result from injuries, damage or loss suffered by third parties and caused by the goods.

33 Of which: subject to credit downgrade

Include any contingent liabilities that are cancellable by the reporting institution as a result of deterioration in the obligor's creditworthiness.

34 Commitments

Include commitments for loans and other on-balance sheet items with certain drawdown. Rolling or undated/open-ended commitments should be included providing that they are unconditionally cancellable at any time without notice and subject to credit review at least annually. Unused credit card lines and liquidity facilities provided to ABCP conduits should be reported.

35 Of which: subject to credit deterioration

Include any commitments that are cancellable by the reporting institution as a result of deterioration in the obligor's creditworthiness.

36 Of which: Liquidity facilities to third party ABCP conduits

Include any liquidity facilities provided to third party Asset Backed Commercial Paper conduits or equivalent structured vehicles.

37 Of which: Liquidity facilities to own (sponsored) ABCP conduits

Include any liquidity facilities provided to own (sponsored) Asset Backed Commercial Paper conduits or equivalent structured vehicles.

38 Undrawn credit lines inward

Report here any facilities which have been committed to the reporting institution and which at the reporting date remain undrawn.

39 Of which: subject to credit deterioration

Include any credit lines inward that are cancellable as a result of deterioration in the reporting institution's creditworthiness.

FSA044 – Maturity of assets and deposits - validations

Internal validations

Data elements are referenced by row then column

Validation number	Data element		
1	1A	=	1B+1C+1D+1E+1F+1G
2	2A	=	2B+2C+2D+2E+2F+2G
3	2A	>=	3A+4A
4	2B	>=	3B+4B
5	2C	>=	3C+4C
6	2D	>=	3D+4D
7	2E	>=	3E+4E
8	2F	>=	3F+4F
9	2G	>=	3G+4G
10	3A	=	3B+3C+3D+3E+3F+3G
11	4A	=	4B+4C+4D+4E+4F+4G
12	5A	=	5B+5C+5D+5E+5F+5G
13	5A	>=	6A+7A
14	5B	>=	6B+7B
15	5C	>=	6C+7C
16	5D	>=	6D+7D
17	5E	>=	6E+7E
18	5F	>=	6F+7F
19	5G	>=	6G+7G
20	6A	=	6B+6C+6D+6E+6F+6G
21	7A	=	7B+7C+7D+7E+7F+7G
22	8A	=	8B+8C+8D+8E+8F+8G
23	9A	=	9B+9C+9D+9E+9F+9G
24	9A	<=	8A
25	9B	<=	8B
26	9C	<=	8C
27	9D	<=	8D
28	9E	<=	8E
29	9F	<=	8F
30	9G	<=	8G
31	10A	=	10B+10C+10D+10E+10F+10G
32	11A	=	11B+11C+11D+11E+11F+11G

33	11A	<=	10A
34	11B	<=	10B
35	11C	<=	10C
36	11D	<=	10D
37	11E	<=	10E
38	11F	<=	10F
39	11G	<=	10G
40	12A	=	12B+12C+12D+12E+12F+12G
41	12A	=	1A+2A+5A+8A+10A
42	12B	=	1B+2B+5B+8B+10B
43	12C	=	1C+2C+5C+8C+10C
44	12D	=	1D+2D+5D+8D+10D
45	12E	=	1E+2E+5E+8E+10E
46	12F	=	1F+2F+5F+8F+10F
47	12G	=	1G+2G+5G+8G+10G
48	14A	=	12A+13A
49	15A	=	15B+15C+15D+15E+15F+15G
50	16A	=	16B+16C+16D+16E+16F+16G
51	17A	=	17B+17C+17D+17E+17F+17G
52	17A	<=	16A
53	17B	<=	16B
54	17C	<=	16C
55	17D	<=	16D
56	17E	<=	16E
57	17F	<=	16F
58	17G	<=	16G
59	18A	=	18B+18C+18D+18E+18F+18G
60	19A	=	19B+19C+19D+19E+19F+19G
61	19A	<=	18A
62	19B	<=	18B
63	19C	<=	18C
64	19D	<=	18D
65	19E	<=	18E
66	19F	<=	18F
67	19G	<=	18G
68	20A	=	20B+20C+20D+20E+20F+20G
69	20A	>=	21A+22A+23A+24A+25A
70	20B	>=	21B+22B+23B+24B+25B
71	20C	>=	21C+22C+23C+24C+25C
72	20D	>=	21D+22D+23D+24D+25D
73	20E	>=	21E+22E+23E+24E+25E
74	20F	>=	21F+22F+23F+24F+25F
75	20G	>=	21G+22G+23G+24G+25G
76	21A	=	21B+21C+21D+21E+21F+21G
77	22A	=	22B+22C+22D+22E+22F+22G
78	23A	=	23B+23C+23D+23E+23F+23G
79	24A	=	24B+24C+24D+24E+24F+24G
80	25A	=	25B+25C+25D+25E+25F+25G

81	26A	=	26B+26C+26D+26E+26F+26G
82	27A	=	27B+27C+27D+27E+27F+27G
83	27A	<=	26A
84	27B	<=	26B
85	27C	<=	26C
86	27D	<=	26D
87	27E	<=	26E
88	27F	<=	26F
89	27G	<=	26G
90	28A	=	28B+28C+28D+28E+28F+28G
91	29A	=	29B+29C+29D+29E+29F+29G
92	30A	=	30B+30C+30D+30E+30F+30G
93	31A	=	31B+31C+31D+31E+31F+31G
94	31A	=	14A
95	31A	=	15A+16A+18A+20A+26A+28A+29A+30A
96	31B	=	15B+16B+18B+20B+26B+28B+29B+30B
97	31C	=	15C+16C+18C+20C+26C+28C+29C+30C
98	31D	=	15D+16D+18D+20D+26D+28D+29D+30D
99	31E	=	15E+16E+18E+20E+26E+28E+29E+30E
100	31F	=	15F+16F+18F+20F+26F+28F+29F+30F
101	31G	=	15G+16G+18G+20G+26G+28G+29G+30G
102	32A	=	32B+32C+32D
103	33A	=	33C + 33D
104	33A	<=	32A
105	33C	<=	32C
106	33D	<=	32D
107	34A	=	34B+34C+34D
108	35A	=	35C + 35D
109	35A	<=	34A
110	35C	<=	34C
111	35D	<=	34D
112	36A	=	36B + 36C + 36D
113	36A	<=	34A
114	36B	<=	34B
115	36C	<=	34C
116	36D	<=	34D
117	37A	=	37B + 37C + 37D
118	37A	<=	34A
119	37B	<=	34B
120	37C	<=	34C
121	37D	<=	34D
122	38A	=	38B + 38C + 38D
123	39A	=	39C + 39D
124	39A	<=	38A
125	39C	<=	38C
126	39D	<=	38D

External validations

There are no external validations for this data item.

FSA045 – IRB portfolio risk

This data enables the FSA to understand the relationship between cyclicality and capital requirements under the CRD, help mitigate the risk of financial instability or economic recession, and be in a position to influence/contribute to international discussions on this. The information provided should be that used to calculate the *firm's* capital requirements. *Firms* should submit the data in their own PD bands.

Currency

You should report in the currency of your annual audited accounts ie in Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s, to 3 decimal places.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

PiT, TTC or Hybrid PiT

This should be based on the firm's rating philosophy.

Point in Time (PiT): A rating system which explicitly estimates default risk over a fixed period, typically one year.

Through the Cycle (TTC): A rating system which seeks to take cyclical volatility out of the estimation of default risk by assessing a borrower's performance over the business cycle.

Hybrid PiT: A rating system which sits in-between the PiT and TTC ratings systems described above.

Definition of default – number of days

The exact number of days past due that is applied to each asset class as part of the definition of default.

PD range

The lower bound of the first band must start at 0.000. The upper bound of the last band must not exceed 100.000.

Gross exposure value

Exposure before taking into account credit risk mitigation and credit conversion factors (CCFs).

Exposure at default estimate

Calculate in accordance with *BIPRU* 4. This should be the downturn EAD.

Maturity

This is the exposure weighted average maturity in days.

PD – probability of default

The probability of default of a counterparty over a one year period, calculated in accordance with *BIPRU* 4. This should be the long-run PD.

LGD – Loss given default

The ratio of the loss on an *exposure* due to the default of a counterparty to the amount outstanding at default, calculated in accordance with *BIPRU* 4. This should be the downturn LGD.

Expected loss

Calculate in accordance with *BIPRU* 4.

Risk weighted exposure amount

Calculate in accordance with *BIPRU* 4.

FSA045 – IRB portfolio risk validations**Internal validations**

PD bands should be mutually exclusive and numerically sequential.

External validations

There are no validations for this data item.

FSA046 – Securitisation

This data item allows a greater understanding of the prudential risk profile of the firm and avoids the need for ad hoc data requests from firms. It also enables the FSA to lead debate on credit risk transfer in international discussions.

Currency

You should report in the currency of your annual audited accounts ie in either Sterling, Euro, US dollars, Canadian dollars, Swedish Kroner, Swiss Francs or Yen. Figures should be reported in 000s.

Data elements

These are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

3A Programme name

Enter the common name of the programme in the market.

3B Asset class

This is the class of assets securitised in accordance with the options in FSA004 with an additional entry for "Asset Backed Commercial Paper Programme".

3C Originator's interest

See *BIPRU* 9.13.4R (1). The exposure value should be used.

3D Investors' interest

See *BIPRU* 9.13.4R (3). The exposure value should be used.

3E Location of investor reports

Provide either a URL to the location of the investor reports published on the performance of the assets or, if not available via the internet, a description of where to find the investor reports.

3F Assets appear in FSA001?

Yes/No to indicate whether the assets appear on the balance sheet provided in FSA001.

3G BIPRU 9.3.1 applied?

Yes/No to indicate whether the assets have been excluded from the calculation of *risk weighted exposure amounts* under *BIPRU 9.3.1R*.

3H BIPRU 9.13 applies?

Yes/No to indicate whether the transaction is a *securitisation of revolving exposures* with an *early amortisation* provision.

Risk positions – standardised exposures

All *exposures* that are treated under *BIPRU 9.11* should be shown in this section, broken down by credit quality and how the *exposure* arose.

Row 4

This is for *exposures* where the *firm* originated the underlying assets.

Row 5

This is for *exposures* to *Asset backed commercial paper programmes*.

Row 6

This is the exposure values generated under *BIPRU 13* where the *exposure* is also a *securitisation* position.

Row 7

This is for any standardised *exposures* not included in *data elements 4 – 6* above.

Columns A – D

Positions should be split by credit rating according to *BIPRU 9.11.2R* and *BIPRU 9.11.3R*.

Column E

This is for positions deducted from capital at part 1 of stage M of the capital calculations in *GENPRU 2*, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

Risk positions – IRB exposures

All *exposures* that are treated under *BIPRU 9.12* should be shown in this section, broken down by credit quality, granularity and how the *exposure* arose.

Rows 8 – 10

This is for *exposures* where the *firm* originated the underlying *exposures*.

Rows 11 – 13

This is for *exposures* to *Asset backed commercial paper programmes*.

Rows 14 – 16

This is for exposure values generated under *BIPRU* 13 where the *exposure* is also a *securitisation* position.

Rows 17 – 19

This covers any IRB *exposures* not included above.

Columns A – M

This should be split by credit rating according to *BIPRU* 9.12.11R and *BIPRU* 9.12.12R.

Column N

This is for positions calculated under *BIPRU* 9.12.21R to *BIPRU* 9.12.23R.

Column O

This is for positions deducted from capital at part 1 of stage M of the capital calculations in *GENPRU* 2, Annexes 2R, 3R, 4R, 5R or 6R as appropriate.

FSA046 – Securitisation validations**Internal validations**

There are no validations for this data item.

External validations

There are no validations for this data item.

Part 4: Comes into force on 6 March 2008

Sup 16 Ann 18 BG

...

Notes for completion of the Retail Mediation Activities Return ('RMAR')

...

Section J: data required for the calculation of fees

...

For reporting dates ~~up to and including~~ after end February 2008, ~~firms with an *accounting reference date* of between 1 February and 31 August (inclusive)~~ should report the information required in this section on their half year end RMAR. Thus a firm that is due to report on 29 February 2008, that has an *accounting reference date* of 31 August, should report its fees data on that return. However, thereafter, it should, like all other *firms*, must report the information only in their year end *RMAR*. ...

Part 5: Comes into force on 1 May 2008

SUP 16

...

16.8.8 R A persistency report or data report must report on a *life policy* or stakeholder pension if:

...

- (3) the *person* who sold it or who was responsible for its promotion was, in so doing, subject to *rules in COBS* ~~or (before commencement) conduct of business rules made by a previous regulator.~~

...

SUP 16 Annex 5R

The following is text taken directly from .pdf versions of forms found in the "Forms" section of the online handbook. The references to page numbers are to the .pdf page numbers, and NOT the page numbers as they appear at the bottom of the pages.

p7

Own Funds Test (~~ISD firms subject to IPRU(INV) 5.2.3.(1).(b)R~~) (Firms subject to IPRU(INV) 5.2.3.(1).(b)R)

...

Own Funds Test (~~Non-ISD Firms subject to IPRU(INV) 5.2.3.(2)R~~) (Firms subject to IPRU(INV) 5.2.3.(2)R)

...

Surplus / Deficit of Liquid Capital

For an ~~ISD~~ Firm on a 6 week EBR = (A) – the greater of (B) or (C)

p9

4. LARGE EXPOSURES (~~ISD~~ MiFID Firms only)

p15

Own Funds Test (~~ISD firms subject to IPRU(INV) 5.2.3.(1).(b)R~~) (Firms subject to IPRU(INV) 5.2.3.(1).(b)R)

...

Own Funds Test (~~Non-ISD Firms subject to IPRU(INV) 5.2.3.(2)R~~) (Firms subject to IPRU(INV) 5.2.3.(2)R)

...

Surplus / Deficit of Liquid Capital

For an ~~ISD~~ Firm on a 6 week EBR = (A) – the greater of (B) or (C)

p16

4. LARGE EXPOSURES (~~ISD~~ MiFID Firms only)

p22

Own Funds Test (~~ISD firms subject to IPRU(INV) 5.2.3.(1).(b)R~~) (Firms subject to IPRU(INV) 5.2.3.(1).(b)R)

...

Own Funds Test (~~Non-ISD Firms subject to IPRU(INV) 5.2.3.(2)R~~) (Firms subject to IPRU(INV) 5.2.3.(2)R)

...

Surplus / Deficit of Liquid Capital

For an ~~ISD~~ Firm on a 6 week EBR = (A) – the greater of (B) or (C)

SUP 16 Annex 10 R

The following is text taken directly from .pdf versions of forms found in the "Forms" section of the online handbook. The references to page numbers are to the .pdf page numbers, and NOT the page numbers as they appear at the bottom of the pages.

p. 4

DECLARATION

- (a) This statement has been drawn up in accordance with the ~~rules in IPRU(INV) 10~~ relevant rules which are ~~relevant~~ applicable to the firm in calculating the firm's financial resources. It has been prepared from, and is in agreement with, the books and records of the firm.
- (b) The firm's accounting records, systems and controls are maintained in accordance with ~~IPRU(INV) 10~~ the relevant rules applicable to the firm based on the firm's business activities and SYSC 3.2.20R.
- (c) ...

(d) Since the date of the last reporting statement, the firm has/has not* been in compliance with ~~IPRU(INV) 10~~ the relevant rules applicable to the firm based on the firm's business activities except as already notified to the FSA. { * Delete as appropriate }

(e) ...

p. 12

Positions netted under ~~IPRU(INV) 10-83R~~

111	
-----	--

111	
-----	--

111	
-----	--

p. 15

Positions netted under ~~IPRU(INV) 10-102R~~

110	
-----	--

111	
-----	--

111	
-----	--

p. 26

Client Money And Other Assets (~~COB 9.3.141—COB 9.3.144~~ CASS 4.3.106AG – CASS 4.3.110R)

p. 30

DECLARATION

(a) This statement has been drawn up in accordance with the ~~rules in IPRU(INV) 10~~ relevant rules which are ~~relevant~~ applicable to the firm in calculating the firm's financial resources. It has been prepared from, and is in agreement with, the books and records of the firm.

(b) The firm's accounting records, systems and controls are maintained in accordance with ~~IPRU(INV) 10~~ the relevant rules applicable to the firm based on the firm's business activities and SYSC 3.2.20R.

(c) ...

(d) Since the date of the last reporting statement, the firm has/has not* been in compliance with ~~IPRU(INV) 10~~ the relevant rules applicable to the firm based on the firm's business activities except as already notified to the FSA. { * Delete as appropriate }

(e) ...

p.46

Client Money And Other Assets (~~COB 9.3.141—COB 9.3.144~~ CASS 4.3.106AG – CASS 4.3.110R)

p. 51

DECLARATION

- (a) This return has been drawn up in accordance with the ~~rules in IPRU(INV) 10~~ relevant rules based on the firm's business activities and guidance in SUP 16 Ann 11G relating to Large Exposures Monitoring.
- (b) The firm's accounting records systems and controls are maintained in accordance with ~~IPRU(INV) 10~~ the relevant rules based on the firm's business activities and SYSC 3.2.20R.
- (c) ...
- (d) Since the date of the last reporting statement, the firm has been in compliance with ~~IPRU(INV) 10~~ the relevant rules based on the firm's business activities except as already notified to the FSA.
- (e) ...

p. 54

DECLARATION

- (a) This return has been drawn up in accordance with the ~~rules in IPRU(INV) 10~~ relevant rules based on the firm's business activities and guidance in SUP 16 Ann 11G relating to Large Exposures Monitoring.
- (b) The firm's accounting records systems and controls are maintained in accordance with ~~IPRU(INV) 10~~ the relevant rules based on the firm's business activities and SYSC 3.2.20R.
- (c) ...
- (d) Since the date of the last reporting statement, the firm has been in compliance with ~~IPRU(INV) 10~~ the relevant rules based on the firm's business activities except as already notified to the FSA.
- (e) ...

p. 56

Please list all material holdings in Credit and Financial Institutions, ~~per IPRU(INV) 10-61R(7)~~ on the form provided.

SUP 16 Annex 11G

In the following is text, the references to page numbers are to the .pdf page numbers, and NOT the page numbers as they appear at the bottom of the pages.

p.3

~~IPRU(INV) 10-10R~~ Keeping of records

A firm must be able to demonstrate compliance with the relevant financial resources requirements and should be able to prepare, within a reasonable time, this reporting statement as at the close of business of any date. The audit trail, records, working papers and schedules supporting the production of this reporting statement must be retained for six years, maintained and secured in an orderly manner so as to permit ready access to any particular record required under SUP 2.

p.6

7. Cash at Bank and in Hand

Segregated client moneys on the balance sheet must be disclosed separately from other non segregated funds. Non segregated funds must be divided into qualifying and non qualifying deposits in accordance with the definition in IPRU(INV) 40 3 App 1.

p.8

F. EXPENDITURE

21. This section should show the expenditure for the period reported on under each of the headings specified below. Expenditure should be split between those items included in relevant annual expenditure and those excluded from relevant annual expenditure ~~under IPRU(INV) 10-73R~~ (see G below).

p.10

34. Exceptional items

A firm may exclude exceptional items as defined in IPRU(INV) 40 3 App 1.

p.18

~~IPRU(INV) 10-10R~~ Keeping of records

A firm must be able to demonstrate compliance with the relevant financial resources requirements and should be able to prepare, within a reasonable time, this reporting statement as at the close of business of any date. The audit trail, records, working papers and schedules supporting the production of this reporting statement must be retained for six years, maintained and secured in an orderly manner so as to permit ready access to any particular record required under SUP 2.

p.40

~~Group of connected third parties~~ Connected parties

~~A group of connected third parties is defined in IPRU(INV) 10 App 1. A pension fund or other trust fund of the group should not be classified as connected for the purposes of this return. Those counterparties which merge during the reporting period, should be included as connected counterparties from the date the offer goes unconditional. In such cases the exposure exposure to these individual counterparties should be aggregated and considered as a single exposure exposure to a group of closely related counterparties. Exposures Exposures to a number of public sector bodies, or local authorities are deemed not to constitute a single exposure exposure to a group of connected counterparties. Where consolidated quarterly reporting on a sub-group basis has been requested, then all group exposures exposures outside the sub-group should be included in Part 2.~~

p.41

Credit institutions/Investment firms/ Third Country Investment Firm/Clearing Houses and Exchanges

~~Definitions are provided in IPRU(INV) 10 App 1, the Handbook Glossary, with the exception of Exchanges which is defined in 9 App 1 and lists of recognised clearing houses and exchanges recognised for these purposes are shown in IPRU(INV) 10 Appendix 57.~~

Part 6: Comes into force on 30 September 2008

SUP 16 Annex 18AR

The following 14 pages set out the insertions and deletions within the Retail Mediation Activities Return ('RMAR')

SECTION A: Balance sheet

Fixed assets

Intangible assets	
Tangible assets	
Investments	
TOTAL FIXED ASSETS	

Current assets

Stocks	
Debtors	
Investments held as current assets	
Cash at bank and in hand	
Other assets	
TOTAL CURRENT ASSETS	

Liabilities: amounts falling due within one year

Bank loans and overdrafts	
Other liabilities falling due within one year	
TOTAL AMOUNTS FALLING DUE WITHIN ONE YEAR	

Net current assets

Total assets less current liabilities

Other liabilities falling due after more than one year

Provisions for liabilities and charges

Net assets

Memo: guarantees provided by firm

~~**Memo: personal net assets**~~

~~**Memo: Goodwill**~~

Capital and reserves

Capital account (incorporated businesses)

Ordinary share capital	
Preference share capital	
Share premium account	
Profit and Loss account	
Other reserves	
TOTAL CAPITAL AND RESERVES	

Was the firm's last annual accounts audit report qualified? **Y/N**

Capital account (unincorporated businesses)

Sole trader/Partners' capital account	
Sole trader/Partners' current account	
TOTAL CAPITAL AND RESERVES	

SECTION B: Profit and Loss account

B1: Regulated Business Revenue

	Commissions		Fees	Other income (reg activities)	Regulated business revenue (annual income)
	Gross	Net			
Regulated mortgage contracts					
Non-investment insurance					
Retail investments					
TOTAL					

B2: Other P&L

Income from other FSA regulated activities

Other Revenue (income from non-regulated activities)

--

TOTAL REVENUE

--

TOTAL EXPENDITURE

--

Profit/(Loss) on ordinary activities before taxation

--

Profit/(Loss) on extraordinary activities before taxation

--

Taxation

--

Profit/(Loss) for the period before dividends and appropriations

--

Dividends and other appropriations

--

Retained Profit

--

SECTION C: Client money and assets

Have any notifiable client money issues been raised, either in the firm's last client assets audit report or elsewhere, that have not previously been notified to the FSA?

Y / N

How is your client account(s) set up (tick all that apply)?

Non-investment insurance

Retail investments

Risk Transfer	Segregated Trusts	
	Statutory	Non-statutory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If not risk transfer:

Client money credit total as at reporting date

Client money debit total as at reporting date

Net client money balance as at reporting date

Non-investment insurance		Retail investments
Statutory	Non-statutory	Statutory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Yes / No

If non-statutory, has auditor's confirmation of systems and controls been obtained?

Yes / No

Is any client money invested (other than on deposit)?

Yes / No

Do you hold client money for business undertaken by an AR?

Does the firm hold any client assets (other than client money)?

Mortgage	Non-investment insurance	Retail investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION D2: FINANCIAL RESOURCES - NON-ISD PERSONAL INVESTMENT FIRMS

OWN FUNDS (TEST 1)		ADJUSTED NET CURRENT ASSETS (TEST 1A)		EXPENDITURE-BASED REQUIREMENT (TEST 2)	
	£		£		£
1 Paid up share capital (excluding preference shares redeemable by shareholders within 2 years)		18 Net current assets (from balance sheet)		25 Total assets less total liabilities (from balance sheet)	
2 Share premium account		less		26 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part I adjustments required against assets	
3 Audited retained profits		19 Long term assets adjustment		27 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for subordinated loans	
4 Verified interim profits		20 Connected persons adjustment		28 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for indemnity commission	
5 Revaluation reserves		21 Investments adjustments		29 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for deficiencies in subsidiaries	
6 Short term subordinated loans				30 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for contingent liabilities	
7 Debt capital				31 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for foreign exchange risk	
8 Balances on proprietors' or partners' capital accounts				32 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for redeemable preference shares	
9 Balances on proprietors' or partners' current accounts				33 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II adjustment for derivatives	
10 Personal assets				34 IPRU(INV) Table 13.12.3(1)/ 13.12.3(2) Part II other adjustments against liabilities	
11 Less intangible assets					
12 Less material current year losses					
13 Less excess of current year drawings over current year losses					
14 PASS Loan Adjustments					
15 OWN FUNDS (1+2+3+4+5+6+7+8+9+10-11-12-13+14)		22 ADJUSTED NET CURRENT ASSETS (18-19-20-21)		35 ADJUSTED CAPITAL/ LIQUID CAPITAL [(25+27)-26-28-29-30-31-32-33-34]	
16 Own funds requirement		23 Requirement		36 Expenditure requirement per IPRU(INV) 13.12	
17 SURPLUS/(DEFICIT) (15-16)		24 SURPLUS/(DEFICIT) (22-23)		37 SURPLUS/(DEFICIT) (35-36)	

SECTION D3: FINANCIAL RESOURCES – ISD PERSONAL INVESTMENT FIRMS

OWN FUNDS (TEST 1)		ADJUSTED NET CURRENT ASSETS (TEST 1A)		EXPENDITURE-BASED REQUIREMENT (TEST 2)	
1 Paid up ordinary share capital		23 Net current assets (from balance sheet)		30 Total assets less total liabilities (from balance sheet)	
2 Share premium account		24 Less: long term assets adjustment		31 Illiquid asset adjustments	
3 Audited reserves (excluding revaluation reserve)		25 Less: connected persons adjustment		32 Counterparty risk adjustments	
4 Verified interim profits		26 Less: investments adjustments		33 Position risk adjustments	
5 Non-cumulative preference shares (if not redeemable by shareholders within 5 years)				34 Foreign exchange risk adjustments	
6 Balances on proprietors' or partners' capital accounts				35 Preference shares adjustments	
7 Balances on proprietors' or partners' current accounts (audited or verified)				36 Large exposure risk adjustments	
8 INITIAL CAPITAL (1+2+3+4+5+6+7)				37 Long term subordinated loans	
9 Less: investment in own shares				38 Short term subordinated loans	
10 Less: intangible assets				39 Sub total (30-31-32-33-34-35-36+37+38)	
11 Less: material current year losses				40 Preference shares (5+16+18)	
12 Less: material holdings in credit and financial institutions				41 Table 13.3.2(2) own funds restrictions	
13 Less: excess of current year drawings over current year profits				42 Balance A (38+40+41)	
14 ORIGINAL OWN FUNDS (8-9-10-11-12-13)				43 Balance B (14-33)	
15 Revaluation reserves				44 Balance C (43 x 250%)	
16 Cumulative preference share capital (if not redeemable by shareholders within 5 years)				45 If Balance A is greater than Balance C, enter difference	
17 Long term subordinated loans					
18 Preference share capital (if not redeemable by shareholders within 2 years) and debt capital					
19 OWN FUNDS (14+15+16+17+18)		27 ADJUSTED NET CURRENT ASSETS (23-24-25-26)		46 LIQUID CAPITAL (39-45)	
20 Own funds requirement IPRU(INV)13.3R		28 Requirement		47 Expenditure based requirement per IPRU(INV)13.5R	
21 Enter exchange rate € : £					
22 OWN FUNDS SURPLUS/(DEFICIT) (19-20)		29 SURPLUS/(DEFICIT) (27-28)		48 SURPLUS/ (DEFICIT) (46-47)	

SECTION F: Threshold conditions

~~Adequate resources~~

~~Does the firm have adequate resources in relation to its regulated activities?~~

Close links

Are you exempt from close links reporting requirements?

Has there been a notifiable change to the firm's close links?

If not, have there been changes to your close links since the FSA was last informed?

If yes, has the FSA been notified of it?

If yes, on what date did the changes take effect?

(if no notification has been made, please notify us separately of the changes)

~~Approved persons~~

~~Have there been changes to your approved persons' details since the FSA was last informed?~~

~~If yes, on what date did the changes take effect?~~

~~(if no notification has been made, please notify us separately of the changes)~~

Controllers

Are you exempt from the controllers reporting requirements?

Has there been a notifiable change to the firm's controllers including changes to the percentage of shares or voting power they hold in your firm?

If not, have there been changes to your controllers since the FSA was last informed?

If yes, has the FSA been notified of it?

If yes, on what date did the changes take effect?

(if no notification has been made, please notify us separately of the changes)

SECTION G: Training and Competence

	Mortgages		Advising on non-investment insurance (retail customers)	Retail investments		Total
	advising	arranging		advising	arranging	
Total number of all staff						
Of which:						
Number of staff that give advice						
Number of staff that give advice (Full time equivalent)						
Number of staff that supervise others to give advice						
Number of advisers that have been assessed as competent						
Number of advisers that have passed appropriate examinations						
Number of advisers that have left since the last reporting date						
Number of staff that take private customers through stakeholder pension-scheme decision trees						
Number of staff that supervise non-advised sales of lifetime mortgages						
Number of staff that design filtering questions for non-advised sales of lifetime mortgages						

What types of advice were provided?

(tick all that apply)

Independent (whole of market plus option of fee-only)

Whole of market (without fee-only option)

On the basis of a fair analysis of the market

Multi-tie / the products of a limited number of providers

Single-tie / the products of one provider

	<u>Mortgage</u>	<u>Non-Inv Insurance</u>	<u>Retail Investments</u>

Clawed back commission (retail investment firms only)

Clawed back commission by:

Number

Value

SECTION H: COBS Data

Sources of business: please tick all that apply

	Mortgage	Non-inv- insurance	Retail- investments
Marketing lists			
Referrals from non-authorized introducers			
Referrals from intermediaries			
Telephone sales			
Cold calling			
Sales visits			
Postal sales			
Direct offer financial promotions			
Repeat customers			
Internet Sales			
Other			

Advertising

Does your firm approve financial promotions and/or qualifying credit promotions?

--	--	--

Types of advertising: please tick all that apply

	Mortgage	Non-inv- insurance	Retail- investments
Newspaper			
Magazine			
T.V.			
Radio			
Internet			
Other			

Do you use one or more lists or panels of preferred product providers?

	y/n
--	-----

If yes, indicate the applicable types of business

	Mortgage	Non-inv- insurance	Retail- investments

What (if known) is the total number of providers on the panel(s)?

--

How often (if known) are the panel(s) reviewed?

--

General COBS data

Do FSA regulated activities form the core business of the firm?

--

If not, specify type of core business:

--

Do you give independent advice?

	Mortgage	Non-Inv- Insurance	Retail- Investments

Clawed back commission (retail investment firms only)

Clawed back commission by:

Number	Value

Complaints

Does the firm have complaints handling procedures?

	y/n
--	-----

Monitoring of Appointed Representatives ('ARs')

Number of ARs registered with the firm

--

Of which, number of 'secondary' ARs

--

Of which, number of introducer ARs

--

Number of advisers within ARs

--

(Only firms that have ARs)
Does the firm have appropriate systems and procedures to ensure that the activities of its ARs are effectively monitored and controlled?

--

Number of ARs that have been subject to monitoring visits by the firm during the reporting period.

--

Number of ARs that have been subject to file reviews by the firm during the reporting period.

--

Number of ARs that have been subject to financial checks by the firm during the reporting period.
Has any other monitoring of ARs by the firm taken place?

--

SECTION I: supplementary product sales data

(i) non-investment insurance product information

- 1 Total non-investment insurance premium derived from retail customers
- 2 Please indicate in column **A** each product type where the firm has advised or arranged transactions for retail customers during the reporting period
- 3 Please indicate in column **B** where the firm's business with retail customers in the product type formed more than 40% by premium of all of its retail non-investment insurance activities

(ii) non-investment insurance chains

- 3 Total non-investment insurance premium derived from retail customers
- 4 Of this business, please indicate in column C the products where retail sales were passed up a chain and in column D where this business is significant*
- 4 Of total non-investment insurance premiums derived from retail customers, please indicate in column D the products where these sales were passed up a chain and this business was significant*
 *significant is where premium collected from being in a chain for this product amounts to
 1) more than 40% of the premium collected for all non-investment insurance activities with retail customers, or
 2) more than 40% of premium collected for all retail business in this product
- 6 Please also indicate in column **E** where the firm has dealt directly with the retail customer within the chain

Product types:	A y/n	B y/n	C y/n	D y/n	E y/n	F y/n	G y/n
Private motor							
Household							
Creditor - Payment protection							
Travel							
Personal accident - sickness							
Legal expenses							
Private Medical Insurance (PMI)							
Critical illness							
Private Health Insurance (PHI)							
Life assurance (or term assurance)							
HealthCare cash plan							
Extended warranty (motor only)							

(iii) dealing as agent

- If you deal as agent for non-investment insurance contracts:
 Please provide:
- 7 Number of sales to retail customers during the reporting period where the firm dealt as agent
- 8 Premium paid by retail customers during the reporting period where the firm dealt as agent
- 9
- 10 Of the total of these sales, please indicate in column F the products where the firm dealt as agent and in column G where this business is significant*.
 *significant is where premium collected from dealing as agent in this product amounts to
 1) more than 40% of the premium collected for all non-investment insurance activities with retail customers, or
 2) more than 40% of premium collected for all retail business in this product

(iv) claims handling

- If you assist in the administration and performance of contracts of insurance:
 Please provide:
- 11 Number of claims handled on behalf of customers during the reporting period

(v) Lloyd's brokers - product sales data

	Retail	Commercial	Reinsurance	Total
12 % of regulated business revenue	<input type="text"/>	<input type="text"/>	<input type="text"/>	100%

Round to nearest 20% and ensure figures add to 100%

SECTION J: ~~date~~data required for calculation of fees

Income for fees calculations

	FSA	FOS	FSCS
Mortgage mediation	[See <i>FEES</i> 4 Annex 1R Part 2 fee block A18]	[See <i>FEES</i> 5 Annex 1R industry block 16]	<i>FEES</i> 6.5.10R
Non-investment insurance mediation	[See <i>FEES</i> 4 Annex 1R Part 2 fee block A19]	[See <i>FEES</i> 5 Annex 1R industry block 17]	<i>FEES</i> 6.5.11R
Investment mediation	[See <i>FEES</i> 4 Annex 1R Part 2 fee blocks A12/13]	[See <i>FEES</i> 5 Annex 1R industry block 8/9]	<i>FEES</i> 6.5.9R contribution groups A12/13

SUP 16 Annex 18BG

...

Introduction: general notes on the RMAR

...

Key abbreviations

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

...	...
COBS	The <u>New</u> Conduct of Business sourcebook, part of the FSA Handbook
...	...

Scope

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

...

(c) *firms* (defined as *retail investment firms*) that have retail customers ~~private customers~~

...

...

The practical effect of the retail customer ~~private customer~~ limitation in the definition of *retail investment firms* is to exclude from the requirements *firms* that carry on *retail investment activities* exclusively with or for professional clients ~~intermediate customers~~ or eligible counterparties ~~market counterparties~~.

...

Application of RMAR sections

7. *Firms* conducting home ~~financing~~ finance providing activity or administering a home finance transaction (including those that carry on an activity that is treated as arranging in COBS – see MCOB 1.2.12) that also conduct the above activities are required to complete the RMAR in addition to other data requirements.

...

NOTES FOR COMPLETION OF THE RMAR

...

Section A: Balance sheet

...

The frequency of reporting for this section is determined by ~~SUP 16.7~~ 16.12.

...

Section C: Client Money and Assets

...

Section C: guide for completion of individual fields

...	...
Do you hold client money for business	If the <i>firm</i> has appointed representatives that

undertaken by an AR?	receive <i>client money</i> , you should state 'yes' here. The requirements of CASS 4.3.15R (investment activities) and /or CASS 5.5.18 (<i>insurance mediation activity</i>) should be adhered to in these circumstances.
...	...

Section D: Regulatory Capital

...

‘Higher of’ requirements

...

(ii) *personal investment firms* that carry on *retail investment activities*, but no other *designated investment business*. Capital requirements are calculated in Sections D2 ~~or D3~~ below as applicable.

...

Note on the scope of Sections D2, ~~D3, D4 & D5~~: *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 ~~these~~this sections. ...

...

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 ~~one of~~ sections D2 ~~or D3~~ 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 *ISD* *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.

D3: this section is completed by *personal investment firms* that **are** subject to the requirements of the *ISD* and CAD. It is used to calculate the financial resources and financial resources requirements set out in *IPRU(INV)* 13.3-5. This in turn will provide the totals to be submitted in the D1 fields marked A to I as applicable.

D4: this section is also completed by *personal investment firms* that are subject to the requirements of the *ISD* and CAD. It is used to complete the quarterly financial resources statement that is required from these *firms* under CAD.

D5: this section relates to the requirements imposed by CAD on *ISD* *personal investment firms* in relation to *large exposures*.

Section D1: guide for completion of individual fields

...

Home finance and non-investment insurance mediation (see sub paragraph (i) above)	
...	
IPRU(INV) requirements for personal investment firms (retail investment activities only)	<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 or D3 as applicable (see sub paragraph (ii) above).
...	
Own funds requirement	See Section D2 or D3 as applicable ... ISD <i>Firms</i> see section IPRU (INV) 13.3 Non- ISD <i>MiFID Firms</i> see section IPRU (INV) 13.10 ...
<u>Additional own funds requirement for PII (if applicable)</u>	<u>If the <i>firm</i> has increased excesses or exclusions on its PII policies, the total of the additional capital requirements required by IPRU(INV) 13.1.4 should be recorded here. See also section E of the RMAR.</u>
<u>Other FSA capital requirements (if applicable)</u>	<u>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.</u>
<u>Total own funds requirement</u>	<u>Appropriate totals from above.</u>
Own funds	See Section D2 or D3 as applicable This field should be filled in using the figure for own funds that is derived from the calculation in Section D2 or D3 as applicable. Own funds should be calculated in accordance with Chapter 13 of the Interim Prudential Sourcebook for Investment Firms. ISD <i>Firms</i> see IPRU (INV) 13.3 Non- ISD <i>MiFID Firms</i> see IPRU (INV) 13.10 Source data for the own funds calculation should be entered in the separate financial resources section for ISD <i>firms</i> or non-ISD <i>MiFID</i> firms as applicable.
Surplus/deficit of own funds	See Section D2 or D3 as applicable

	<p>This field should be filled in using the figure for own funds that is derived from the calculation in Section D2 or D3 as applicable.</p> <p>...</p>
Additional own funds 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 requirements required by <i>IPRU (INV)</i> 13.1.4 should be recorded here. See also section E of the RMAR.</p>
Other <i>FSA</i> capital 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 requirements in relation to PII, which are recorded above.</p>
Adjusted net current assets requirement (if applicable)	<p>See Section D2 or D3 as applicable</p> <p>...</p>
Adjusted net current assets (if applicable)	<p>See Section D2 or D3 as applicable</p> <p>...</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 or D3 as applicable. ...</p> <p><i>ISD firms</i> see <i>IPRU (INV)</i> 13.4 Non-<i>ISD</i><u><i>MiFID</i></u> <i>firms</i> see <i>IPRU (INV)</i> 13.11</p>
Surplus/deficit (if applicable)	<p>See Section D2 or D3 as applicable</p> <p>...</p> <p>This field should be filled in using the figure for surplus/deficit that is derived from the calculation in section D2 or D3 of the data requirements.</p> <p>...</p>
Expenditure based requirement (if applicable)	<p>See Section D2 or D3 as applicable</p> <p>....</p> <p><i>ISD firms</i> see <i>IPRU (INV)</i> 13.5 Non-<i>ISD</i><u><i>MiFID</i></u> <i>firms</i> see <i>IPRU (INV)</i> 13.12</p>
Adjusted Capital/liquid capital (if applicable)	<p>See Section D2 or D3 as applicable</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 or D3 as applicable.</p> <p>...</p> <p><i>ISD firms</i> see <i>IPRU (INV)</i> 13.5 Non-<i>ISD</i><u><i>MiFID</i></u> <i>firms</i> see <i>IPRU (INV)</i> 13.12</p> <p>...</p>
Surplus/deficit (if applicable)	<p>See Section D2 or D3 as applicable</p> <p>This field should be filled in using the figure</p>

	for surplus/deficit that is derived from the calculation in Section D2 or D3 as appropriate. ...
--	---

...

Section D2: non-~~ISD~~MiFID personal investment firms

This section is for non-~~ISD~~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-~~ISD~~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-~~ISD~~MiFID personal investment firms have financial resources of at least £10,000 at all times.

...

Section D3: ~~ISD~~ personal investment firms

This section will no longer be applicable for reporting dates after 29 June 2008. Until then, firms should complete this section in accordance with the guidance give below. This section of the data requirements is provided for ~~ISD~~ personal investment firms, to assist in calculating the financial resources data that is required in section D1 above, based on the requirements of *IPRU(INV)* 13.2-5. All ~~ISD~~ personal investment firms are required to meet the following three financial resources tests:

Own Funds (test 1)

~~*IPRU(INV)* requires that ~~ISD~~ personal investment firms have appropriate financial resources in relation to their prudential category at all times. The Own Funds Requirements for these firms are:~~

- ~~for a Category A1 firm: €730,000;~~
- ~~for a Category A2 firm: €125,000;~~
- ~~for a Category A3 firm: €50,000.~~

~~The Own Funds test is designed to evaluate firms' adherence to these requirements.~~

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

~~See Section D2 in relation to non-~~ISD~~ personal investment firms above.~~

~~Expenditure Based Requirement (test 2)~~

~~See Section D2 in relation to non-~~ISD~~ personal investment firms above.~~

Section D4: CAD 13 quarterly financial resources (~~ISD personal investment firms~~)

This section will no longer be applicable after 29 June 2008. Until then, firms should complete this section in accordance with the guidance given below.

The purpose of this section is to measure firms' compliance with the *Capital Adequacy Directive* ('CAD') on a quarterly basis, as required by the directive. *Firms* should use figures taken from their most recent audited accounts, unless they relate to a change in resources of a kind specified in this section of the RMAR, e.g. the introduction of a subordinated loan.

Section D5: reportable Large Exposures (ISD personal investment firms)

This section will no longer be applicable after 29 June 2008. Until then, firms should complete this section in accordance with the guidance given below.

This section relates to the requirements imposed by CAD on *ISD personal investment firms* in relation to *large exposures*.

A *large exposure* exists where a *firm* is owed a debt by, or is otherwise exposed to another person, or to two or more affiliated *persons*, and that exposure equals or exceeds 10% of its own funds. Under *IPRU(INV)*, a *firm* is required to ensure that its *large exposures* do not exceed 25% of its own funds (or the aggregate of exposure to its holding company, or a subsidiary company or a group of subsidiaries of its holding company does not exceed 20% of own funds).

The detailed requirements in relation to large exposures are set out in *IPRU(INV)* 13.6, including the types of *exempt exposures* that may be excluded from the calculations.

SUP 16 requires that large exposures be reported to the *FSA* on a quarterly basis. This part of the data requirements fulfils that requirement, and assists *firms* in calculating the level of reportable exposures (excluding *exempt exposures*) which then feeds into the calculation of the Expenditure Based Requirement.

...

Section E: Professional Indemnity Insurance

...

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 the ten largest policies by premium.

...

Section E: guide for completion of individual fields

Part 1

...

Has the firm renewed its PII cover since the last reporting date?	This question will ensure that a firm does not fill in Part 2 of the PII section of the RMAR <u>PII basic and detailed information</u> each time it reports, if the information changes only annually.
---	--

	...
--	-----

Part 2

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

PII Basic information

...

What activities are Activities covered by the policy(ies)?	...
If your policy excludes all business activities carried on prior to a particular date (i.e. a retroactive start date), then insert the date here, if not please insert 'n/a'	...
Annualised premium	This should be the annual premium that is paid by the <i>firm</i> , net of tax and any other add-ons.
Limit of Indemnity	<p>You should record here the indemnity limits on the <i>firm's</i> PII policy or policies, both in relation to single claims and in aggregate.</p> <p>Those firms subject to <i>Insurance Mediation Directive (IMD)</i> 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><i>Insurance intermediaries</i>, see <i>MIPRU 3.2.7R</i> and select either 'Euros' or 'Sterling' as applicable.</p> <p><i>Home finance intermediaries</i> should state their limit in Sterling (see <i>MIPRU 3.2.9R</i>).</p> <p>For <i>personal investment firms</i>, see <i>IPRU(INV) 13.1.4(2)R</i> and <i>13.1.4(5)E</i> and select either 'Euros' or 'Sterling' as applicable.</p> <p>If the <i>firm</i> is subject to more than one of the above limits (because of the scope of its <i>regulated activities</i>) and has one PII policy for all of its <i>regulated activities</i>, the different limits should be reflected in the policy documentation. If there is more than one limit, only the highest needs to be recorded in this field.</p>
Policy excess	For <i>insurance intermediaries</i> and <i>home</i>

	<p><i>finance intermediaries, see MIPRU 3.2.10-14R.</i></p> <p><i>For personal investment firms, see IPRU(INV) 13.1.4E.</i></p>
Increased excess(es) for specific business types (only in relation to business you have undertaken in the past or will undertake during the period covered by the policy)	<p>If the prescribed excess limit is exceeded for a type of types of business, the type(s) of business to which the increased excess applies and the amount(s) of the increased excess should be stated here</p> <p>(Some typical business types include pensions, endowments, FSAVCs, splits/zeros, precipe bonds, income drawdown, <i>lifetime mortgages</i>, discretionary management)</p>
Policy exclusions for specific business types (only in relation to business you have undertaken in the past or will undertake 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 businesses or activities that the <i>firm</i> has carried out either in the past or during the lifetime of the policy, enter the business type(s) to which the exclusions relate here.</p> <p>(some typical business types include pensions, endowments, FSAVCs, splits/zeros, precipice bonds, income drawdown, lifetime mortgages, discretionary management)</p>
Start Date	The date the current cover began.
End Date	The date the current cover expires
Insurer name (please select from the drop-down list)	<p>The firm should select the name of the insurance undertaking of Lloyd's syndicate providing cover. If the PII provider is not listed you should select '<u>Multiple / Other other</u>' and enter the name of the insurance undertaking or Lloyd's syndicate providing cover in the free text box.</p> <p>If a policy is underwritten by more than one insurance undertaking of Lloyd's syndicate, you should select 'multiple' and state the names of all the insurance undertakings or Lloyd's syndicates in the free text box.</p>
Start date	<u>The date the current cover began.</u>
End date	<u>The date the current cover expires</u>
<u>Limit of indemnity received</u>	<p><u>You should record here the indemnity limits on the <i>firm's</i> PII policy or policies, both in relation to single claims and in aggregate.</u></p> <p><u>Those firms subject to <i>Insurance Mediation Directive (IMD)</i> requirements should state their limit in Euros; those that are not subject</u></p>

	<p>to the <i>IMD</i> should select 'Sterling' from the drop-down list.</p> <p><u><i>Insurance intermediaries</i>, see <i>MIPRU 3.2.7R</i> and select either 'Euros' or 'Sterling' as applicable.</u></p> <p><u><i>Home finance intermediaries</i> should state their limit in Sterling (see <i>MIPRU 3.2.9R</i>).</u></p> <p><u>For <i>personal investment firms</i>, see <i>IPRU(INV) 13.1.4(2)R</i> and <i>13.1.4(5)E</i> and select either 'Euros' or 'Sterling' as applicable.</u></p> <p><u>If the <i>firm</i> is subject to more than one of the above limits (because of the scope of its <i>regulated activities</i>) and has one PII policy for all of its <i>regulated activities</i>, the different limits should be reflected in the policy documentation. If there is more than one limit, only the highest needs to be recorded in this field.</u></p>
<p>Annual income as stated on the most recent proposal form</p>	<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) 13.1.3.(3)R</i>). For <i>insurance intermediaries</i> and <i>mortgage 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>PRU 9.3.42R</i> to <i>44R</i>).</p>
<p>Does the <i>firm</i> have any other PII policies?</p>	<p>If 'Y' is entered here, the <i>firm</i> will be required to submit the information above for further policies as applicable (up to a maximum of ten).</p>
<p>Amount of additional capital required for increased excess(es) (where applicable, total amount for all PII policies)</p>	<p>This should be calculated using the tables in <i>IPRU(INV) 13.1.4(12)E</i> or <i>MIPRU 3.2.14-16R</i> as applicable. The total of additional capital (i.e. in relation to all of the <i>firm's</i> PII policies) should have been reported under 'additional capital requirements for PII' and/or 'additional own funds for PII' in Section D1.</p>
<p>Amount of additional own funds required for policy exclusion(s)</p>	<p><i>Personal investment firms</i> only—this should be calculated in line with <i>IPRU(INV) 13.1.14(13)R</i>. The total of additional own funds (i.e. in relation to all of the <i>firm's</i> PII policies) should have been reported under 'additional capital requirements for PII'</p>

	and/or 'additional own funds for PII' in section D1.
Total of additional own funds required	<i>Personal investment firms only</i> —this is the same figure as in section D1, representing the total of additional own funds required under <i>IPRU(INV)</i> 13.1.4(8)R to 13.1.4(13)G for all of the <i>firm's</i> PII policies.
Total of readily realisable own funds	<i>Personal investment firms only</i> —you should state here the total of the own funds reported in section D that are classed as 'readily realisable' under the terms of <i>IPRU(INV)</i> 13.1.4(4)R.
Excess/deficit of readily realisable own funds	In this field, enter the result of the 'total of the additional own funds required' less the 'total of readily realisable own funds'.

PII detailed information

<u>Business line</u>	<p><u>Business lines for policy excesses should only be selected for FSA regulated business that you have undertaken in the past or will undertake during the period covered by the policy.</u></p> <p><u>Each such business line that has a policy excess should be selected from the drop-down list.</u></p> <p><u>If the <i>firm</i> has only one excess for all business lines, then you should select 'All'.</u></p> <p><u>If the <i>firm</i> has a policy excess for one specific business line (e.g. Endowments), it should select it from the drop-down list, and in the line beneath select 'All other' for the <i>firm's</i> remaining business lines.</u></p> <p><u>If the <i>firm</i> has a policy excess for a business line that is not in the drop-down list, then the most relevant 'other' should be selected.</u></p>
<u>Policy excess</u>	<p><u>For <i>insurance intermediaries</i> and <i>home finance intermediaries</i>, see <i>MIPRU</i> 3.2.10-14R.</u></p> <p><u>For <i>personal investment firms</i>, see <i>IPRU(INV)</i> 13.1.4E.</u></p> <p><u>The amount of the excess relating to the business line selected should be entered here.</u></p> <p><u>If the policy has more than ten excesses, you should report only on the ten largest by</u></p>

	excess.
<u>Policy exclusions for specific business types (only in relation to business you have undertaken in the past or will undertake during the period covered by the policy)</u>	<p>Select from the drop-down list any exclusions in the <i>firm's</i> PII policy which relate to any types of businesses or activities that the firm has carried out either in the past or during the lifetime of the policy.</p> <p>If the <i>firm</i> has a policy exclusion for a business line that is not in the drop-down list, then the most relevant 'other' should be selected.</p>

<u>Annual income as stated on the most recent proposal form</u>	<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> 13.1.3.(3)R). For <i>insurance intermediaries</i> and <i>mortgage 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>
<u>Amount of additional capital required for increased excess(es) (where applicable, total amount for all PII policies)</u>	<p>This should be calculated using the tables in <i>IPRU(INV)</i> 13.1.4(12)E or <i>MIPRU</i> 3.2.14-16R as applicable. The total of additional capital (i.e. in relation to all of the <i>firm's</i> PII policies) should have been reported under 'additional capital requirements for PII' and/or 'additional own funds for PII' in Section D1.</p>
<u>Total amount of additional own funds required for policy exclusion(s)</u>	<p><i>Personal investment firms</i> only – this should be calculated in line with <i>IPRU(INV)</i> 13.1.14(13)R. The total of additional own funds (i.e. in relation to all of the <i>firm's</i> PII policies) should have been reported under 'additional capital requirements for PII' and/or 'additional own funds for PII' in section D1.</p>
<u>Total of additional own funds required</u>	<p><i>Personal investment firms</i> only – this is the same figure as in section D1, representing the total of additional own funds required under <i>IPRU(INV)</i> 13.1.4(8)R to 13.1.4(13)G for all of the <i>firm's</i> PII policies.</p>
<u>Total of readily realisable own funds</u>	<p><i>Personal investment firms</i> only – you should state here the total of the own funds reported</p>

	in section D that are classed as 'readily realisable' under the terms of <i>IPRU(INV)</i> 13.1.4(4)R.
Excess/deficit of readily realisable own funds	In this field, enter the result of the 'total of the additional own funds required' less the 'total of readily realisable own funds'.

...

Section F: The *threshold conditions*

Sub-heading: adequate resources

This section relates to *threshold condition 4*, by virtue of which the resources of *firms* must, in the opinion of the *FSA*, be adequate in relation to the *regulated activities* that they carry on.

The scope of this requirement is set out in Chapter 2.4 of the Threshold Conditions Sourcebook (*COND 2.4*). In summary, 'resources' refers to both financial and non-financial resources, and to the means of managing these resources. Examples of matters to which the *FSA* will have regard when assessing whether a *firm* satisfies *threshold condition 4* include, among others, the following;

- whether the *firm* has access to adequate capital by reference to the *FSA*'s prudential requirements;
- whether the *firm* can meet all its liabilities as they fall due; and
- whether the *firm* has taken steps to identify and measure any risks of regulatory concern, and has installed appropriate systems and controls to manage them.

Sub-heading: close links

...

Section F: guide for completion of individual fields

Adequate resources Does the firm have adequate resources in relation to its regulated activities?	In answering this question, you should carefully consider the <i>guidance</i> in <i>COND 2.4</i> , which sets out the criteria that the <i>FSA</i> will use in determining whether a <i>firm</i> is deemed to have adequate resources. <i>Authorised professional firms</i> should note that by ticking this box, they are providing confirmation that they are in compliance with <i>IPRU(INV)2.2</i> which requires them to be able to meet their liabilities as they fall due.
Close links Are you exempt from close links reporting requirements?	The categories of <i>firm</i> that are exempt from the reporting requirements are listed in the relevant parts of <i>SUP 16.1.3R</i> .
If not, have there been changes to your close links since the <i>FSA</i> was last informed?	For detailed guidance on what constitutes a <i>close link</i> , see <i>COND 2.3</i> .
If yes, on what date did these changes take effect?	See <i>SUP 11.9</i> . All <i>firms</i> should have notified the <i>FSA</i> immediately if they have become

<p>(if no notification has been made, please notify us separately of the changes)</p>	<p>aware that they have become or ceased to be <i>closely linked</i> with another <i>person</i>.</p> <p>If there have been changes in <i>close links</i> that have not been notified to the <i>FSA</i>, you should do this now.</p>
<p><u>Has there been a notifiable change to the firm's close links?</u></p>	<p><u>See SUP 11.9. All firms should have notified the FSA immediately if they have become aware that they have become or ceased to be closely linked with another person. If there have been any changes in close links that have not been notified to the FSA, you should do this now. For detailed guidance on what constitutes a close link, see COND 2.3.</u></p>
<p><u>If yes, has the FSA been notified of it?</u></p>	<p><u>See SUP 11.9. All firms should have notified the FSA immediately if they have become aware that they have become or ceased to be closely linked with another person. If there have been any changes in close links that have not been notified to the FSA, you should do this now. For detailed guidance on what constitutes a close link, see COND 2.3.</u></p>
<p>Approved persons</p> <p>Have there been any changes to your approved persons' details since the FSA was last informed?</p>	<p>State yes if, for example, any of the <i>firm's</i> approved persons have joined or left during the reporting period, but the <i>FSA</i> was not notified in accordance with normal procedures.</p>
<p>If yes, on what date did these changes take effect? (if no notification has been made, please notify us separately of the changes)</p>	<p>Any changes in the <i>firm's approved persons</i> e.g joiners and leavers, should have been notified at the time to the <i>FSA</i>. Detailed requirements in relation to <i>approved persons</i> are set out in <i>SUP 10.13</i></p> <p>If the appropriate notification was not made at the time, you should state here the date the change took effect. If there has been more than one unnotified change, you should enter the date of the most recent change.</p> <p>If there have been changes in relation to <i>approved persons</i> that have not been notified to the <i>FSA</i>, you should do this now.</p>
<p>Controllers</p> <p>Are you exempt from the controllers reporting requirements?</p>	<p>The categories of <i>firm</i> that are exempt from the reporting requirement are listed in the relevant parts of <i>SUP 16.1.3R</i>.</p>
<p>If not, have there been changes to your controllers or to the percentage of shares or voting power in the firm held by any of them</p>	<p>See, generally, <i>SUP 11.4</i>.</p>

since the FSA was last informed?	
If yes, on what date did these changes take effect? (if no notification has been made, please notify us separately of the changes)	See, generally, <i>SUP 11.4</i> . If there have been changes in <i>controllers</i> that have not been notified to the <i>FSA</i> , you should do this by means of normal supervisory channels.
<u>Has there been a notifiable change to the firm's controllers including changes to the percentage of shares or voting power they hold in your firm?</u>	<u>See <i>SUP 11.4</i>. If there have been any changes in <i>controllers</i> that have not been notified to the <i>FSA</i>, you should do this by means of your usual supervisory channels.</u>
<u>If yes, has the FSA been notified of it?</u>	<u>See <i>SUP 11.4</i>. If there have been any changes in <i>controllers</i> that have not been notified to the <i>FSA</i>, you should do this by means of your usual supervisory channels</u>

Section G: Training & Competence ('T&C')

...

We will use the data we collect in this section to assess the nature of *firms'* compliance with training and competence requirements. It will also establish the extent and nature of *firms'* business, and thereby assess the potential risks posed by *firms'* business activities.

...

Section G: guide for completion of individual fields

...	
Number of staff that take private customers through pension decision trees	See <i>TC 2.1.4R Table (2)(e)</i> .
Number of staff that supervise non advised sales of lifetime mortgages	The reason this information is required is because the detailed requirements in <i>TC 2</i> are extended to staff that supervise non advised sales of <i>lifetime mortgages</i> where filtering questions are used, because of the higher risks associated with those products (see <i>TC 2.1.4R Table (2)(g)</i>).
Number of staff that design filtering questions for non advised sales of lifetime mortgages	The reason this information is required is because the detailed requirements in <i>TC2</i> are extended to staff involved in designing filtering questions for the non advised sale of <i>lifetime mortgages</i> , because of the higher risks associated with these products (see <i>TC 2.1.42R Table (1)(q)</i>). Note: we would expect this total to include staff that supervise and/or sign off filtering questions as well as those that actually design them.
What types of advice were provided? (tick all)	If staff provide more than one type of advice,

<u>that apply)</u>	<u>or in relation to more than one business type (i.e. home finance transaction advising, advising on <i>non-investment insurance contracts</i>, or <i>retail investment products</i>), tick all that apply.</u>
<u>Independent (whole of market plus option of fee-only)</u>	<u>To provide independent advice, a <i>firm</i> must consider products from across the whole of the market, and offer its clients the opportunity to pay by fee (MCOB 4.3.7R, COBS 6.2.15R).</u>
<u>Whole of market (without fee-only option)</u>	<u>A <i>firm</i> provides whole of market recommendations when it has considered a large number of products that are generally available from the market as a whole.</u>
<u>On the basis of a fair analysis of the market</u>	<u>A <i>firm</i> gives recommendations on a fair analysis of the market when it has considered a large number of providers in the relevant sector(s) of the market (ICOB 4.2.11R).</u>
<u>Multi-tie / the products of a limited number of providers</u>	<u>A <i>firm</i> provides multi-tie advice when it recommends products selected from a limited number of provider firms only.</u>
<u>Single-tie / the products of one provider</u>	<u>A <i>firm</i> provides single-tie advice when it recommends products selected from one provider firm only.</u>

Sub heading: Clawed back commission (retail investment firms only)

Commission is typically paid to advisers in two main ways:

- non-indemnity commission – this is where payments from providers/lenders to advisers are non-refundable should the policy lapse, cancel or be surrendered.
- indemnity commission – this is colloquially known as 'up-front' commission and describes the situation where a provider would pay an adviser an amount of money based on a percentage of the first year's premiums for a regular premium contract. This sum is paid immediately on commencement, on the assumption that the policy will stay in force for a number of months/years ('the earnings period'). Should the customer stop paying premiums within the 'earnings period' (generally between 24 and 48 months), then the provider would ask the adviser to repay the 'unearned' commission. This is known as 'clawback'.

<u>Clawed back commission (retail investment firms only)</u>	
<u>Number</u>	<u>Number of policies where cancellations have led to commissions being clawed back during the reporting period.</u>
<u>Value</u>	<u>Total value of clawed back commission during the period.</u>

Section H: Conduct of Business ('COBS') Data

...

In this section we are seeking data from firms in relation to: general conduct of business and monitoring of appointed representatives.

- ~~the various sources of business;~~
- ~~advertising;~~
- ~~commission clawback (*retail investment firms* only);~~
- ~~monitoring of *appointed representatives*.~~

We will use data collected in this section to establish the extent and nature of firms' business, and thereby assess the potential risk posed by firms' business activities.

...

~~Sub-headings: sources of business/advertising~~

~~This information is being requested to provide high level data on the ways in which *firms* attract business. This will assist the *FSA* in targeting its supervisory resources towards those areas of the sales process and market where risks to consumers appear to be greatest. For example, we might supervisory resources to look at all *firms* in a certain area that advertise in print media.~~

...

~~Sub-heading: general COBS data~~

...

~~Sub-heading: Clawed back commission (*retail investment firms* only)~~

~~Commission is typically paid to advisers in two main ways:~~

- ~~non indemnity commission — this is where payments from providers/lenders to advisers are non-refundable should the policy lapse, cancel or be surrendered.~~
- ~~indemnity commission — this is colloquially known as 'up-front' commission and describes the situation where a provider would pay an adviser an amount of money based on a percentage of the first year's premiums for a regular premium contract. This sum is paid immediately on commencement, on the assumption that the policy will stay in force for a number of months/years ('the earnings period'). Should the customer stop paying premiums within the 'earnings period' (generally between 24 and 48 months), then the provider would ask the adviser to repay the 'unearned' commission. This is known as 'clawback'.~~

...

Section H: guide for completion of individual fields

Sources of Business Sources of business: please tick all that apply	
Marketing lists	This is where a <i>firm</i> uses a commercially obtained list of potential <i>customers</i> to carry out marketing of its services.

Referrals from non-authorised introducers	A non-authorised introducer is a <i>person</i> who is neither authorised by the <i>FSA</i> nor an <i>appointed representative</i> , and who introduces business to <i>firms</i> or <i>appointed representatives</i> . This would include a non-authorised professional firm that refers business to an <i>APF</i> .
Referrals from intermediaries	Referrals from other intermediaries, including <i>appointed representatives</i> .
Telephone sales	Sales arising solely from telephone conversations with the <i>customer</i> .
Cold calling	See <i>COB 3.10</i> , and <i>MCOB 3.7</i> .
Sales visits	Sales arising from a visit to a <i>customer</i> by the <i>firm</i> .
Postal sales	Sales arising solely by exchange of postal correspondence.
Direct offer financial promotions	See <i>Glossary</i> definition.
Repeat customers	Sales made to <i>customers</i> who had previously transacted business with the <i>firm</i> .
Internet Sales	Sales arising from the <i>customer's</i> use of the internet. This could include business originated from the <i>firm's</i> internet advertising (website or directory membership), or sales transacted online.
Other	Any other sources of business not covered in this section.
Advertising	
Does your firm approve financial promotions (including qualifying credit promotions)?	A financial promotion is an invitation or inducement to <i>engage in investment activity</i> . This question related to approval of the content of the <i>financial promotion</i> for the purposes of section 21 of the <i>Act</i> . 'Qualifying credit' is defined in the <i>Glossary</i> . See, generally, <i>AUTH</i> Appendix 1 for guidance on <i>financial promotion</i> and related activities.
Types of advertising: please tick all that apply	
Do you use one or more lists or panels of preferred product providers? If yes, indicate the applicable types of business	You should indicate here the types of business in respect of which the <i>firm</i> uses lists or panels.
What (if known) is the total number of providers on the panel(s)	If the <i>firm</i> compiles its own panel(s), you should state here the total number of product providers that are included as at the reporting date. It is acceptable to leave this field blank if, for example, the <i>firm</i> uses a panel or panels

	compiled by a product provider or packager firm.
How often (if known) are the panel(s) reviewed?	<p>If the <i>firm</i> compiles its own panel(s), you should state the frequency with which the panel or list is reviewed and amended as appropriate. The frequency should be given in months, e.g. if panels are reviewed quarterly, fill in "3".</p> <p>If separate panels are reviewed with different frequencies, you should state the least frequent.</p> <p>It is acceptable to leave this field blank if, for example, the <i>firm</i> uses a panel or panels compiled by a product provider or a packager firm.</p>
General COBS data	
...	
If not, specify type of core business	<p>Where applicable (The firm should specify its core business from the following: <u>drop-down list</u>.</p> <p>Motor Dealer (includes commercial vehicles, motorcycles and scooters, new & used vehicles) Hire/Lease of vehicles Mobility & Access Equip./Vehicles Other Associations or Utilities Institutions Trade Union University Housing Association & Trust Trade Body Sports Club & Association Other Retail – Goods Electrical Appliance Retailer Furniture Retailer Mobile Telephones Sports Equipment (e.g. Fishing Tackle, Golf) Caravans & Mobile Homes Other goods (e.g. Photographic, coin & stamp dealers) Service sector Travel (e.g. booking accommodation & holidays) Supermarket Veterinary Surgeon Removals (e.g. domestic, business & overseas) Property management (including overseas) Building improvements/extensions (e.g. bathroom, kitchen, conservatories)</p>

	Other services (e.g. Post Office, Hire Services) You should select Other if none of the above categories is applicable to the <i>firm's</i> business, e.g., loss assessor, professional services provided by an <i>authorised professional firm</i> .
...	
Clawed back commission (retail investment firms only)	
Number	Number of policies where cancellations have led to commissions being clawed back during the reporting period.
Value	Total value of clawed back commission during the period.
Complaints	
Does the firm have complaints handling procedures?	<i>DISP 1.2</i> requires that all <i>firms</i> that conduct business with <i>eligible complainants</i> have in place appropriate and effective written complaint handling procedures. Additionally, <i>firms</i> that carry on <i>insurance mediation</i> are required to have a complaints handling procedure for all complaints, including those from non-eligible complainants (see <i>DISP 1.2.1A R</i>).
...	

Section I: supplementary product sales data

...

Sub heading: (i) non-investment insurance product information

...

This information enables us to ascertain the importance of each product type to the *firm* and to target thematic work in this area.

<u>Total non-investment insurance premium derived from retail customers (annualised)</u>	<u>Regular policy premiums received for a policy should be reported only once as an annualised figure in the return for the period that covers the date of the sale. There is then no need to report in subsequent returns. An annualised figure is also required if a policy premium is paid in one single payment.</u>
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Sub-heading: (ii) non-investment insurance chains

...

(1) the total of premium from *non-investment insurance contracts* that is derived from sales to *retail customers*;

(2) whether transactions in the listed product types have been passed up a chain;

(32) whether this business is significant. 'Significant', in this context, is where the premium collected in relation to business forming part of a chain amounts to (a) more than 40% of premium collected for all non-investment insurance business, or (b) more than 40% of premium collected for all retail business in a particular product; and
(43) whether, in relation to this business, the *firm* has dealt directly with the *customer* during the reporting period (i.e. has been the first intermediary in the chain).

...