

**INVESTMENT FIRMS PRUDENTIAL REGIME (AMENDMENT) (No. 2)  
INSTRUMENT 2022**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 139A (Power of the FCA to give guidance);
  - (4) section 143D (Duty to make rules applying to parent undertakings); and
  - (5) section 143E (Powers to make rules applying to parent undertakings).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 30 September 2022.

**Amendments to the FCA Handbook**

- D. The Prudential sourcebook for MiFID Investment Firms (MIFIDPRU) is amended in accordance with the Annex to this instrument.
- E. The FCA confirms and remakes in the Glossary of definitions any defined expressions used in MIFIDPRU where the defined expressions relate to UK legislation that has been amended since those defined expressions were last made.

**Citation**

- F. This instrument may be cited as the Investment Firms Prudential Regime (Amendment) (No. 2) Instrument 2022.

By order of the Board  
29 September 2022

**Annex**

**Amendments to the Prudential sourcebook for MiFID Investment Firms  
(MIFIDPRU)**

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

**Data items for MIFIDPRU 9**

**9 Annex** This annex consists of forms which can be found through the following link:  
**1R** [*Editor’s note: insert link to document containing data items for MIFIDPRU 9 reporting*]

**MIF001 – Own funds**

	<b>A</b>
	Yes/No
<b>Basis of completion</b>	
1 Is this report on behalf of a consolidation group?	<input type="text"/>
	FRN
2 If yes, please list the firm reference numbers (FRN) of all FCA regulated entities in the consolidated situation and the group reference number, if applicable.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<b>Own funds held</b>	
3 CET1 own funds held (net of deductions - see MIFIDPRU 3.3)	<input type="text"/>
4 AT1 own funds held (net of deductions - see MIFIDPRU 3.4)	<input type="text"/>
5 T2 own funds held (net of deductions - see MIFIDPRU 3.5)	<input type="text"/>
<b>Fixed overheads requirement</b>	
6 Total annual eligible expenditure	<input type="text"/>
7 Indicate if varied due to material change in business model.	<input type="text"/>
<b>Permanent minimum requirement</b>	
8 Permanent minimum requirement	<input type="text"/>
<b>K-factors requirement – non-SNI firms only</b>	
9 Total K-factor requirement	<input type="text"/>
10 K-AUM	<input type="text"/>

11	K-CMH (segregated)	<input type="text"/>
12	K-CMH (non-segregated)	<input type="text"/>
13	K-ASA	<input type="text"/>
14	K-COH (cash trades)	<input type="text"/>
15	K-COH (derivative trades)	<input type="text"/>
16	K-DTF (cash trades)	<input type="text"/>
17	<del>[Not used]</del> <u>Adjusted K-DTF (cash trades) coefficient, where used</u>	<input type="text"/>
18	K-DTF (derivatives)	<input type="text"/>
19	<del>[Not used]</del> <u>Adjusted K-DTF (derivatives trades) coefficient, where used</u>	<input type="text"/>
20	K-NPR	<input type="text"/>
21	K-CMG	<input type="text"/>
22	K-TCD	<input type="text"/>
23	K-CON	<input type="text"/>
	<b>Transitional requirement</b>	
24	Transitional own funds requirement (if used)	<input type="text"/>
25	Please indicate which transitional provisions are being relied upon	<input type="text"/>
	<b>Own funds threshold requirement/wind-down trigger</b>	
26	Own funds threshold requirement	<input type="text"/>
27	Own funds wind-down trigger	<input type="text"/>

**MIF002 – Liquid Assets**

A

**Basis of completion**

- |   |   |        |
|---|---|--------|
| 1 | Is this report on behalf of a consolidation group?  | Yes/No |
| 2 | If yes, please list the firm reference numbers of all FCA regulated entities in the consolidated situation. | number |

**Basic liquid asset requirement**

- |   |   |        |
|---|---|--------|
| 3 | Basic liquid asset requirement based on fixed overheads   | number |
| 4 | Basic liquid asset requirement based on client guarantees | number |

**Core liquid assets held**

- |   |   |        |
|---|---|--------|
| 5 | Core liquid assets held, excluding receivables from trade debtors | number |
| 6 | Value of qualifying trade receivables <u>due within 30 days</u>   | number |

**Liquid assets threshold requirement/wind-down trigger**

- |   |                                    |        |
|---|------------------------------------|--------|
| 7 | Liquid asset threshold requirement | number |
| 8 | Liquid asset wind-down trigger     | number |

**Non-core liquid assets held**

- |   |  |        |
|---|--|--------|
| 9 | Value of non-core liquid assets post-haircut | number |
|---|--|--------|



- |    |   |                                     |
|----|---|-------------------------------------|
| 22 | Average DTF (derivatives)                               | <input type="text"/>                |
| 23 | DTFexcl (cash)  | <input type="text"/>                |
| 24 | DTFexcl (derivatives)                                   | <input type="text"/>                |
| 25 | On- and off-balance sheet total                         | <input type="text"/>                |
| 26 | Annual gross revenue from MiFID services and activities | <input type="text"/>                |
| 27 | Permission to deal on own account                       | <input type="text" value="Yes/No"/> |

**MIF004 – Non-K-CON concentration**

<b>Basis of completion</b>		A Yes/No
1	Is this report on behalf of a consolidation group?	
		FRN
2	If yes, please list the firm reference numbers (FRN) of all FCA regulated entities in the consolidated situation and the group reference number, if applicable.	

**All positions or exposures (not including intragroup exposures)**

	A LEI No or internal reference number	B FRN	B C Value of exposures/ positions with that counterparty
3 Counterparty 1			
4 Counterparty 2			
5 Counterparty 3			
6 Counterparty 4			
7 Counterparty 5			

**Intragroup exposures only**

	A LEI No or internal reference number	B FRN	B C Value of exposures/ positions with that counterparty
8 Counterparty 1			
9 Counterparty 2			
10 Counterparty 3			
11 Counterparty 4			
12 Counterparty 5			

**Location of client money**

	A LEI No or internal reference number	B FRN	B C % of client money held at that institution	D MMF (Yes/No)
13 Entity 1				

14	Entity 2				
15	Entity 3				
16	Entity 4				
17	Entity 5				

**Location of client securities**

		<u>A</u> LEI No or internal reference number	<u>B</u> FRN	<u>B C</u> % of client securities held at that institution	
18	Entity 1				
19	Entity 2				
20	Entity 3				
21	Entity 4				
22	Entity 5				

**Location of firm's own cash**

		<u>A</u> LEI No or internal reference number	<u>B</u> FRN	<u>B C</u> % of firm's own cash/MMF holdings at that institution	<u>€ D</u> MMF (Yes/No)
23	Entity 1				
24	Entity 2				
25	Entity 3				
26	Entity 4				
27	Entity 5				

**Earnings**

		<u>A</u> LEI No or internal reference number	<u>B</u> FRN	<u>B C</u> % of total revenue earned from that client	<u>€ D</u> Income type
28	Client 1				
29	Client 2				
30	Client 3				
31	Client 4				

32 Client 5

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## Guidance notes on data items in MIFIDPRU 9 Annex 1R

**9 Annex 2G** This annex consists of guidance which can be found through the following link:  
 [Editor's note: insert link to document containing guidance on completing data items in MIFIDPRU 9 Annex 1R]

## Guidance notes for MIFIDPRU 9 Annex 2G

### MIF001 – Adequate financial resources (Own funds)

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#### Daily Trading Flow

##### 16A – K-DTF (cash trades)

FCA investment firms should enter the value of their K-DTF requirement for cash trades calculated in accordance with MIFIDPRU 4.15.

##### **17A – ~~this cell has been deliberately left blank~~ Adjusted K-DTF (cash trades) coefficient, where used**

Under MIFIDPRU 4.15.11R, an FCA investment firm may adjust the coefficient used to calculate the K-DTF requirement if stressed market conditions occurred during the calculation period. Where an FCA investment firm has adjusted the cash trades coefficient in accordance with that rule, it should enter the value of the adjusted cash trades coefficient in this cell. The value entered should be the adjusted coefficient expressed as a decimal value. For example, if the adjusted coefficient for cash trades is 0.09%, the firm should enter 0.0009 in this cell.

Firms should refer to MIFIDPRU 4.15.13G for a worked example of how to calculate the adjusted coefficient.

##### 18A – K-DTF (derivative trades)

FCA investment firms should enter the value of their K-DTF requirement for derivative trades calculated in accordance with MIFIDPRU 4.15.

##### **19A – ~~this cell has been deliberately left blank~~ Adjusted K-DTF (derivatives trades) coefficient, where used**

Under MIFIDPRU 4.15.11R, an FCA investment firm may adjust the coefficient used to calculate the K-DTF requirement if stressed market conditions occurred during the calculation period. Where an FCA investment firm has adjusted the derivatives trades coefficient in accordance with that rule, it should enter the value of the adjusted derivative trades coefficient in this cell. The value entered should be the adjusted coefficient expressed as a decimal value. For example, if the adjusted coefficient for derivatives trades is 0.009%, the firm should enter 0.00009 in this cell.

Firms should refer to MIFIDPRU 4.15.13G for a worked example of how to calculate the adjusted coefficient.

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### **Transitional requirements**

This section applies to all FCA investment firms if they are relying on transitional provisions to limit their own funds requirement. Firms that are not relying on transitional provisions should leave these fields blank.

#### **24A – Transitional requirement**

FCA investment firms should enter the current amount of any transitional own funds requirement. Where a firm is making use of more than one transitional provision for its own funds requirement, it should enter the highest resulting value.

Note, that where an FCA investment firm changes its permissions during this period in a manner that would result in an increase in its permanent minimum requirement under MIFIDPRU, it will no longer be able to take advantage of any transitional provisions that limit its permanent minimum own funds requirement. Before the FCA will grant any change in permission, it will assess whether the investment firm is able to meet the full permanent minimum own funds requirement and any other additional requirements that may apply as a result of the change.

#### **25A – Basis of transitional**

FCA investment firms should identify by reference to the relevant provision in MIFIDPRU the transitional provision or provisions they are relying on for their own funds requirement entered in cell 24A.

#### **Own funds threshold requirement/wind-down trigger**

This section applies to all FCA investment firms.

Where MIF001 is being completed on a consolidated basis, the cells in this section should be left blank unless the FCA has specifically required the investment firm group to undertake a consolidated ICARA process.

Groups are reminded that a consolidated ICARA process is different from a group ICARA process. An investment firm group may be subject to prudential consolidation under MIFIDPRU 2.5 (and therefore would be required to complete MIF001 on a consolidated basis) but unless the FCA specifically requires otherwise, there is no obligation to operate a consolidated ICARA process, even where an investment firm group is subject to prudential consolidation.

#### **26A – Own funds threshold requirement**

An FCA investment firm should enter the higher of:

- its own assessment of its own funds threshold requirement as determined through the ICARA process (MIFIDPRU 7.6) or

- the amount specified by the FCA to be its own funds threshold requirement

It is possible that both the FCA investment firm and the FCA have determined that no additional own funds are required to that set by the MIFIDPRU 4 requirements. In this case, the FCA investment firm should enter the higher of its PMR, its FOR and its KFR (where this applies).

Where the FCA has specifically required the investment firm group to operate a consolidated ICARA process, this cell should contain the higher of:

- the group's own assessment of its consolidated own funds threshold requirement as determined through the consolidated ICARA process (i.e. in accordance with MIFIDPRU 7.6 as applied on a consolidated basis) or
- the amount specified by the FCA to be the consolidated own funds threshold requirement

### **27A – Own funds wind-down trigger**

An FCA investment firm should enter its Fixed Overhead Requirement unless the FCA has specified an alternative own funds wind-down trigger.

Where the MIF001 is being completed on a consolidated basis, this cell should be left blank.

**MIF002 – Adequate financial resources (Liquid assets)**

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**Consolidated reports**

This form applies to both individual FCA investment firms and to consolidation groups. If completed on behalf of a consolidation group, it should be completed on the basis of the consolidated situation and references to FCA investment firm should be taken to refer to the consolidation group.

If a group has obtained the exemption from the consolidated basic liquid assets requirement in MIFIDPRU 2.5.19R, it is not required to submit a consolidated MIF002 return.

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**Core liquid assets held****5A – Core liquid assets held (excluding receivables from trade debtors)**

Enter the total core liquid assets held. Trade receivables should not be included in this figure.

**6A – Value of qualifying trade receivables due within 30 days**

This cell should only be completed if the firm is:

- an SNI MIFIDPRU investment firm or
- a non-SNI MIFIDPRU investment firm that does not have permission to carry on dealing on own account or underwriting/placing of financial instruments on a firm commitment basis

An FCA investment firm that does not fall within one of the above categories cannot count trade receivables as core liquid assets and should leave this cell blank.

Enter the total value of receivables from trade debtors that ~~would qualify as core liquid assets~~ are receivable within 30 days. The value reported should be the total value of such receivables that is due to the firm – i.e. before applying any ~~haircuts~~ adjustments set out in MIFIDPRU 6.3.3R(3) to (5).

~~To be counted as core liquid assets, the relevant conditions in MIFIDPRU 6.3.3R must be met.~~

**Liquid assets threshold requirement/wind-down trigger**

Where MIF002 is being completed on a consolidated basis, cells 7A and 8A should be left blank unless the FCA has specifically required the investment firm group to undertake a consolidated ICARA process.

Groups are reminded that a consolidated ICARA process is different from a group ICARA process. An investment firm group may be subject to prudential consolidation under MIFIDPRU 2.5 (and therefore would be required to complete MIF002 on a consolidated basis, unless the group has obtained the exemption in MIFIDPRU 2.5.19R) but unless the FCA specifically requires otherwise, there is no obligation to operate a consolidated

ICARA process, even where an investment firm group is subject to prudential consolidation.

#### **7A – Liquid assets threshold requirement**

An FCA investment firm should enter the higher of:

- its own assessment of its liquid assets threshold requirement as determined through the ICARA process as set out in MIFIDPRU 7.7 or
- the amount specified by the FCA to be its liquid assets threshold requirement

Where the FCA has specifically required the investment firm group to operate a consolidated ICARA process, this cell should contain the higher of:

- the group's own assessment of its consolidated liquid assets threshold requirement as determined through the consolidated ICARA process (i.e. in accordance with MIFIDPRU 7.7 as applied on a consolidated basis) or
- the amount specified by the FCA to be the consolidated liquid assets threshold requirement

#### **8A – Liquid assets wind-down trigger**

An FCA investment firm should enter its basic liquid assets requirement unless the FCA has specified to the firm an amount that should be its liquid assets wind-down trigger.

Where the MIF002 is being completed on a consolidated basis, this cell should be left blank.

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**MIF003 – Monitoring metrics**

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**Metrics**

FCA investment firms should only submit information for the activities they undertake at the time at which the report is submitted (or that they have undertaken in the past, where the historical activities continue to be reflected in the calculation of one or more K-factor metrics). This information must be supplied even if the firm is an SNI and does not currently need to calculate a K-factor requirement.

Where the FCA investment firm does not undertake an activity and there is no historical activity that continues to be reflected in the calculation of the relevant K-factor metric, it should leave the field blank. For example, an FCA investment firm may have ceased discretionary portfolio management on 1 March. As the calculation of average AUM is based on a 15-month period, the firm would report a positive number for its average AUM in cell 3A until 1 June in the following year on the basis of its historical activities.

Unless specified, we are not asking for the K-factor requirement but the value of the underlying activity that is used to calculate the K-factor requirement. For example, a firm with average AUM of £10,000,000 would enter 10,000 in response to question 3A (rather than entering 4, which would reflect the value of the resulting £4,000 K-factor requirement).

Firms should refer to MIFIDPRU 1.2.1R and the basic conditions for being an SNI MIFIDPRU investment firm.

**3A – Average AUM**

Enter the average AUM as calculated in accordance with:

- MIFIDPRU 4.7 or
- MIFIDPRU 1.2.4R where it is using the alternative approach to measure its average AUM for the purposes of MIFIDPRU 1.2.1R(1)

~~This will be the value used to calculate K-AUM.~~

The next three fields ask for the AUM at a point in time, rather than an average over a specific time period. FCA investment firms should use the value of AUM as at the last business day of each calendar month.

Where an FCA investment firm cannot determine the split of AUM for MiFID and non-MiFID activities, it must report its total AUM here.

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**7A – Average CMH (segregated)**

Enter the average CMH held in segregated accounts as calculated in accordance with MIFIDPRU 4.8. This is the amount of MiFID client money (as defined in the Handbook Glossary) that the firm holds in segregated accounts. ~~This will be the value used to calculate K-CMH (segregated).~~

A segregated account is defined in in the Handbook Glossary.

The next three fields ask for the CMH (segregated) at a point in time, rather than an average over a specific time period. FCA investment firms should use the value of CMH on the last business day of each calendar month. Over time this will provide us with a time series of the actual CMH of the FCA investment firm.

Where an FCA investment firm cannot determine the split of CMH (segregated) for MiFID and non-MiFID activities, it must report its total CMH (segregated) here.

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### **11A – Average CMH (non-segregated)**

Enter the average CMH held in non-segregated accounts as calculated in accordance with MIFIDPRU 4.8. This is the amount of MiFID client money (as defined in the Handbook Glossary) that the firm holds in non-segregated accounts. ~~This will be the value used to calculate K-CMH (non-segregated).~~

A non-segregated account is an account that does not satisfy the conditions to be a segregated account.

The next three fields ask for the CMH (non-segregated) at a point in time, rather than an average over a specific time period. FCA investment firms should use the value of CMH on the last business day of each calendar month. Over time this will provide us with a time series of the actual CMH of the FCA investment firm.

Where an FCA investment firm cannot determine the split of CMH (non-segregated) for MiFID and non-MiFID activities, it must report its total CMH (non-segregated) here.

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### **19A – Average COH (cash)**

Enter the average COH for cash trades, calculated on the reporting date in accordance with:

- ~~MIFIDPRU 4.10 on the reporting date.~~ or
- MIFIDPRU 1.2.4R where it is using the alternative approach to measure its average COH for the purposes of MIFIDPRU 1.2.1R(1)

### **20A – Average COH (derivatives)**

Enter the average COH for derivatives trades, calculated on the reporting date in accordance with:

- ~~MIFIDPRU 4.10 on the reporting date.~~ or
- MIFIDPRU 1.2.4R where it is using the alternative approach to measure its average COH for the purposes of MIFIDPRU 1.2.1R(1)

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## **MIF004 – Non-K-CON Concentration risk monitoring**

### **Introduction**

This data item provides the FCA with information on where the FCA investment firm may have various types of concentration risk. We have provided references to the underlying rules to assist in its completion.

This data item only applies to a non-SNI FCA investment firm. We have specified where particular data items do not apply to all non-SNIs. Firms should only complete the sections where they undertake the activity. Where a section does not apply to a particular firm, it should enter 'N/A' into ~~the first field in that section~~ each cell in column A in that section. For example, a firm that does not hold client money will put 'N/A' in ~~cell~~ cells 13A, 14A, 15A, 16A and 17A. Where a firm holds client money at only 3 entities, for example, it should enter 'N/A' in cells 16A and 17A.

Information provided in the section on earnings (Rows 28 to 31) can be taken from quarters based on their most recent accounting reference date.

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### **All positions or exposures (not including intragroup exposures)**

This section only applies to FCA investment firms who deal on own account. These firms should report the total value of all exposures or positions to a counterparty, including exposures in and outside of its trading book, such as bilateral loans.

Firms should include positions or exposures to central governments, public sector entities, or other exposures that are excluded from K-CON under MIFIDPRU 5.10.1R, except that they should not include intragroup exposures. Intragroup exposures are captured in a separate data item.

Row 3 will indicate where the largest exposure/position with a counterparty is, followed by rows 3 to 7 in decreasing amounts. If a firm has less than 5 exposures, it should ~~leave subsequent rows blank~~ enter 'N/A' in column A of any rows not used.

Where firms have exposures to multiple counterparties who constitute a single group of connected clients under MIFIDPRU 5 (Concentration risk), they should report separately on each counterparty for the purposes of this data item. However, firms are reminded that MIFIDPRU 5.2 requires them to account for groups of connected clients when monitoring and controlling concentration risk.

### **LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both a legal entity identifier (LEI) and a firm reference number (FRN) for that entity.

### **Cells 3A to 7A, inclusive – LEI or internal reference number**

Enter the Legal Entity Identifier (LEI) number of up to 5 counterparties that the FCA investment firm has the largest exposures/positions with. The LEI number must be used if available. If the counterparty does not have an LEI number, the FCA investment firm

should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

**Cells 3B to 7B, inclusive – FRN**

Enter the FRN of up to 5 counterparties that the FCA investment firm has the largest exposures/positions with. If the counterparty does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number must be included in column A.

**Cells 3B 3C to 7B 7C, inclusive – value of exposures/positions with that counterparty**

Enter the total amount of the exposures/positions held with each counterparty, starting with the largest.

**Intragroup exposures**

This section only applies to FCA investment firms who deal on own account. By intragroup we mean exposures to other entities within the same group. Group for these purposes is as defined in s.421 of the Financial Services and Markets Act 2000 (FSMA). It is not limited to other entities within the FCA investment firm's consolidated situation.

Where this section is being completed on the basis of the consolidated situation, there may still be intragroup exposures from inside the consolidated situation to entities that are part of the same group, as defined in s.421 FSMA, but are outside of the consolidated situation.

FCA investment firms that are completing the form on a consolidated basis should not include intragroup exposures between firms that are part of the consolidated situation.

Firms should report the total value of all exposures or positions to a counterparty, including exposures in and outside of its trading book, such as bilateral loans.

Firms should provide details of the largest 5 intragroup exposures only. These could be to another group FCA investment firm, or to any other entity within the group. This section can be left blank where there are no intragroup exposures.

Row 8 will indicate where the largest exposure/position with a counterparty is, followed by rows 9 to 12 in decreasing amounts. If a firm has less than 5 exposures, it should ~~leave subsequent rows blank~~ enter 'N/A' in column A of any row not used.

**LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both an LEI and an FRN for that entity.

**Cells 8A to 12A, inclusive – LEI or internal reference number**

Enter the LEI number of up to 5 group entities that the FCA investment firm has the largest exposures/positions with. The LEI number must be used if available. If the counterparty does not have an LEI number, the FCA investment firm ~~should use its FRN,~~

if available. If the counterparty has neither an LEI nor an FRN it should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells 3B to 7B, inclusive – FRN**

Enter the FRN of up to 5 group entities that the FCA investment firm has the largest exposures/positions with. If the group entity does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number should be included in column A.

### **Cells 8B 8C to 12B 12C, inclusive – value of exposures/positions with that counterparty**

Enter the total amount of the exposures/positions held with each counterparty, starting with the largest.

### **Location of client money**

This section only applies to FCA investment firms that have permission to hold client money. It only relates to MiFID client money (as defined in the Glossary). If a firm is unable to determine whether an amount of client money is MiFID client money, it must treat it as being MiFID client money for these purposes.

Row 13 will indicate where the largest percentage of the FCA investment firm's MiFID client money is held, followed by rows 14 to 17 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its MiFID client money, it should ~~leave subsequent rows blank~~ enter 'N/A' in column A of any rows not used. In that case, the sum of percentages should be 100%.

### **LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both an LEI and an FRN for that entity.

### **Cells 13A – 17A, inclusive – LEI or internal reference number**

Enter the LEI number of up to five entities where MiFID client money is placed, beginning with the largest percentage. The LEI must be used if available. Where cash has been placed with a money market fund (MMF), the LEI of the MMF itself must be reported. ~~If an LEI is not available, the FRN must be used where available.~~ If the entity does not have an LEI number or an FRN, the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

### **Cells 13B to 17B, inclusive – FRN**

Enter the FRN of up to 5 entities where MiFID client money is placed, beginning with the largest percentage. If the entity does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number must be included in column A.

**Cells 13B – 17B, inclusive – percentage of client money held at that institution**

Enter the percentage of MiFID client money held at each institution, starting with the largest. Percentages should be rounded to the nearest whole number.

**Cells 13C to 17C, inclusive – MMF (Yes/No)**

Specify “Yes” or “No” to indicate if the cash has been placed with a money market fund (MMF) rather than deposited with a credit institution or central bank.

**Location of client securities**

This section only applies to FCA investment firms that have permission to hold client securities/assets. It relates to client securities/assets held in connection with the FCA investment firm’s MiFID business. If a firm is unable to determine whether an amount of client securities/assets is MiFID client securities/assets, it must be treated as MiFID client securities/assets for these purposes.

Row 18 will indicate where the largest percentage of the FCA investment firm’s client securities are held, followed by rows 19 to 22 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its client securities, it should ~~leave subsequent rows blank~~ enter ‘N/A’ in column A of any rows not used. In that case, the sum of percentages should be 100%.

**LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both an LEI and an FRN for that entity.

**Cells 18A to 22A, inclusive – LEI number**

Enter the LEI number of up to five institutions where ~~its the firm holds~~ client securities are held in connection with MiFID business, beginning with the largest percentage. The LEI must be used if available. ~~If not, the FRN must be used if available.~~ If the entity does not have an LEI number or an FRN, the FCA investment firm should use its internal reference number for that counterparty. This internal reference number should be consistent over time and across regulatory returns.

**Cells 18B to 22B, inclusive – FRN**

Enter the FRN of up to 5 entities where MiFID client money is placed, beginning with the largest percentage. If the counterparty does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number must be included in column A.

**~~Cells 18B 18C to 22B 22C, inclusive~~ – percentage of client securities held at that institution**

Enter the percentage of client securities held at each institution, starting with the largest. Percentages should be rounded to the nearest whole number.

**Location of the investment firm’s own cash and holdings in MMFs**

Row 23 will indicate where the largest percentage of the FCA investment firm's own cash is held, followed by rows 24 to 27 in decreasing amounts. If an FCA investment firm uses less than five entities to hold its own cash, it should ~~leave subsequent rows blank~~ enter 'N/A' in column A of any rows not used. In that case, the sum of percentages should be 100%.

For these purposes, FCA investment firms should report their holdings in money market funds (MMFs) alongside their holdings in cash (e.g. on deposit at a credit institution).

### **LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both an LEI and an FRN for that entity.

### **Cells 23A to 27A, inclusive – LEI or internal reference number**

FCA investment firms should enter the LEI number of up to five institutions where its own cash is held or MMFs it has holdings in, beginning with the largest percentage. The LEI must be used if available. For holdings in a money market fund (MMF), the LEI of the MMF itself must be reported. ~~If an LEI is not available, the FRN must be used.~~ If the entity does not have an LEI number or an FRN, the FCA investment firm should use its internal reference number for that institution. This internal reference number should be consistent over time and across regulatory returns.

### **Cells 23B to 27B, inclusive – FRN**

Enter the FRN of up to 5 entities where its own cash is held, beginning with the largest percentage. For holdings in an MMF, the LEI of the MMF itself must be reported. If the counterparty does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number must be included in column A.

### **Cells ~~23B~~ 23C to ~~27B~~ 27C, inclusive – percentage of FCA investment firm's own cash/MMF holdings at that institution**

FCA investment firms should enter the percentage of its own cash/MMF holdings at each institution, calculated as a proportion of the value of its total combined cash and MMF holdings, and starting with the largest. Percentages should be rounded to the nearest whole number.

### **Cells ~~23C~~ 23D to ~~27C~~ 27D, inclusive – MMF (Yes/No)**

Indicate if the cash has been placed with an MMF rather than e.g. deposited with a credit institution.

### **Earnings**

Information provided in this section can be taken from quarters based on the most recent accounting reference date.

Row 23 will indicate where the largest percentage of the FCA investment firm's earnings are from, followed by rows 24 to 27 in decreasing amounts. If an FCA investment firm's earnings are from less than five sources, it should ~~leave subsequent rows blank~~ enter

'N/A' in column A of any rows not used. In that case, the sum of percentages should be 100%.

Earnings includes all earnings from regulated or unregulated activities, not just earnings from MiFID business. This should include any earnings from group members, e.g. in exchange for the provision of intragroup services.

### **LEI, FRN and internal reference number**

Firms must complete either column A or column B in each row. The other column may be left blank. Firms may complete both columns where they have both an LEI and an FRN for that entity.

### **Cells 28A to 32A, inclusive – LEI or internal reference number**

FCA investment firms should enter the LEI number of up to five clients from which it generates its earnings, beginning with the largest percentage. The LEI must be used if available. ~~If not, the FRN must be used.~~ If the client does not have an LEI number or an FRN, the FCA investment firm should use its internal reference number for that client. This internal reference number should be consistent over time and across regulatory returns.

A client may be an institution or a natural person. Where the client is a natural person, the FCA investment firm should use its own internal reference number for that client. This internal reference number should be consistent over time and across regulatory returns.

### **Cells 23B to 27B, inclusive – FRN**

Enter the (FRN of up to 5 clients from which it generates its earnings, beginning with the largest percentage. If the counterparty does not have an FRN or the FRN is not known to the reporting firm, either the LEI or an internal reference number must be included in column A.

A client may be an institution or a natural person. Where the client is a natural person, the FCA investment firm should enter its own internal reference number for that client in column A. This internal reference number should be consistent over time and across regulatory returns.

### **Cells ~~28B~~ 28C to ~~32B~~ 32C, inclusive – percentage of total revenue earned from the client**

FCA investment firms should enter the percentage of its earnings from each client, starting with the largest. Percentages should be rounded to the nearest whole number.

### **Cells ~~28C~~ 28D to ~~32C~~ 32D, inclusive – type of earning**

FCA investment firms should indicate the type of earning that they are reporting. It may include more than one type of income stream. Where this is the case, FCA investment firms should list the main income type for that client. Options include:

- Interest and dividend income from trading book positions

- Interest and dividend income from non-trading book positions
- Fee and commission income
- Provision of intragroup services
- Other sources of income

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**Part B1: Breakdown of additional own funds requirement to address risks from ongoing activities**

This section only applies to non-SNI firms. SNI firms should leave this section blank.

This section asks for a breakdown of how the value in cell 11A has been reached.

Where a non-SNI firm does not calculate a particular K-factor because it does not carry on the relevant activity, it should leave that entry blank.

~~The sum of rows 18A to 27A should be equal to the amount put in 11A.~~

The value of cell 11A should not be lower than the K-factor requirement for non-SNI firms.

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