

APPOINTED REPRESENTATIVES INSTRUMENT 2022

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under the following sections of the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. Part 1 of Annex B of this instrument comes into force on 29 July 2022.
- D. Part 2 of Annex B of this instrument comes into force on 4 August 2022.
- E. All other parts of this instrument come into force on 8 December 2022.

Amendments to the Handbook

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

Notes

- H. In the annexes to this instrument, the “notes” (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- I. This instrument may be cited as the Appointed Representatives Instrument 2022.

By order of the Board
15 July 2022

Annex A

Amendments to the Glossary of definitions

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

Insert the following new definition in the appropriate alphabetical position. This text is not underlined.

<i>regulatory host</i>	<p>a <i>firm</i>:</p> <p>(1) that offers or provides a service:</p> <p style="padding-left: 20px;">(a) by which <i>unauthorised persons</i>, whether or not in the same <i>group</i> as the <i>firm</i>, may become <i>appointed representatives</i> of the <i>firm</i>;</p> <p style="padding-left: 20px;">(b) for <i>remuneration</i> with a view to profit; and</p> <p>(2) to which either (a) or (b) applies:</p> <p style="padding-left: 20px;">(a) the <i>firm</i> does not carry on any <i>regulated activities</i> other than through its <i>appointed representatives</i>; or</p> <p style="padding-left: 20px;">(b) the <i>regulated activities</i> carried on by one or more of the <i>appointed representatives</i> of the <i>firm</i> are not connected to any <i>regulated activity</i> undertaken by the <i>firm</i> other than through its <i>appointed representatives</i>.</p>
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Amend the following definition as shown.

<i>Complaint</i>	<p>...</p> <p>(2) (in <i>DISP</i>, except <i>DISP</i> 1.1 and (in relation to <i>collective portfolio management</i>) in the <i>consumer awareness rules</i>, the <i>complaints handling rules</i> and the <i>complaints record rule</i>, and in <i>CREDS</i> 9 <u>and in <i>SUP</i> 12</u>) any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a <i>person</i> about the provision of, or failure to provide, a financial service, <i>claims management service</i> or a <i>redress determination</i>, which:</p> <p style="padding-left: 20px;">(a) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and</p> <p style="padding-left: 20px;">(b) relates to an activity of that <i>respondent</i>, or of any other <i>respondent</i> with whom that <i>respondent</i> has some connection in marketing or providing financial</p>
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services or products or *claims management services*, which comes under the jurisdiction of the *Financial Ombudsman Service*.

...

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 29 July 2022

Insert the following new question in SUP 12 Annex 3R (Add an appointed representative or tied agent form) in the appropriate numerical position. The text is not underlined.

15A Will the appointed representative undertake funeral plan distribution? † §

Part 2: Comes into force on 4 August 2022

Insert the following new question in SUP 12 Annex 4R (Appointed representative or tied agent – change details form) in the appropriate numerical position. The text is not underlined.

		Yes	No
13C	Does the appointed representative undertake funeral plan distribution? † §	<input type="checkbox"/>	<input type="checkbox"/>
	Do you wish to change this? If ‘Yes’, please provide details below: †	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: Comes into force on 8 December 2022

2 Information gathering by the FCA or PRA on its own initiative

2.1 Application and purpose

Application

...

2.1.2A G *CBTL firms* are subject to a duty to deal with the *FCA* in an open and co-operative manner under article 18(1)(d) of the *MCD Order*. *SUP* 2.3 applies to *CBTL firms* in relation to complying with that duty as though:

...

(5) a reference to *SUP* 12.5.3G were a reference to ~~*SUP* 12.5.3AG~~ *SUP* 12.5.13G;

...

...

12 Appointed representatives**12.1 Application and purpose**

...

Interaction of SUP 12 and other modules in relation to MiFID business

12.1.1D G ...

Territorial application: Gibraltar

12.1.1E G This chapter applies to a *Gibraltar-based firm* which is considering appointing, has decided to appoint or has appointed an *appointed representative* in accordance with the general application of this chapter.

...

12.2 Introduction

...

Business for which an appointed representative is exempt

12.2.7 G (1) The *Appointed Representatives Regulations* are made by the Treasury under sections 39(1), (1C) and (1E) of the *Act*. These regulations describe, among other things, the business for which an *appointed representative* may be exempt or to which sections 20(1) and (1A) and 23(1A) of the *Act* may not apply, which is business which comprises any of:

...

(k) *agreeing to carry on a regulated activity* (article 64 of the *Regulated Activities Order*) where the *regulated activity* is one of those ~~in (a) to (h) or (ja) or (jb)~~ specified in Regulation 2(1)(d) of the *Appointed Representatives Regulations*; and

...

(2) If the *appointed representative* is also a *tied agent*, the business for which the *appointed representative* may be exempt includes the following additional activities:

(a) placing *financial instruments* or structured deposits;

(b) providing advice to *clients* or potential *clients* in relation to the placing of *financial instruments* or structured deposits.

...

What is an introducer appointed representative?

- 12.2.8 G ...
- (2) The permitted scope of appointment of an *introducer appointed representative* does not include in particular:
- ...
- (d) *advising on investments, giving basic advice on a stakeholder product, advising on a home finance transaction, advising on regulated credit agreements for the acquisition of land, or other activity that might reasonably lead a customer to believe that he they had received, ~~basic advice or advice on investments or on home finance transactions~~ or that the introducer appointed representative is permitted to ~~give basic advice or give personal recommendations on investments or on home finance transactions~~ provide, one of those services.*
- ...
- ...

- 12.2.10 G All rules in SUP 12 apply in relation to *introducer appointed representatives* except for:
- (1) SUP 12.4.2R, SUP 12.4.5BR and SUP 12.4.5C, on the appointment of *appointed representatives*, which are replaced by SUP 12.4.6R;
- (2) SUP 12.5.6AR on required contract terms, which is replaced by SUP 12.5.7R; ~~and~~
- (2A) SUP 12.6A.2R to SUP 12.6A.4R; and
- (3) SUP 12.9.1R(4) (Record keeping).

12.4 **What must a firm do when it appoints an appointed representative or an FCA registered tied agent?**

- ...
- Appointment of an appointed representative (other than an introducer appointed representative)
- 12.4.2 R Before a *firm* appoints a *person* as an *appointed representative* (other than an *introducer appointed representative*) and on a continuing basis, it must establish on reasonable grounds that:
- ...

- (3) the *firm* has adequate:
- ...
- (b) resources to monitor and enforce compliance by the *person* with the relevant requirements applying to the *regulated activities* for which the *firm* is responsible and with which the *person* is required to comply under its contract with the *firm* (see SUP 12.5.3G(2)); ~~and~~
- (4) the *firm* is ready and organised to comply with the other applicable requirements contained or referred to in this chapter; and
- (5) the *person's* activities do not, or would not, result in undue risk of harm to *consumers* or market integrity.

- 12.4.2A R (1) ~~A *firm* must ensure that:~~ [deleted] [Editor's note: This provision now appears at SUP 12.4.4HR.]
- (a) ~~a *tied agent* that is an *appointed representative*; or~~
- (b) ~~a *MiFID optional exemption appointed representative*; or~~
- (c) ~~a *structured deposit appointed representative*,~~
- ~~is of sufficiently good repute and that it possesses appropriate general, commercial and professional knowledge and competence so as to be able to communicate accurately all relevant information regarding the proposed service to the *client* or potential *client*. This does not limit a *firm's* obligations under SUP 12.4.2R.~~
- (2) ~~A *firm* must ensure that its *tied agent* or *MiFID optional exemption appointed representative* also possesses appropriate general, commercial and professional knowledge and competence so as to be able to deliver the *investment service* or *ancillary service* for which the *firm* has accepted responsibility.~~

~~[Note: paragraphs 2 and 3 of article 29(3) of *MiFID*]~~

- 12.4.2B G (1) ~~A *firm* to which SUP 12.4.2AR applies should also have regard to SYSC 5.1 (Skills, knowledge and expertise). The requirements of the Training and Competence sourcebook (*TC*) and *guidance* in the Fit and Proper Test for Employees and Senior Personnel (*FIT*) may also be relevant. [deleted] [Editor's note: This provision now appears at SUP 12.4.4IG.]~~
- (2) ~~*ESMA* has issued guidelines for *MiFID investment firms* specifying the criteria for the assessment of knowledge and competence. These guidelines are relevant to *tied agents* (see SYSC 5.1.5ADG).~~

Guidance on the appointment of an appointed representative

- 12.4.2C G SUP 12.4.2R applies before a firm appoints a person as an appointed representative and on a continuing basis thereafter. References in this guidance to an appointed representative should therefore be read as also referring to a prospective appointed representative where appropriate.
- 12.4.3 G In assessing, under SUP 12.4.2R(2)(a) and (b), whether an *appointed representative* ~~or prospective appointed representative~~ is solvent and otherwise suitable, a *firm* should determine, among other matters, whether the *person* is likely to be adversely influenced by its financial position in the conduct of the business for which the *firm* is responsible. This might arise, for example, if the *person* has cashflow problems and is not able to service its debts. ~~Guidance~~ Guidance for firms on assessing the financial position of an *appointed representative* ~~or prospective appointed representative~~ is given in SUP 12 Annex 1.
- 12.4.4 G In assessing, under SUP 12.4.2R(2)(b), whether an *appointed representative* ~~or prospective appointed representative~~ is otherwise suitable to act for the *firm* in that capacity, a *firm* should consider:
- (1) whether the *person* is fit and proper; guidance on the information that *firms* should take reasonable steps to obtain and verify is given in SUP 12 Annex 2; ~~and~~
 - (2) the fitness and propriety (including good character ~~and competence~~) and financial standing of the *controllers, directors, partners, proprietors and managers* of the *person*; *firms* seeking guidance on the information which they should take reasonable steps to obtain and verify should refer to *FIT* and the questions in the relevant Form A (Application to perform controlled functions under the approved person regime) in SUP 10A Annex 4; and
 - (3) the competence and capabilities of relevant directors, partners, proprietors and managers of the person, including whether they have:
 - (a) appropriate experience, knowledge, skills and training in relation to the activities and business carried out, or to be carried out, on behalf of the firm; and
 - (b) the necessary time to properly perform the tasks and functions for which they are, or will be, responsible.
- 12.4.4A G In considering the competence and capabilities of relevant individuals, firms should note that other provisions, including SYSC 3.1 (Systems and controls) and SYSC 5.1 (Skills, knowledge and expertise), the requirements of the Training and Competence sourcebook (TC) and guidance in the Fit and Proper test for Employees and Senior Personnel sourcebook (FIT) may also be relevant. See also SUP 12.6.10G.
- 12.4.4B G In assessing whether the firm has adequate controls and resources for the purposes of SUP 12.4.2R(3)(a) and (b), a firm should consider whether these:

- (1) are commensurate to:
 - (a) the size or potential size of the *appointed representative*; and
 - (b) the nature of the *regulated activities* for which the *firm* has, or proposes to have, responsibility;
- (2) enable the *firm* to effectively manage conflicts of interest;
- (3) allow the *firm* to maintain effective oversight of the *appointed representative*;
- (4) enable the *firm* to identify and remediate any issues arising at the *appointed representative*; and
- (5) enable the *firm* to maintain a level of oversight of the *appointed representative's regulated activities* equivalent to that which would be, and ought reasonably to be, applied if:
 - (a) those activities were carried on by the *firm* in a principal capacity; and
 - (b) all *individuals* engaged in those activities were employees of the *firm*,

(and see also *Principle 3*, *COND 2.5.6G(1)* and (1A) and *SUP 12.6.11G*).

- 12.4.4C G In assessing, under *SUP 12.4.2R(5)*, whether an *appointed representative's* activities or proposed activities give rise to an undue risk of harm, a *firm* should consider, without limitation:
- (1) the nature of the risks associated with the *person's* appointment and activities or proposed activities having regard to, amongst other things, the *person's*:
 - (a) business model;
 - (b) (as applicable) senior management and governance arrangements;
 - (2) the likely impact on *clients* or potential *clients* were a relevant risk to crystallise having regard to, amongst other things:
 - (a) the number of *clients* with which the *person* is, or is likely be, dealing;
 - (b) whether the *clients* or potential *clients* with which the *person* is, or is likely to be, dealing include those in vulnerable circumstances who may be at greater risk of harm if things go wrong;

- (c) the likely extent of any financial loss that *clients* may suffer;
- (3) the likely impact on the *firm* were a relevant risk to crystallise including, but not limited to, the impact of a significant volume of *complaints* relating to the *person's* activities;
- (4) the likely impact on the continuity of the provision of services to *clients* in the event of the *person's* failure;
- (5) the potential for reputational damage which could harm the *clients* with which the *person* deals, or is likely to deal; and
- (6) the ability of its own arrangements to effectively identify and manage those risks in compliance with its obligations in *SYSC*.

[*Editor's note*: The provision at SUP 12.4.4DG is moved from SUP 12.4.5G.]

12.4.4D G In determining, under SUP 12.4.2R(2)(c), whether an *appointed representative* has any *close links* which would be likely to prevent the *firm's* effective supervision, a *firm* should consider the *guidance to threshold condition 2C* or *3B* as applicable in *COND 2.3*.

Practical considerations for assessment

12.4.4E G In undertaking the assessment required by SUP 12.4.2R, a *firm* should:

- (1) ensure and verify that information provided by the *appointed representative*, either at entity-level or about relevant *individuals* (SUP 12.4.4G(2) and (3)), is accurate, sufficiently detailed and up to date;
- (2) discuss any omissions or concerns proactively with relevant *individuals* at the *appointed representative*; and
- (3) ensure that it is made aware of any changes, including to relevant *individuals* at the *appointed representative*, which may affect the quality or integrity of the information provided.

Continuing obligations after appointment: controls and resources

12.4.4F G SUP 12.4.2R applies on a continuing basis. In particular:

- (1) a *firm* should re-assess whether its controls and resources remain adequate for the purposes of SUP 12.4.2R(3)(a) and (b) if any of the following circumstances arise:
 - (a) the size or volume of the *appointed representative's* business involving *regulated activity* increases significantly in a short period of time;
 - (b) the *firm* identifies an unusually high rate of turnover at the

appointed representative of:

- (i) senior management; or
 - (ii) other staff of the appointed representative involved in carrying on the regulated activities for which the firm has accepted responsibility;
 - (c) the firm identifies a significant increase in the number of complaints it receives about the appointed representative;
 - (d) the appointed representative changes its business model (including target market); or
 - (e) a change is made to the scope of the appointed representative's appointment.
- (2) SUP 12.6A.3R requires a firm to carry out a review, including of the adequacy of the firm's controls and resources, in any of the circumstances specified in that rule.

Practical steps to ensure effective oversight

12.4.4G G In order to comply with the various obligations in this chapter and having due regard to the nature of the appointed representative's activities and the risks associated with them, a firm should:

- (1) collect and scrutinise relevant management information and agree with its appointed representative how and when management information should be provided, the format it should take and the data it should capture;
- (2) analyse data provided by the appointed representative to identify emerging risks and issues;
- (3) closely monitor the delivery of the appointed representative's activities and business, within the scope of its appointment (for example, by reviewing call scripts or other materials provided by the appointed representative and organising regular meetings with them);
- (4) engage regularly with its appointed representative, whether through in-person meetings, telephone calls or email communication; and
- (5) establish clear processes for the escalation of issues, including service level agreements where necessary. This could include, for example, grading of issue severity based on impact and potential harm to clients and processes for remediation within defined timeframes. Where appropriate, such expectations should be included in the contract between the firm and the appointed representative.

[Editor's note: The provisions at SUP 12.4.4HR and SUP 12.4.4IG are not new text; they are moved from SUP 12.4.2AR and SUP 12.4.2BG respectively.]

Appointment of tied agents, MiFID optional exemption appointed representatives and structured deposit appointed representatives

- 12.4.4H R (1) A firm must ensure that:
- (a) a tied agent that is an appointed representative; or
 - (b) a MiFID optional exemption appointed representative; or
 - (c) a structured deposit appointed representative,
- is of sufficiently good repute and that it possesses appropriate general, commercial and professional knowledge and competence so as to be able to communicate accurately all relevant information regarding the proposed service to the client or potential client. This does not limit a firm’s obligations under SUP 12.4.2R.
- (2) A firm must ensure that its tied agent or MiFID optional exemption appointed representative also possesses appropriate general, commercial and professional knowledge and competence so as to be able to deliver the investment service or ancillary service for which the firm has accepted responsibility.

[Note: paragraphs 2 and 3 of article 29(3) of MiFID]

- 12.4.4I G (1) A firm to which SUP 12.4.4HR applies should also have regard to SYSC 5.1 (Skills, knowledge and expertise). The requirements of the Training and Competence sourcebook (TC) and guidance in the Fit and Proper test for Employees and Senior Personnel (FIT) may also be relevant.
- (2) ESMA has issued guidelines for MiFID investment firms specifying the criteria for the assessment of knowledge and competence. These guidelines are relevant to tied agents (see SYSC 5.1.5ADG).

12.4.5 G ~~In determining, under SUP 12.4.2R(2)(c), whether an appointed representative or prospective appointed representative has any close links which would be likely to prevent the firm’s effective supervision, a firm should consider the guidance to threshold condition 2C or 3B as applicable in COND 2.3. [deleted] [Editor’s note: This provision now appears at SUP 12.4.4DG.]~~

...

Multiple principals

...

12.4.5C R Multiple principal agreement

	Matter	Explanation

...		
8.	Sharing information	The arrangements for sharing information on matters relevant to the matters covered under the multiple principal agreement and each <i>principal's</i> obligations under <i>SUP 12.6</i> (Continuing obligations of firms with appointed representatives) and <i>SUP 12.6A</i> (Assessment of compliance).
		...

...

Appointment of an introducer appointed representative

- 12.4.6 R Before a *firm* appoints a *person* as an *introducer appointed representative*, and on a continuing basis, it must take reasonable care to ensure that:
- (1) the *person* is suitable to act for the *firm* in that capacity (having regard, in particular, to other *persons* connected with the *person* who will be, or who are, directly responsible for its activities); ~~and~~
 - (2) the *firm* is ready and organised to comply with the other applicable requirements contained or referred to in this chapter; and
 - (3) the *person's* activities do not, or would not, result in undue risk of harm to consumers or market integrity.

...

- 12.4.7A G In complying with the requirements in *SUP 12.4.6R*, a *firm* should also have regard, so far as relevant, to the *guidance* in *SUP 12.4.4BG*, *SUP 12.4.4CG*, *SUP 12.4.4FG* and *SUP 12.4.4GG*.

...

- 12.4.8C R ...

Inclusion on the Financial Services Register

- 12.4.9 G ...
- (2) ~~If an appointed representative's scope of appointment is to include an *insurance distribution activity*, the principal must notify the *FCA* of the appointment before the appointed representative commences that activity (see *SUP 12.7.1R(1)*).~~ [deleted]
 - (3) ~~As an exception, pre-notification is not required if the appointed representative is already included on the *Financial Services Register* as carrying on *insurance distribution activities* in another capacity (for example, as the appointed representative of another *principal*).~~ [deleted]

...

Appointed representative carrying on MCD credit intermediation activity

...

- 12.4.10C G (1) ~~If an appointed representative's scope of appointment is to include MCD credit intermediation activity, the principal must notify the FCA of the appointment before the appointed representative commences that activity (see SUP 12.7.1R(1)). [deleted]~~

...

Appointment of an FCA registered tied agent

- 12.4.11 R If a *MiFID investment firm* appoints an *FCA registered tied agent*, SUP 12.4.2R and SUP ~~12.4.2AR~~ 12.4.4HR apply to that *firm* as though the *FCA registered tied agent* were an *appointed representative*.

...

Tied agents

- 12.4.12 G ...
- (5) ~~If an appointed representative's scope of appointment is to include acting as a tied agent, the principal must notify the FCA of the appointment before the appointed representative starts acting as such (see SUP 12.7.7R(1A)). [deleted]~~

...

MiFID optional exemption appointed representatives and structured deposit appointed representatives

- 12.4.13 G ...
- (2) ~~A firm must notify the FCA of the appointment of a MiFID optional exemption appointed representative or a structured deposit appointed representative before such appointed representative starts acting in that capacity (SUP 12.7.1R). [deleted]~~

...

12.5 Contracts: required terms

Required contract terms for all appointed representatives

...

- 12.5.2A G ~~If:~~ [deleted] [Editor's note: This provision now appears at SUP 12.5.12G.]

- (1) ~~a MiFID investment firm or a third country investment firm appoints an appointed representative that is a tied agent or a MiFID optional exemption appointed representative, regulation 3(6) of the Appointed Representatives Regulations requires the contract between the firm and the appointed representative to contain a provision that the representative is only permitted to provide the services and carry on the activities referred to in section 39(7) of the Act while entered on the Register.~~
- (2) ~~a firm appoints an appointed representative that is a structured deposit appointed representative, regulation 3(6) of the Appointed Representatives Regulations requires the contract between the firm and the appointed representative to contain a provision that the representative is only permitted to sell, or advise clients on, structured deposits while entered on the Register.~~

- 12.5.3 G (Subject to ~~SUP 12.5.3AG~~ 12.5.13G) a firm should satisfy itself that the terms of the contract with its appointed representative (including an introducer appointed representative):
- ...
- (2) require the appointed representative to cooperate with the FCA as described in SUP 2.3.4G (Information gathering by the FCA on its own initiative: cooperation by firms) and give access to its premises, as described in SUP 2.3.5R(2); ~~and~~
 - (3) require the appointed representative to give the firm's auditors the same rights as are provided by section 341 of the Act; and
 - (4) require the appointed representative to provide the firm with such information as is necessary to enable the firm to comply with its obligations under this chapter (SUP 12), including, without limitation:
 - (a) as to any matters which might require the firm to undertake a review under SUP 12.6A.3R;
 - (b) to enable the firm to comply with its reporting and notification obligations in SUP 12.7.

- 12.5.3A G ~~To the extent that the appointment of the appointed representative includes CBTL business, a firm should satisfy itself that the terms of the contract with its appointed representative: [deleted] [Editor's note: This provision now appears at SUP 12.5.13G.]~~
- (1) ~~are designed to enable the firm to comply properly with any direction issued or imposed under article 19 of the MCD Order; and~~
 - (2) ~~require the appointed representative to deal with the FCA in an open and co-operative manner and give access to its premises, as set out in SUP 2.3.4G and SUP 2.3.5R(2), as applied by SUP 2.1.2AG.~~

- 12.5.4 G *A firm* should have the ability to terminate the contract with its *appointed representative* in the circumstances in SUP 12.6.1R(2). However, such a termination provision should not be automatic (see SUP 12.8.3R(1)). SUP 12.5.5R(4) also requires that the *firm* be able to terminate the contract in the event that the *firm* determines that it is no longer able to effectively oversee the activities of the *appointed representative*.
- 12.5.5 R *A firm* must ensure that its written contract with each of its *appointed representatives*:
- ...
- (2A) (where the scope of appointment of the *appointed representative* includes *CBTL business*) requires the *appointed representative* to comply, and to ensure that any *persons* who provide services to the *appointed representative* under a contract for service comply, with the requirements of and arising under Part 3 of the *MCD Order*; ~~and~~
- (3) (unless the written contract prohibits appointments by other *principals*) requires the *appointed representative* to notify the *firm*:
- ...
- (c) (as soon as possible) of the termination of any such appointment; and
- (4) enables the *firm* to terminate the contract in the event that the *firm* determines, pursuant to its continuing obligation in SUP 12.4.2R, SUP 12.4.6R or SUP 12.4.8AR that it is no longer able to adequately oversee the activities of the *appointed representative*.
- ...

[*Editor's note*: The provisions at SUP 12.5.12G and SUP 12.5.13G are not new text; they are moved from SUP 12.5.2AG and SUP 12.5.3AG respectively.]

Required contract terms for tied agents, MiFID optional exemption appointed representatives and structured deposit appointed representatives

- 12.5.12 G If:
- (1) a *MiFID investment firm* or a *third country investment firm* appoints an *appointed representative* that is a *tied agent* or a *MiFID optional exemption appointed representative*, regulation 3(6) of the *Appointed Representatives Regulations* requires the contract between the *firm* and the *appointed representative* to contain a provision that the representative is only permitted to provide the services and carry on the activities referred to in section 39(7) of the *Act* while entered on the Register;

- (2) a firm appoints an appointed representative that is a structured deposit appointed representative, regulation 3(6) of the Appointed Representatives Regulations requires the contract between the firm and the appointed representative to contain a provision that the representative is only permitted to sell, or advise clients on, structured deposits while entered on the Register.

Required contract terms for appointed representatives engaging in CBTL business

- 12.5.13 G To the extent that the appointment of the appointed representative includes CBTL business, a firm should satisfy itself that the terms of the contract with its appointed representative:
- (1) are designed to enable the firm to comply properly with any direction issued or imposed under article 19 of the MCD Order; and
 - (2) require the appointed representative to deal with the FCA in an open and co-operative manner and give access to its premises, as set out in SUP 2.3.4G and SUP 2.3.5R(2), as applied by SUP 2.1.2AG.

12.6 Continuing obligations of firms with appointed representatives or FCA registered tied agents

~~Suitability etc. of appointed representatives~~ Remediation and termination

- 12.6.1 R ...
- 12.6.1-A G Where SUP 12.6.1R applies, the circumstances in which it is likely to be appropriate to terminate the contract include, but are not limited to, where:
- (1) there are issues with the appointed representative which have not been resolved satisfactorily or within a reasonable period of time. This may include where the appointed representative has agreed to resolve known issues but it has not met the firm's standards or expectations for remediation or where the firm considers the proposed remediation would risk it breaching applicable rules;
 - (2) the appointed representative is unable to satisfactorily explain unusually high rates of senior management turnover;
 - (3) the principal becomes aware that the appointed representative is carrying on regulated activities in breach of the general prohibition or (if the appointed representative is a firm with a limited permission) in breach of section 20(1) or (1A) of the Act;
 - (4) the appointed representative is found to have intentionally misled clients or potential clients in any way; or
 - (5) any of the appointed representative's senior management with responsibility for, or involvement in, activities carried on within the scope of the appointed representative's appointment are dismissed on

the basis of gross misconduct.

- 12.6.1-B G SUP 12 Annex 7G contains a flowchart to assist firms in determining whether a particular matter is more properly addressed through remediation or termination.

Monitoring: tied agents; appointed representatives carrying on MCD credit intermediation activity

- 12.6.1A R ...

...

Appointed representative's financial position

- 12.6.2 G ~~The FCA would normally expect a firm to carry out a check on its appointed representative's financial position every year (more often, if necessary) and to review critically the information obtained. A firm is required to review the financial position of its appointed representatives (other than its introducer appointed representatives) at least annually (SUP 12.6A.2R). An appropriately experienced person (for example, a financial accountant) should carry out these checks in support of the firm's obligation in SUP 12.6A.2R.~~

...

- 12.6.5A G ...

Appointed representatives performing functions or tasks for principals

- 12.6.5B G (1) Where a firm delegates functions or tasks to an appointed representative, it should apply appropriate safeguards including, but not limited to:
- (a) ensuring that the delegation does not represent a conflict of interest; and
 - (b) applying enhanced monitoring to the delegated task or function.
- (2) A firm should also refer, where applicable, to SYSC 3.2.3G.

Regulated activities and investment services outside the scope of appointment

...

- 12.6.6A G In determining what are reasonable steps for the purposes of SUP 12.6.6R, a firm should have regard to the guidance at SUP 12.4.4GG.

...

Insert the following new section SUP 12.6A after SUP 12.6 (Continuing obligations of firms with appointed representatives or FCA registered tied agents). The text is not underlined.

12.6A Assessment of compliance

Purpose

- 12.6A.1 G (1) *SUP 12.4.2R* imposes continuing obligations on a *firm* that has appointed an *appointed representative*. This includes to ensure on reasonable grounds that the *person* is suitable to act in the capacity of an *appointed representative* and that the *firm* has adequate controls and resources to oversee the *person's* activities. *SUP 12.4.6R* imposes similar obligations in relation to *introducer appointed representatives*.
- (2) *SUP 12.6.1R* requires a *firm* to act where it has reasonable grounds to believe that the conditions referred to in (1) are not, or are not likely to be, satisfied in relation to any *appointed representative*.
- (3) Without prejudice to these continuing requirements, the *rules* in this section require:
- (a) a *firm* to undertake a specific review (referred to in this section as the 'annual review') of certain aspects of its arrangements with *appointed representatives* (other than *introducer appointed representatives*) on at least an annual basis; and
- (b) the *governing body* of a *firm* to:
- (i) review and approve at least once every 12 *months* a written record of the *firm's* assessment of how it is meeting the requirements in this chapter (referred to in this section as the 'self-assessment *document*'); and
- (ii) agree the *firm's* response to any material issues identified.
- (4) The assessment in (3)(b) applies in relation to *introducer appointed representatives* to the extent that the *rules* in this chapter apply to arrangements with *introducer appointed representatives*.

Annual review

- 12.6A.2 R At least once every 12 *months*, a *firm* must specifically review in respect of each of the *firm's appointed representatives* (other than its *introducer appointed representatives*):
- (1) whether the *appointed representative* is solvent and otherwise suitable for the purposes of *SUP 12.4.2R*(2)(a) and (b);
- (2) the fitness and propriety of the *controllers, directors, partners, proprietors and managers* of the *appointed representative* and, in particular, their ability to carry out the *regulated activities* for which

the *firm* has accepted responsibility; and

- (3) the adequacy of the *firm's* controls over, and resources for monitoring and enforcing compliance of, the *appointed representative* for the purposes of SUP 12.4.2R(3)(a) and (b).

12.6A.3 R In addition to the annual review required by SUP 12.6A.2R, a *firm* must carry out a review of the matters in SUP 12.6A.2R in relation to an *appointed representative* where:

- (1) the *appointed representative* changes its business model (including its target market);
- (2) the scope of the *appointed representative's* appointment is expanded to include one or more additional *regulated activities*;
- (3) the *appointed representative* changes any of its senior management in a particular role with responsibility for, or being involved with, the activities being carried on within the scope of its appointment more than once in a 12-month period;
- (4) the *appointed representative* is appointed by an additional *principal*; or
- (5) the *firm* identifies a significant increase in the number of *complaints* it receives about the *appointed representative*.

12.6A.4 R (1) A *firm* must maintain a written record of each review undertaken for the purposes of SUP 12.6A.2R or SUP 12.6A.3R.

- (2) The written record required by (1) must be retained for at least 6 years.

12.6A.5 G (1) In carrying out, and documenting, each review required by SUP 12.6A.2R or SUP 12.6A.3R, a *firm*:

- (a) should have regard to the *guidance* on assessing the matters covered by the review in SUP 12.4;
 - (b) may focus on any changes from the previous such review undertaken in relation to the relevant *appointed representative* and cross-refer, where appropriate, to previous reviews.
- (2) A *firm* may determine the most appropriate way in which to undertake and document each review required by SUP 12.6A.2R or SUP 12.6A.3R. Each review should be undertaken by one or more individuals at the *firm* with an appropriate level of knowledge and experience.
- (3) A *firm* should ensure that any significant issues which arise as a result of a review undertaken for the purposes of SUP 12.6A.2R or SUP 12.6A.3R are escalated for consideration by its *governing body*,

where appropriate, in particular in so far as those issues give rise to risks of harm to *consumers* or market integrity (see also *SUP* 12.6A.7G(1)(c)).

Self-assessment

- 12.6A.6 R (1) At least once every 12 *months*, the *governing body* of a *firm* must:
- (a) review and approve a written record (its ‘self-assessment *document*’):
 - (i) of the way in which the *firm* complies with the requirements in this chapter (*SUP* 12); and
 - (ii) that identifies any material deficiencies in, or concerns in relation to, such compliance; and
 - (b) agree the steps to be taken to address the matters in (1)(a)(ii).
- (2) The self-assessment *document* must include any concerns arising from the most recent reviews undertaken in relation to each of the *firm’s appointed representatives* for the purposes of *SUP* 12.6A.2R or *SUP* 12.6A.3R.
- 12.6A.7 G (1) The self-assessment *document* should include, as appropriate, the *firm’s* current assessment of:
- (a) the effectiveness of the *firm’s* arrangements for overseeing its *appointed representatives*;
 - (b) the adequacy of the *firm’s* controls and resources for the purposes of *SUP* 12.4.2R(3);
 - (c) the *firm’s* assessment of the risk of harm to *consumers* or market integrity arising from its *appointed representatives’* activities or business (*SUP* 12.4.2R(5));
 - (d) the outcome of any re-assessment of the continuing adequacy of the *firm’s* controls and resources for the purposes of *SUP* 12.4.4FG; and
 - (e) the methodologies used to assess and verify the *firm’s* compliance with the requirements.
- (2) In respect of any *introducer appointed representatives*, the self-assessment *document* should include, as appropriate, those matters in (1) which are relevant to *introducer appointed representatives* (including those matters specified in *SUP* 12.6A.7G(1)(a),(c) and (d)).
- 12.6A.8 R A *firm* must retain a copy of each self-assessment *document* approved by the *governing body* of the *firm* for at least 6 years from the date of approval.

- 12.6A.9 G (1) While the self-assessment *document* must be approved by the *governing body* each year (SUP 12.6A.6R), it is not expected that the *firm* creates a new *document* each year.
- (2) A *firm* that has appointed more than one *appointed representative* need only maintain a single self-assessment *document* covering all of its *appointed representative* relationships.
- 12.6A.10 G While the self-assessment *document* need only be approved by the *governing body* once a year, *firms* are reminded that the senior management of a *firm* is responsible for the control and monitoring of the *firm's appointed representatives* (SUP 12.6.7G). Notwithstanding the requirements of this section, a *firm* should ensure that any issues relating to its *appointed representatives* are escalated for consideration by its *governing body* where appropriate, in addition to the annual approval of the self-assessment *document*, in particular in so far as those issues give rise to risks of harm to *consumers* or market integrity.

Amend the following text as shown.

12.7 Notification and reporting requirements

Notification of appointment of an appointed representative

- 12.7.1 R (1) This *rule* applies to a *firm* which intends to appoint an appointed representative or FCA registered tied agent:-
- (a) ~~an appointed representative to carry on insurance distribution activities; or~~
- (b) ~~a tied agent; or~~
- (c) ~~an appointed representative to carry on MCD credit intermediation activity; or~~
- (d) ~~a MiFID optional exemption appointed representative; or~~
- (e) ~~a structured deposit appointed representative.~~
- (2) ~~This rule also applies to a firm which has appointed an appointed representative. [deleted]~~
- (3) A *firm* ~~in (1)~~ to which this *rule* applies must complete and submit the form in SUP 12 Annex 3 ~~before the appointment~~ to be received by the FCA no later than 30 days before the commencement of regulated activities by the proposed appointed representative.
- (4) ~~A firm in (2) must complete and submit the form in SUP 12 Annex 3 within ten business days after the commencement of activities. [deleted]~~

- 12.7.1A R (1) A *firm* other than:
- (a) a *credit union*; or
 - (b) a *firm* which intends to appoint, ~~or has appointed,~~ an *appointed representative* to carry on only *credit-related regulated activity*;
- must submit the form in SUP 12 Annex 3 via online submission at the FCA's website at <http://www.fca.org.uk> or any of the methods set out in SUP 15.7.4R to SUP 15.7.5AR (Method of notification).
- (2) A *credit union* or a *firm* which intends to appoint, ~~or has appointed,~~ an *appointed representative* to carry on only *credit-related regulated activity* must submit the form in SUP 12 Annex 3R in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- ...
- 12.7.2 G A *firm's* notice under SUP 12.7.1R should give details of the proposed appointed representative ~~and the regulated activities which the firm is, or intends to, carry on through the appointed representative,~~ including:
- ...
- (2A) if the appointed representative is a company, its company registration number;
 - (3) a description of the nature of the regulated activities which the *appointed representative* ~~is~~ will be permitted or required to carry on and for which the *firm* ~~has accepted~~ intends to accept responsibility;
 - (4) any restrictions imposed on the *regulated activities* for which the *firm* ~~has accepted~~ intends to accept responsibility; ~~and~~
 - (5) where the *appointed representative* is not an individual, the name of the individuals who are responsible for the management of the business carried on by the *appointed representative* so far as it relates to *insurance distribution activity*;
 - (6) where the appointed representative will carry on insurance distribution activities, the name of the individual to be named as the primary point of contact at the appointed representative on the Financial Services Register;
 - (7) information on the nature of any non-regulated activities of the appointed representative;
 - (8) any group of which the appointed representative is a part;
 - (9) the principal reason for the appointment;

- (10) information about the financial relationship between the *firm* and the *appointed representative*;
- (11) an estimate of the expected level of revenue of the *appointed representative* during the first year of its appointment by reference to its *regulated activities* and *non-regulated activities*;
- (12) whether the *appointed representative* will provide services to *retail clients*;
- (13) whether it was *previously the appointed representative* of a different *principal*; and
- (14) information on any arrangements for seconding or contracting individuals from the *appointed representative* to the *principal* for the purposes of conducting portfolio management or *dealing* activities.

- 12.7.2A G A *firm*'s notice under SUP 12.7.1R relating to a proposed *introducer appointed representative* need not include those details specified in SUP 12.7.2G(7), (8), (9), (12), (13) and (14).
- 12.7.2B G A *firm* should only submit a notification pursuant to SUP 12.7.1R having first established those matters in SUP 12.4.2R or SUP 12.4.6R, as applicable.

...

Notification of appointed representatives undertaking regulated funeral plan activity

- 12.7.6A R (1) A *firm* must notify the *FCA* in good time before:
 - (a) ~~it appoints an *appointed representative* to carry on regulated funeral plan activity for the first time; or [deleted]~~
 - (b) ...

...

Notification of changes in information given to the *FCA*

- 12.7.7 R (1) ~~If: [deleted]~~ [*Editor's note*: This provision now appears at SUP 12.7.7AR.]
 - (a) (i) ~~the scope of appointment of an appointed representative is extended to cover *insurance distribution activities* for the first time; and~~
 - (ii) ~~the appointed representative is not included on the Financial Services Register as carrying on *insurance distribution activities* in another capacity; or~~

- (b) ~~the scope of appointment of an appointed representative ceases to include *insurance distribution activity*;~~

~~the appointed representative's principal must give written notice to the FCA of that change before the appointed representative begins to carry on *insurance distribution activities* under the contract (see SUP 12.4) or as soon as the scope of appointment of the appointed representative ceases to include *insurance distribution activities*.~~

- (1A) If: ~~[deleted]~~ [Editor's note: This provision now appears at SUP 12.7.7BR.]

- (a) (i) ~~the scope of appointment changes such that the appointed representative acts as a *tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative* for the first time; and~~

- (ii) ~~the appointed representative is not included on the *Financial Services Register*; or~~

- (b) ~~the appointed representative ceases to act as a *tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative*;~~

~~the appointed representative's principal must give written notice to the FCA of that change before the appointed representative begins to act as a *tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative* (see SUP 12.4) or as soon as the appointed representative ceases to act as a *tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative*.~~

- (1B) If: ~~[deleted]~~ [Editor's note: This provision now appears at SUP 12.7.7CR.]

- (a) (i) ~~the scope of appointment of an appointed representative is extended to cover *MCD credit intermediation activity* for the first time; and~~

- (ii) ~~the appointed representative is not included on the *Financial Services Register*; or~~

- (b) ~~the scope of appointment of an appointed representative ceases to include *MCD credit intermediation activity*;~~

~~the appointed representative's principal must give written notice to the FCA of that change before the appointed representative begins to carry on *MCD credit intermediation activity* under the contract (see SUP 12.4), or as soon as the scope of appointment of the appointed representative ceases to include *MCD credit intermediation activity*.~~

~~[Note: article 31(4) of the MCD]~~

- (2) ~~Where~~ Except where (4) applies, where there is a change in any of the information provided to the *FCA* under *SUP* 12.7.1R ~~or *SUP* 12.7.7R(1A)~~, a *firm* must complete and submit to the *FCA* the form in *SUP* 12 Annex 4R (Appointed representative or tied agent – change details) within ten *business days* of that change being made or, if later, as soon as the *firm* becomes aware of the change. The Appointed representative or tied agent – change details form must state that the information has changed.

...

- (4) A *firm* must complete and submit to the *FCA* the form in *SUP* 12 Annex 4R (Appointed representative or tied agent – change details) at least 10 *days* before a change taking effect to the category of *regulated activities* which the *appointed representative* is permitted or required to carry on and for which the *firm* accepts responsibility.

...

[*Editor's note*: The provisions at *SUP* 12.7.7AR, *SUP* 12.7.7BR and *SUP* 12.7.7CR are not new text; they are moved from *SUP* 12.7.7R(1), (1A) and (1B) respectively.]

Notification of changes relating to insurance distribution activities

12.7.7A R If:

- (1) (a) the scope of appointment of an *appointed representative* is extended to cover *insurance distribution activities* for the first time; and
- (b) the *appointed representative* is not included on the *Financial Services Register* as carrying on *insurance distribution activities* in another capacity; or
- (2) the scope of appointment of an *appointed representative* ceases to include *insurance distribution activity*;

the *appointed representative's principal* must give written notice to the *FCA* of that change before the *appointed representative* begins to carry on *insurance distribution activities* under the contract (see *SUP* 12.4) or as soon as the scope of appointment of the *appointed representative* ceases to include *insurance distribution activities*.

Notification of changes relating to tied agents, MiFID optional exemption appointed representatives and structured deposit appointed representatives

12.7.7B R If:

- (1) (a) the scope of appointment changes such that the *appointed*

representative acts as a tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative for the first time; and

(b) the appointed representative is not included on the Financial Services Register; or

(2) the appointed representative ceases to act as a tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative;

the appointed representative's principal must give written notice to the FCA of that change before the appointed representative begins to act as a tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative (see SUP 12.4) or as soon as the appointed representative ceases to act as a tied agent, MiFID optional exemption appointed representative or structured deposit appointed representative.

Notification of changes relating to MCD credit intermediation activity

12.7.7C R If:

(1) (a) the scope of appointment of an appointed representative is extended to cover MCD credit intermediation activity for the first time; and

(b) the appointed representative is not included on the Financial Services Register; or

(2) the scope of appointment of an appointed representative ceases to include MCD credit intermediation activity;

the appointed representative's principal must give written notice to the FCA of that change before the appointed representative begins to carry on MCD credit intermediation activity under the contract (see SUP 12.4), or as soon as the scope of appointment of the appointed representative ceases to include MCD credit intermediation activity.

[Note: article 31(4) of the MCD]

...

Notification of intention to act as a regulatory host

12.7.9A R (1) A firm must notify the FCA if it intends to begin acting as a regulatory host.

(2) The notification in (1) must be received by the FCA at least 60 days before the firm begins offering services as a regulatory host.

12.7.9B G (1) Any notification required by SUP 12.7.9AR is in addition to any notification required by any other rule in SUP 12 (including the requirement to notify the FCA of an intention to appoint individual

appointed representatives in SUP 12.7.1R).

- (2) A firm making a notification in accordance with SUP 12.7.9AR should consider the rules and guidance in SUP 15.7 on the form and method of notification.
- (3) When providing the notification required by SUP 12.7.9AR, a firm may include information about the service that it intends to offer.

Other notifications

- 12.7.9C G (1) A firm should also be aware that certain matters relating to firms' appointed representatives may require notification to be made to the FCA under the notification rules in SUP 15 and Principle 11.
- (2) In particular, SUP 15.3.8G(2) sets out the FCA's expectation that a firm will notify the FCA in accordance with Principle 11 in the event of a significant failure of the firm's systems and controls for overseeing its appointed representatives.

Complaints and revenue data reporting

- 12.7.9D R (1) This rule applies to a firm that has appointed one or more appointed representatives.
- (2) A firm must, once a year, submit the form in SUP 12 Annex 6R (Ongoing reporting by principal firms on their appointed representatives) to the FCA including information on:
- (a) numbers of complaints relating to each of the firm's appointed representatives; and
 - (b) revenue and remuneration attributed to each of the firm's appointed representatives.
- (3) The form in (2) must be submitted to the FCA within 60 business days of the firm's accounting reference date using the appropriate online systems accessible from the FCA's website.
- (4) A firm must submit the form in (2) in respect of each 12-month period to its accounting reference date in respect of which it has been a principal to one or more appointed representatives (whether or not it was a principal for the complete 12-month period).
- (5) In relation to an appointed representative with more than one principal, a firm need not report information about the appointed representative's revenue from non-regulated activities if it is not the 'lead-principal' (see SUP 12.4.5DG).
- 12.7.9E G In complying with SUP 12.7.9DR in relation to an appointed representative with more than one principal, a firm should only report information about the appointed representative's revenue from that regulated activity for which the

firm has accepted responsibility

Submission in the event of failure of FCA information technology systems

- 12.7.10 G If the *FCA's* information technology systems fail and online submission is unavailable for 24 hours or more, the *FCA* will endeavour to publish a notice on its website confirming that online submission is unavailable and that *firms*, other than *credit unions*, should use the alternative methods of submission set out in *SUP 12.7.1AR(3)* and *SUP 12.7.8AR(3)* (as appropriate), and *SUP 15.7.4R* to *SUP 15.7.9G*, addressing clearly marking applications for the attention of the Approved Persons, Passporting and Mutuals Team as relating to appointed representatives.

...

12.8 Termination of a relationship with an appointed representative or FCA registered tied agent

Notification of termination or prohibited amendment of the contract

...

- 12.8.2 G In assessing whether to terminate a relationship with an *appointed representative*, a *firm* should have regard to the guidance in *SUP 12.6.1-AG* and be aware that the *notification rules* in *SUP 15* require notification to be made immediately to the *FCA* if certain events occur. Examples include a matter having a serious regulatory impact or involving an offence or a breach of any requirement imposed by the *Act* or by regulations or orders made under the *Act* by the Treasury.

Steps to be taken on termination or prohibited amendment of the contract

- 12.8.3 R If a contract with an *appointed representative* is terminated, or if it is amended in a way which gives rise to a requirement to notify under *SUP 12.8.1R*, a *firm* must take all reasonable steps to ensure that:

...

- (3) where appropriate, *clients* are informed of any relevant changes; ~~and~~
- (4) all the other *principals* of the *appointed representative* of which the *firm* is aware are notified; and
- (5) if the termination results in the wind down of relevant business, this is, or will be, undertaken in an orderly way.

...

12.9 Record keeping

...

12.9.2A G SUP 12.6A also contains *rules* on maintaining records of a *firm's* self-assessment *documents* and of reviews undertaken by a *firm's governing body* of *appointed representative* arrangements.

...

12 Annex 3R	Appointed representative appointment form
	This annex consists of only one form. Forms can be completed online now by visiting: www.fca.org.uk/firms/authorisation
	The form can also to be found through the following address: -
	Add an appointed representative or tied agent form 10 - SUP 12 Annex 3



Add an appointed representative or tied agent form

Notification under SUP 12.7.1R (i.e. the form in SUP 12 Ann 3R)

Firm name (i.e. the *principal firm*)[†]

("The firm")

Firm reference number^{§*}

Address^{§*}

Please return the form to:
 Financial Conduct Authority
 12 Endeavour Square
 London, E20 1JN
 United Kingdom
 Telephone +44 (0)

[†] These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

^{*} These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

[§] Denotes a mandatory field

[⌘] These questions are not applicable to introducer appointed representatives

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 Website http://www.fca.org.uk

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

NOTES

This form should be used to notify the FCA of a new appointed representative or tied agent. It is the form required by SUP 12.7.1R which is set out in SUP 12 Ann 3R.

For the purposes of this form, references to ‘appointed representative’ include ‘tied agent’ unless the context otherwise requires.

Personal Details **Section A**

<p>1 Contact name for this form (this is not necessarily the same person making the declaration at the end of the form) †</p>	§
<p>2 Contact's details:</p>	
<p>a position in the <i>firm</i> †</p>	§
<p>b daytime telephone number †</p>	§
<p>c e-mail address †</p>	
<p>d individual reference number (IRN), if applicable*</p>	
<p>e business address †</p>	
<p>f post code †</p>	
<p>g mobile phone †</p>	
<p>h fax number †</p>	

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

§ Denotes a mandatory field

New Appointed Representative Details **Section B**

1	Name of the appointed representative [†] §	§
	Appointed Representative FRN (if known) *	
	<u>Company registration number (Companies House number if incorporated in the United Kingdom)[†]</u>	
2	Address of the appointed representative [†] §	§
		Postcode:
3	Trading name(s) of the appointed representative, if different to the name given in question 1 above [†]	
4	Telephone number of the appointed representative [†]	
5	Fax number of the appointed representative[†]	
65	Email address of the appointed representative [†] §	§
76	Website address of the appointed representative [†]	
87	Legal status of the appointed representative [†] §	
	Private limited company	<input type="checkbox"/>
	Partnership	<input type="checkbox"/>
	Limited liability partnership	<input type="checkbox"/>
	Sole trader	<input type="checkbox"/>
	Public limited company	<input type="checkbox"/>
	Limited partnership	<input type="checkbox"/>
	Unincorporated association	<input type="checkbox"/>
	Other, please specify below	<input type="checkbox"/>

[†] These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

[§] Denotes a mandatory field

⌘ These questions are not applicable to introducer appointed representatives

~~Date of appointment (if an appointed representative carrying on insurance distribution activities or a tied agent) or~~
98 Intended date of commencement of the appointed representative's activities (if any other kind of appointed representative) † §

Yes No

~~109~~ **109** Is Will the appointed representative be an introducer appointed representative? §†

Yes No

10 Is the application in respect of a tied agent? †§

Yes No

11 If the appointed representative will carry on insurance distribution activities, name of main contact for Financial Services Register: †

<u>Title †</u>	<u>§</u>	
<u>Forename(s) †</u>	<u>§</u>	
<u>Surname †</u>	<u>§</u>	

Yes No

12 Was the appointed representative to which this form refers previously an appointed representative of a different principal? † § ‡

Yes No

12A If "yes", for what reason was the arrangement with the previous principal terminated? † ‡

<u>End of contract</u>	<input type="checkbox"/>	<u>Terminated by principal</u>	<input type="checkbox"/>
<u>Retirement</u>	<input type="checkbox"/>	<u>Terminated by the appointed representative</u>	<input type="checkbox"/>
<u>Suspension</u>	<input type="checkbox"/>	<u>Failure of the appointed representative</u>	<input type="checkbox"/>
<u>Other</u>	<input type="checkbox"/>		

12B If "yes", please provide any additional information considered relevant. † ‡

Yes No

13 Is the appointed representative part of a group? 1 † § ‡

Yes No

13A If the appointed representative is part of a group, what is the name(s) and FRN(s) of the parent undertaking(s)?2 † ‡

14 What is the primary market covered by the appointed representative agreement in which the appointed representative will undertake regulated activity?3 † §

¹ "Group" has the meaning given in section 421 of the Financial Services and Markets Act 2000 and contained in the Glossary of the FCA Handbook: <https://www.handbook.fca.org.uk/handbook/glossary/G486.html>

² "Parent undertaking" has the meaning given in section 420 of the Financial Services and Markets Act 2000 and contained in the Glossary of the FCA Handbook: <https://www.handbook.fca.org.uk/handbook/glossary/G832.html>

<u>Credit-related regulated activity; Select all that apply below:</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Credit broking</u>	<input type="checkbox"/>	<u>Operating an electronic system in relation to lending</u>
<u>Other credit-related regulated activity</u>	<input type="checkbox"/>	
<u>Insurance distribution activity</u>	<input type="checkbox"/>	<u>Funeral plan distribution</u>
<u>Structured deposit regulated activity</u>	<input type="checkbox"/>	<u>Bidding in emissions auctions</u>
		<u>Home finance mediation activity; Select all that apply below:</u>
<u>Consumer buy-to-let mortgage business</u>	<input type="checkbox"/>	(i) <u>mortgage mediation activity;</u>
		(ii) <u>reversion mediation activity;</u>
		(iii) <u>home purchase mediation activity</u>
<u>Designated investment business; Select all that apply below:</u>	<input type="checkbox"/>	
(i) <u>in connection with managing investments;</u>	<input type="checkbox"/>	
(ii) <u>involves advising on pension transfers and pension opt-outs;</u>	<input type="checkbox"/>	
(iii) <u>other designated investment business</u>	<input type="checkbox"/>	

15 If the appointed representative will be permitted to undertake regulated activities under the appointed representative agreement in additional markets, what markets will the appointed representative undertake regulated activities in? Select all options that apply: [†] §

<u>Credit-related regulated activity; Select all that apply below:</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Credit broking</u>	<input type="checkbox"/>	<u>Operating an electronic system in relation to lending</u>
<u>Other credit-related regulated activity</u>	<input type="checkbox"/>	
<u>Insurance distribution activity</u>	<input type="checkbox"/>	<u>Funeral plan distribution</u>
<u>Structured deposit regulated activity</u>	<input type="checkbox"/>	<u>Bidding in emissions auctions</u>
	<input type="checkbox"/>	<u>Home finance mediation activity; Select all that apply below:</u>
<u>Consumer buy-to-let mortgage business</u>		(i) <u>mortgage mediation activity;</u>
		(ii) <u>reversion mediation activity;</u>
		(iii) <u>home purchase mediation activity</u>
<u>Designated investment business; Select all that apply below:</u>	<input type="checkbox"/>	
(i) <u>in connection with managing investments;</u>	<input type="checkbox"/>	
(ii) <u>involves advising on pension transfers and pension opt-outs;</u>	<input type="checkbox"/>	
(iii) <u>other designated investment business</u>	<input type="checkbox"/>	

11 Will the appointed representative undertake designated investment business? [†] §

³ The primary market refers to the category of regulated activity from which the largest percentage of the appointed representative's gross income is expected to be derived.

- ~~12 Will the appointed representative undertake home finance activities? † §~~
- ~~12A Will the appointed representative undertake consumer buy to let mortgage business? †~~
- ~~13 Is the application in respect of: † §~~
- ~~(1) — an appointed representative who will carry on insurance distribution activities?~~

If question 13(1) is answered “yes”, you must complete the 3 fields immediately below:

Name of main contact for Financial Services register:

Title †

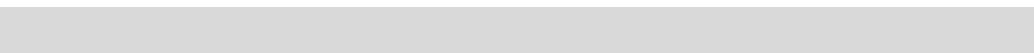
Forename(s) †

Surname †



Or

- ~~(2) — a tied agent?~~
- ~~14 Will the appointed representative undertake credit related regulated activities? † §~~
- ~~15 Will the appointed representative undertake structured deposit related regulated activities? † §~~
- ~~15A Will the appointed representative undertake funeral plan distribution? † §~~
- ~~Yes No~~
- ~~16 Will the appointed representative provide services to retail clients, as applicable? † §~~
- ~~Yes No~~
- ~~17 Will any individuals from the appointed representative be seconded or contracted to the principal firm to carry on portfolio management / dealing activities? † §~~
- ~~18 If 'Yes' please explain the rationale for entering into such an arrangement. † §~~



~~19 What is the primary reason for the principal's intention to appoint the appointed representative? † §~~

Distribution of products/services

Acquisition of an appointed representative / restructuring of business

Investment adviser to fund managed by principal/connected firm

Introductions/capital raising for principal's business

Hosting/compliance services/incubation

Other

If other, provide details



Yes No

- 20** Will the appointed representative conduct any non-regulated activities?^{4 † § ¶}
 If question 20 is answered “yes”, you must consider the two fields immediately below: Yes No
- 20A** Will the non-regulated activity include non-regulated financial services activities?^{5 † § ¶}
- 20B** If yes, what is the non-regulated financial services activity? ^{† § ¶}

- 21** Approximately how much revenue does the appointed representative expect to generate from its regulated activities in the first year following the commencement of its appointment?^{6 † § ¶}
- >£0 and <£100k

>£100k and <£250k

>£250k and <£1m

>£1m and <£10m

>£10m and <£50m

>£50m and <£100m

>£100m and <£500m

>£500m
- 22** If question 20A is answered “yes”, approximately how much revenue does the appointed representative expect to generate from its non-regulated financial services activities in the first year following the commencement of its appointment? ^{† § ¶}
- >£0 and <£100k

>£100k and <£250k

>£250k and <£1m

>£1m and <£10m

>£10m and <£50m

>£50m and <£100m

>£100m and <£500m

>£500m

⁴ In this form, ‘non-regulated activity’ means activity that is not a *regulated activity*.

⁵ In this form, ‘non-regulated financial services activities’ refers to any activity of a financial nature but that does not involve the *person carrying on regulated activity*. This includes, but is not limited to, activities relating to investment services; insurance; pensions; banking; lending (including consumer credit, mortgages, factoring, financing of commercial transactions); financial leasing; money transmission; payments; guarantees and commitments; foreign exchange; the issuance of securities and other service of a corporate finance nature; custodial, depositary and trust services; and financial information and data services.

⁶ Where the data is available, for example if the appointed representative already conducts these activities (for example, for non-regulated business, or if regulated business was conducted under a different principal) the principal should provide the estimation based on actual figures.

23 If question 20 is answered “yes”, approximately how much revenue does the appointed representative expect to generate from its non-regulated non-financial services activities in the first year following the commencement of its appointment? † § ¶

- ≥£0 and <£100k
- ≥£100k and <£250k
- ≥£250k and <£1m
- ≥£1m and <£10m
- ≥£10m and <£50m
- ≥£50m and <£100m
- ≥£100m and <£500m
- ≥£500m

24 Will the appointed representative pay the principal firm for services received? † §

- | <u>Yes</u> | <u>No</u> |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |

24A If “yes”, indicate for which services the appointed representative will pay the principal firm: †

- | | | | |
|---------------------------------|--------------------------|---|--------------------------|
| <u>Commission</u> ⁷ | <input type="checkbox"/> | <u>Compliance services</u> ⁸ | <input type="checkbox"/> |
| <u>IT services</u> ⁹ | <input type="checkbox"/> | <u>Regulatory hosting services</u> | <input type="checkbox"/> |
| <u>Any other fees</u> | <input type="checkbox"/> | <u>If other, provide details</u> | <input type="checkbox"/> |

24B Please provide any additional information about the financial relationship between the appointed representative and the principal considered relevant:¹⁰ †

⁷ Most commission is paid by the principal firm to appointed representatives. This question asks about payments the appointed representative makes to the principal firm. Select this option if the appointed representative will make commission payments to the principal.

⁸ Fees the appointed representative will pay the principal for providing them or assisting them with compliance.

⁹ Payments the appointed representative will make to the principal for use of IT systems, including licences.

¹⁰ Principals can use this text box to explain the nature of the financial relationship between themselves and the appointed representative. This could include, for example, explanations of payments made by the appointed representative to the principal, or by the principal to the appointed representative. It can also be used to explain the financial arrangement if no money is paid.

Declaration and signatures

Section C

Warning[†]

Knowingly or recklessly giving the FCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000).

SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided.

Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the Appropriate Regulator.

It should not be assumed that information is known to the FCA merely because it is in the public domain or has previously been disclosed to the FCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection[†]

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Review and submission[†]

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA on request.

Declaration[†]

By submitting this notification:

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I/we confirm that I/we have complied with all of my/our regulatory obligations as a principal, including those contained in the Financial Services and Markets Act 2000 and SUP 12.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.**
- **I/we will notify the FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

Signature *	
Name of signatory †	
Date [†]	
Position in firm †	

* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

Individual Registration Number (if applicable)	
--	--

Tick here to confirm you have read and understood this declaration: ∞

12 Annex 4R Appointed representative or tied agent – change details

This annex consists of only one ~~or more~~ form. Forms can be completed online now by visiting: www.fca.org.uk/firms/authorisation

The form can also to be found through the following address:

Appointed representative or tied agent – change details - *SUP* 12 Annex 4



Appointed representative or tied agent - change details

Notification under *SUP 12.7.7R* (i.e. the form in *SUP 12 Ann 4R*)

Firm name (i.e. the *principal firm*)[†]

("The firm")

Firm reference number*

Address*

Financial Conduct Authority

12 Endeavour Square

London, E20 1JN

United Kingdom

Telephone +44 (0) 300 500 0597

Facsimile +44 (0) 207 066 0017

E-mail iva@fca.org.uk

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623.

Registered Office as above

NOTES

This form should be used to change the details of an existing appointed representative or tied agent. It is the form required by *SUP 12.7.7R* which is set out in *SUP 12 Ann 4R*.

For the purposes of this form, references to 'appointed representative' include 'tied agent' unless the context otherwise requires.

N.B. if all the changes made on the form do not take effect from the same date, you should use more than one form for each set of changes that take effect on the same date.

Personal Details**Section A**

1	Contact Name for this form (this is not necessarily the same person making the declaration at the end of the form) †	§	
2	Contact's details:		
a	position in the <i>firm</i> †	§	
b	daytime telephone number †	§	
c	e-mail address †		
d	business address †		
e	post code †		
f	mobile phone number †		
g	fax number †		

Change Details of an Existing Appointed Representative

Section B

What is the name of the appointed representative whose details are to be amended? †

§

What is this appointed representative's Firm Reference Number? (If not known, this can be found on the Financial Services Register on our website at www.fca.org.uk) †

§

Yes

1 a. Do you wish to suspend the appointed representative? †

If 'Yes', please give the reasons for this: †

If you have any additional information to add to the reason above please attach it to this form †.

Yes

b. Do you wish to reinstate the appointed representative? †



I have supplied further information related to this page in Section 3†

YES

NO

Yes

2 Do you wish to change the name of the appointed representative? †

If 'Yes', what is the new name of the appointed representative? † §

Yes

3a Do you wish to change the legal status of the appointed representative? †

If 'Yes', what is the new legal status of the appointed representative? †

Private limited company	<input type="checkbox"/>	Public limited company	<input type="checkbox"/>
Partnership	<input type="checkbox"/>	Limited partnership	<input type="checkbox"/>
Limited liability partnership	<input type="checkbox"/>	Unincorporated association	<input type="checkbox"/>
Sole trader	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>

Yes No N/A

3b Has the name change been approved by Companies House? †

N.B. If the appointed representative is a UK registered company or LLP, the name of the appointed representative can only be changed if the change has already been approved by Companies House.

Yes

4 Do you wish to change the address of the appointed representative? †

If 'Yes', please enter the new address: † §

Postcode:

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

‡ These questions are not applicable to introducer appointed representatives

- 5 Do you wish to change the trading name(s) of the appointed representative? † Yes

If 'Yes', please provide details below. If you wish to amend a trading name please enter the name to be deleted in the box on the left and add the new one in the box on the right.

Please detail the trading name(s) to be deleted below: †

Please detail the trading name(s) to be added below: †

--	--

- 6 Do you wish to change the telephone number of the appointed representative? † Yes

If 'Yes', please enter the new telephone number: † §

- 7 Do you wish to change the fax number of the appointed representative? † Yes

If 'Yes', please enter the new fax number: † §

- 8 Do you wish to change the E-mail address of the appointed representative? † Yes

If 'Yes', please enter the new e-mail address: † §

- 9 Do you wish to change the website address of the appointed representative? † Yes

If 'Yes', please enter the new website address: † §

- 10 Is the appointed representative currently an introducer appointed representative? † Yes No

Do you wish to change this? If 'Yes', please provide details below: †

- 11 Do you wish to change the details of the Main Contact for the Financial Services Register for this appointed representative? † Yes No

If 'Yes', please give the new details:

Title †

Forename(s) †

--

		Surname†	
		Yes	No
12	Does the appointed representative undertake home finance activities?† Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
12A	Does the appointed representative undertake consumer buy-to-let mortgage business? ‡ Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
13	Does the appointed representative undertake designated investment business activities? ‡ Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
13A	Does the appointed representative undertake credit-related regulated activities? Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
13B	Will the appointed representative undertake structured deposit related regulated activities? ‡ § Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
13C	Does the appointed representative undertake funeral plan distribution? ‡ § Do you wish to change this? If 'Yes', please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		Yes	No
14	Is the change in respect of an appointed representative who is carrying on or proposes to carry on insurance distribution activities or a tied agent? ‡ If so please provide details below: ‡	<input type="checkbox"/>	<input type="checkbox"/>
15	Please enter the date on which these changes take effect: ‡	§	

		<u>Yes</u>	<u>No</u>
11	<u>Is the appointed representative currently part of a group?</u> ^{1 † ‡}	<input type="checkbox"/>	<input type="checkbox"/>
11A	<u>Do you wish to change this? If ‘Yes’, please provide details below. If the appointed representative was not part of a group and will become part of a group following the change, provide the name(s) and FRN(s) of the parent undertaking(s)?</u> ^{2: † ‡}		
		<u>Yes</u>	<u>No</u>
12	<u>Do you wish to change the primary market in which the appointed representative will undertake regulated activity?</u> ^{3 †}	<input type="checkbox"/>	<input type="checkbox"/>
12A	<u>If ‘Yes’, please enter the new primary market in which the appointed representative will undertake regulated activity:</u> [†]		
	<u>Credit related regulated activity; Select all that apply below:</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Credit broking</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Other credit-related regulated activity</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Insurance distribution activity</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Structured deposit regulated activity</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Consumer buy-to-let mortgage business</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Home finance mediation activity; Select all that apply below:</u>		<input type="checkbox"/>
	<u>(iv) mortgage mediation activity;</u>		<input type="checkbox"/>
	<u>(v) reversion mediation activity;</u>		<input type="checkbox"/>
	<u>(vi) home purchase mediation activity</u>		<input type="checkbox"/>
	<u>Designated investment business; Select all that apply below:</u>	<input type="checkbox"/>	
	<u>(iv) in connection with managing investments;</u>	<input type="checkbox"/>	
	<u>(v) involves advising on pension transfers and pension opt-outs;</u>	<input type="checkbox"/>	
	<u>(vi) other designated investment business</u>	<input type="checkbox"/>	
		<u>Yes</u>	<u>No</u>
13	<u>Do you wish to change the additional markets in which the AR will undertake regulated activities?</u> [†]	<input type="checkbox"/>	<input type="checkbox"/>
13A	<u>If ‘Yes’, please select all the markets (other than the primary market) in which the appointed representative will undertake regulated activity, following the change:</u> [†]		

¹ “Group” has the meaning given in section 421 of the Financial Services and Markets Act 2000 and contained in the Glossary of the FCA Handbook: <https://www.handbook.fca.org.uk/handbook/glossary/G486.html>

² “Parent undertaking” has the meaning given in section 420 of the Financial Services and Markets Act 2000 and contained in the Glossary of the FCA Handbook: <https://www.handbook.fca.org.uk/handbook/glossary/G832.html>

³ The primary market refers to the category of regulated activity from which the largest percentage of the appointed representative’s gross income is derived.

<u>Credit related regulated activity; Select all that apply below:</u>	<input type="checkbox"/>		<input type="checkbox"/>
<u>Credit broking</u>	<input type="checkbox"/>	<u>Operating an electronic system in relation to lending</u>	
<u>Other credit-related regulated activity</u>	<input type="checkbox"/>		
<u>Insurance distribution activity</u>	<input type="checkbox"/>	<u>Funeral plan distribution</u>	<input type="checkbox"/>
<u>Structured deposit regulated activity</u>	<input type="checkbox"/>	<u>Bidding in emissions auctions</u>	<input type="checkbox"/>
		<u>Home finance mediation activity; Select all that apply below:</u>	<input type="checkbox"/>
<u>Consumer buy-to-let mortgage business</u>	<input type="checkbox"/>	(i) <u>mortgage mediation activity;</u>	<input type="checkbox"/>
		(ii) <u>reversion mediation activity;</u>	<input type="checkbox"/>
		(iii) <u>home purchase mediation activity</u>	<input type="checkbox"/>
<u>Designated investment business; Select all that apply below:</u>	<input type="checkbox"/>		
(i) <u>in connection with managing investments;</u>	<input type="checkbox"/>		
(ii) <u>involves advising on pension transfers and pension opt-outs;</u>	<input type="checkbox"/>		
(iii) <u>other designated investment business</u>	<input type="checkbox"/>		

		<u>Yes</u>	<u>No</u>
13B	<u>Do you wish to change whether the appointed representative is a tied agent? If ‘Yes’, please respond to the question below. †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
13C	<u>Will the appointed representative be a tied agent following the change? †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
		<u>Yes</u>	<u>No</u>
14	<u>Do you wish to change whether the appointed representative provides services to retail clients? If ‘Yes’, please respond to the question below. †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
14A	<u>Will the appointed representative provide services to retail clients following the change? †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
		<u>Yes</u>	<u>No</u>
15	<u>Do you wish to change whether the appointed representative conducts any non-regulated activities?⁴ †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
15A	<u>Will the appointed representative conduct any non-regulated activities following the change? †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>
15B	<u>If question 15A is answered “yes”, will the non-regulated activity include non-regulated financial services activities?⁵ †‡</u>	<input type="checkbox"/>	<input type="checkbox"/>

⁴ In this form, ‘non-regulated activity’ means activity that is not a *regulated activity*.

⁵ In this form, ‘non-regulated financial services activities’ refers to any activity of a financial nature but that does not involve the *person carrying on regulated activity*. This includes, but is not limited to, activities relating to investment services; insurance; pensions; banking; lending (including consumer credit, mortgages, factoring, financing of commercial transactions); financial leasing; money transmission; payments; guarantees and commitments; foreign exchange; the issuance of securities and other service of a corporate finance nature; custodial, depository and trust services; and financial information and data services.

If question 15B is answered “yes”, you must also answer question 16B.

		<u>Yes</u>	<u>No</u>
16	<u>Do you wish to change the nature of the non-regulated business the appointed representative will conduct following the change?</u> †‡	<input type="checkbox"/>	<input type="checkbox"/>
16A	<u>Does the non-regulated activity include non-regulated financial services activities?</u> ⁵ †‡	<input type="checkbox"/>	<input type="checkbox"/>
16B	<u>If questions 15B or 16A are answered “yes”, what is the non-regulated financial services activity?</u> †‡		
		<u>Yes</u>	<u>No</u>
17	<u>Are any individuals from the appointed representative currently seconded or contracted to the principal firm to carry on portfolio management / dealing activities?</u> †‡	<input type="checkbox"/>	<input type="checkbox"/>
17A	<u>Will any individuals from the appointed representative be seconded or contracted to the principal firm to carry on portfolio management / dealing activities following the change?</u> †‡	<input type="checkbox"/>	<input type="checkbox"/>
		<u>Yes</u>	<u>No</u>
18	<u>Do you wish to change the primary reason for the principal’s appointment of the appointed representative?</u> †	<input type="checkbox"/>	<input type="checkbox"/>
18A	<u>What is the primary reason for the principal’s appointment of the appointed representative?</u> †		
	<u>Distribution of products/services</u> <input type="checkbox"/>	<u>Acquisition of an appointed representative / restructuring of business</u> <input type="checkbox"/>	
	<u>Investment adviser to fund managed by principal/connected firm</u> <input type="checkbox"/>	<u>Introductions/capital raising for principal’s business</u> <input type="checkbox"/>	
	<u>Hosting/compliance services/incubation</u> <input type="checkbox"/>	<u>Other</u> <input type="checkbox"/>	
	<u>If other, provide details</u>		
	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div>		
		<u>Yes</u>	<u>No</u>
19	<u>Does the appointed representative currently pay the principal firm for services received?</u> †	<input type="checkbox"/>	<input type="checkbox"/>
19A	<u>Do you wish to change this?</u> †	<input type="checkbox"/>	<input type="checkbox"/>
19B	<u>If the appointed representative did not pay the principal for services before and will pay following the change; indicate which services the appointed representative will pay the principal firm for following the change:</u> †	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Commission</u> ⁶ <input type="checkbox"/>	<u>Compliance services</u> ⁷ <input type="checkbox"/>	
	<u>IT services</u> ⁸ <input type="checkbox"/>	<u>Regulatory hosting services</u> <input type="checkbox"/>	

⁶ Most commission is paid by the principal firm to appointed representatives. This question asks about payments the appointed representative makes to the principal firm. Select this option if the appointed representative will make commission payments to the principal.

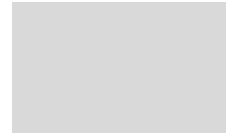
⁷ Fees the appointed representative will pay the principal for providing them or assisting them with compliance.

⁸ Payments the appointed representative will make to the principal for use of IT systems, including licences.

Any other fees

If other, provide details

19C Please provide any additional information about the financial relationship between the appointed representative and the principal considered relevant (including if the appointed representative did pay the principal for services before and will not pay following the change):^{9 †}



20 Please enter the date on which these changes take effect. † §

⁹ Principals can use this text box to explain the nature of the financial relationship between themselves and the appointed representative. This could include, for example, explanations of payments made by the appointed representative to the principal, or by the principal to the appointed representative. It can also be used to explain the financial arrangement if no money is paid.

Supplementary information **Section 3**

3.01 Is there any other information the approved person or the firm considers to be relevant to the application? †

Yes

No

If so, please provide full details†

3.02 Please indicate clearly which question the supplementary information relates to. †

Question	Information

3.03 How many additional sheets are being submitted? †

Supporting Documents

Indicate the required supporting documents to accompany this form[†].

Documents	Mode (Send by email, Post, or Fax)

Other information (please specify) [†]:

Declaration and signature **Section C**

Warning [†]

Knowingly or recklessly giving the FCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FCA. It should not be assumed that information is known to the FCA merely because it is in the public domain or has previously been disclosed to the FCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection [†]

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA on request.

Declaration [†]

By submitting this notification:

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.**
- **I/we will notify the FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

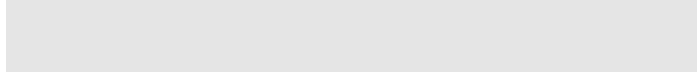
Signature^{*}

Name of signatory[†].

Date[†]

Position in *firm* [†]

Individual Reference Number (if applicable) †

A grey rectangular box used to redact the Individual Reference Number.

Tick here to confirm you have read and understood this declaration:

After SUP 12 Annex 5 (Appointed representative termination form), insert the following new annexes. All the text is new and not underlined.

12 Annex On-going reporting by principal firms on their appointed representatives
6R

[Editor's note: the form can be found at this address:
[https://www.fca.org.uk/publication/forms/\[xxx\]](https://www.fca.org.uk/publication/forms/[xxx])



On-going reporting by principal firms on their appointed representatives

Reporting under *SUP* 12.7.9DR (i.e. the form in *SUP* 12 Ann 6)

Firm name (i.e. the principal firm) †

(*'The firm'*)

Firm reference number[§]*

Address[§]*

Please return the form to:
 Financial Conduct Authority
 12 Endeavour Square
 London, E20 1JN
 United Kingdom
 Telephone +44 (0) 300 500 0597
 Facsimile +44 (0) 207 066 0017
 E-mail iva@fca.org.uk
 Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

† These questions should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

* These questions should only be completed if the form is being submitted in one of the ways set out in *SUP* 15.7 other than online submission. It should not be completed if the submission of this form is online

§ Denotes a mandatory field

NOTES

This form should be used by a principal firm to report to the FCA on complaints made against its appointed representatives, and on the revenue of its appointed representatives. It should also be used to report on funds exchanged between the principal and the appointed representative.

Principals should use this form to report these data for all of their appointed representatives. The relevant reporting period is the 12 months immediately following a firm’s accounting reference date. This report is in addition to any other reporting requirements for firms.

It is the form required by SUP 12.7.9DR which is set out in SUP 12 Ann 6.

For the purposes of this form, references to ‘appointed representative’ include ‘tied agent’ unless the context otherwise requires.

Contact Details **Section A**

1 Contact name for this form (this is not necessarily the same person making the declaration at the end of the form) †

§ Title	§ First name	§ Last name

2 Contact’s details:

a Job title†

b daytime telephone number†

§

c e-mail address†

§

d business address†

e post code†

				<input type="checkbox"/> <£10m <input type="checkbox"/> >£10m and <£50m <input type="checkbox"/> >£50m and <£100m <input type="checkbox"/> >£100m and <£500m <input type="checkbox"/> >£500m					
				<input type="checkbox"/> >£0 and <£100k <input type="checkbox"/> >£100k and <£250k <input type="checkbox"/> >£250k and <£1m <input type="checkbox"/> >£1m and <£10m <input type="checkbox"/> >£10m and <£50m <input type="checkbox"/> >£50m and <£100m <input type="checkbox"/> >£100m and <£500m <input type="checkbox"/> >£500m					

Declaration and signatures**Section D****Warning[†]**

Knowingly or recklessly giving the FCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000).

SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided.

Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the Appropriate Regulator.

It should not be assumed that information is known to the FCA merely because it is in the public domain or has previously been disclosed to the FCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection[†]

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Review and submission[†]

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA on request.

Declaration[†]**By submitting this notification:**

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I/we confirm that I/we have complied with all of my/our regulatory obligations as a principal, including those contained in the Financial Services and Markets Act 2000 and SUP 12.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.**
- **I/we will notify the FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

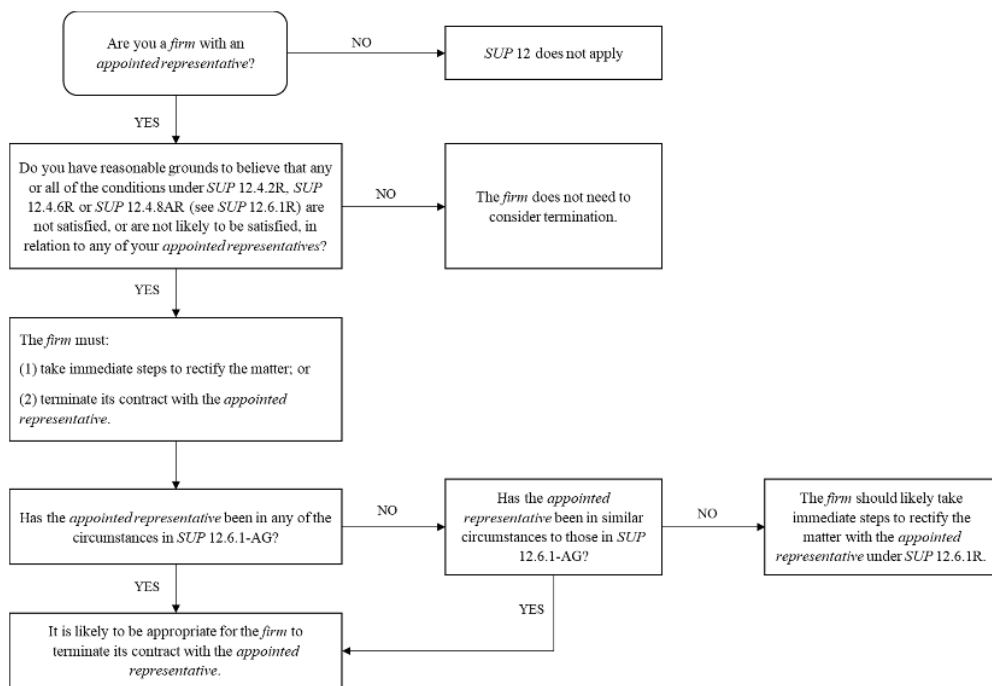
[In the online form] Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the individual named below – have read and understood the declaration.

Signature

I confirm that a permanent copy of this Form, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA/PRA's request.

Signature *	
Name of authorised signatory †	
Date ‡	
Position in firm †	
Individual Registration Number (if applicable)	

12 Annex 7G **Guidance on steps to be taken where relevant conditions are not satisfied**



* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

Amend the following text as shown.

15 Notifications to the FCA

...

15.3 General notification requirements

...

Communication with the appropriate regulator in accordance with Principle 11

15.3.7 G *Principle 11* requires a *firm* to deal with its regulators in an open and cooperative way and to disclose to the *FCA* appropriately anything relating to the *firm* of which the *FCA* would reasonably expect notice. *Principle 11* applies to *unregulated activities* as well as *regulated activities* and takes into account the activities of other members of a *group* as well as any appointed representatives.

...

15.3.8 G Compliance with *Principle 11* includes, but is not limited to, giving the *FCA* notice of:

...

(2) any significant failure in the *firm's* systems or controls, including, but not limited to:

(a) those reported to the *firm* by the *firm's* auditor;

(b) those relating to the *firm's* oversight of its appointed representatives;

...

...

16 Reporting requirements

16.1 Application

...

Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.22 and SUP 16.26)

16.1.3	R	(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
		...		

<i>SUP 16.9</i>	<i>Firm with permission to advise on investments; arrange (bring about) deals in investments; make arrangements with a view to transactions in investments; or arrange safeguarding and administration of assets</i>	Entire section
...		

...

16.3 General provisions on reporting

...

Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

...

(6) ~~annual appointed representatives reports (SUP 16.9)~~ [deleted];

...

16.3.3 G The annual controllers, annual close links, and persistency ~~and annual appointed representatives~~ reports sections are the same for all categories of *firm* to which they apply.

...

16.10 Verification of firm details

...

Requirement to check the accuracy of firm details and to report changes to the FCA

16.10.4 R ...

(3) If any *firm details* are incorrect, the *firm* must submit the corrected *firm details* to the FCA using:

- (a) the appropriate form set out in *SUP 15 Ann 3* and in accordance with *SUP 16.10.4AR*; or
- (b) where the relevant details relate to an appointed representative of the firm:
 - (i) the form in *SUP 12 Ann 3* (Appointed representative appointment) if the appointed representative is not included on the *Financial Services Register*;
 - (ii) the form in *SUP 12 Ann 4* (Appointed representative or tied agent – change details) if the details about an appointed representative on the *Financial Services Register* are incorrect; or
 - (iii) the form in *SUP 12 Ann 5* (Appointed representative termination) if a relationship with an appointed representative has been terminated but this is not reflected on the *Financial Services Register*,

in accordance with the applicable rules in *SUP 12.7* (Notification and reporting requirements) or *SUP 12.8* (Termination of a relationship with an appointed representative or FCA registered tied agent).

...

16 Annex Firm details (See SUP 16.10.4R)
16A

16 Annex R ...
 16A.1

B: Information about a firm and its appointed representatives on the Financial Services Register

8A. Information about any appointed representative of the firm

...

...

16 Annex Notes for Completion of the Retail Mediation Activities Return
18B

...

Section H Conduct of Business (‘COBS’) Data

...

Before a *firm* appoints a *person* as an *appointed representative*, and afterwards **on a continuing basis**, it should take reasonable care to ensure that:

- (1) the appointment does not prevent the *firm* from satisfying and continuing to satisfy the *threshold conditions*;
- (2) the *person*:
 - (a) is solvent;
 - (b) is suitable to act for the *firm* in that capacity; and
 - (c) has no *close links* which would be likely to prevent the effective supervision of the *person* by the *firm*; ~~and~~
- (3) the *firm* has adequate:
 - (a) controls over the *person's regulated activities* for which the *firm* has responsibility (see SYSC 3.1); and
 - (b) resources to monitor and enforce compliance by the *person* with the relevant requirements applying to the *regulated activities* for which the *firm* is responsible and with which the *person* is required to comply under its contract with the *firm*. Accordingly, *firms* are required to monitor and oversee the activities of their ARs. It is the *firm's* responsibility to be able to demonstrate that it has adequate procedures and resources in place to monitor these activities;
- (4) the *firm* is ready and organised to comply with the other applicable requirements contained or referred to in SUP 12; and
- (5) the *person's* activities do not, or would not, result in undue risk of harm to consumers or market integrity.

...

Insert the following new TP 13 after SUP TP 12 (Transitional provisions relating to tied agents). The text is not underlined.

TP 13 Transitional provisions relating to appointed representatives

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			Contract terms enabling		

			termination		
1	<i>SUP</i> 12.5.5R(4)	R	<p>(1) This transitional provision applies to a <i>firm</i> in respect of those contracts with <i>appointed representatives</i> which are in effect on 8 December 2022.</p> <p>(2) <i>SUP</i> 12.5.5R(4) does not apply to a written contract in (1).</p> <p>(3) A <i>firm</i> must amend a contract in (1) to comply with <i>SUP</i> 12.5.5R(4) at the first point at which the contract is subject to renewal or revision following 8 December 2022.</p>	From 8 December 2022	8 December 2022
			Annual reviews		
2	<i>SUP</i> 12.6A.2R	R	<p>(1) This transitional provision applies to a <i>firm</i> with one or more <i>appointed representatives</i> on 8 December 2022.</p> <p>(2) The <i>firm</i> must complete its first review of the <i>appointed representatives</i> in (1) for the purposes of <i>SUP</i> 12.6A.2R on or before 30 November 2023.</p>	From 8 December 2022 to 30 November 2023	8 December 2022
			Self-assessments		
3	<i>SUP</i> 12.6A.6R	R	<p>(1) This transitional provision applies to a <i>firm</i> with one or more <i>appointed representatives</i> on 8 December 2022.</p> <p>(2) The <i>governing body</i> of the <i>firm</i> must approve the <i>firm's</i> first self-assessment <i>document</i> on</p>	From 8 December 2022 to 30 November 2023	8 December 2022

			or before 30 November 2023.		
			Appointed representative reporting		
4	SUP 12.7.9DR	R	<p>(1) This transitional provision applies to a <i>firm</i> with one or more <i>appointed representatives</i>.</p> <p>(2) A <i>firm</i> is not required to submit the form in SUP 12 Annex 6 in respect of its <i>accounting reference date</i> falling before 1 December 2023.</p>	From 8 December 2022 to 30 November 2023	8 December 2022
			Verification of firm details		
5	SUP 16.10.4R	R	<p>(1) This transitional provision applies to a <i>firm</i> with one or more <i>appointed representatives</i> on 8 December 2022.</p> <p>(2) A <i>firm</i> must undertake its first check of the accuracy of information about its <i>appointed representatives</i> when complying with SUP 16.10.4R in respect of its first <i>accounting reference date</i> falling on or after 1 December 2023.</p>	From 8 December 2022 to 30 November 2023	1 April 2005

Amend the following text as shown.

Schedule Record keeping requirements

1

...

Sch 1.2G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>SUP</i> 4.3.17R(3)
<u><i>SUP</i></u> <u>12.6A.4R</u>	<u><i>Appointed representatives</i></u>	<u>Written record of each review</u>	<u>Following each review undertaken for the purposes of <i>SUP</i> 12.6A.2R or <i>SUP</i> 12.6A.3R</u>	<u>6 years from date of review</u>
<u><i>SUP</i></u> <u>12.6A.8R</u>	<u><i>Appointed representatives</i></u>	<u>Copy of each approved self-assessment document</u>	<u>Following approval by the <i>firm's</i> governing body</u>	<u>6 years from date of approval</u>
<i>SUP</i> 12.9.1R, <i>SUP</i> 12.9.2R