

haysmacintyre IFPR session
21 April 2021

Exempt CAD Firms Transition to:
MIFIDPRU Prudential Requirements
Small Non-interconnected Investment Firms
(SNIs)

An Introduction to the new MiFID Investment Firm
prudential regime applying from 1 January 2022

21 April 2021

Application of IFPR to Smal Non-Interconnected Investment Firms

- **Applies to all Firms authorised under MiFID.**
 - MiFID Investment Firms (including current Exempt CAD); and
 - UK Collective Portfolio Management Investment Firms (even though they're expressly not Authorised under MiFID.)

- **Am I, as an Exempt CAD firm, eligible as a 'Small Non-interconnected Investment Firm' (SNI)?**
 - Under MIFIDPRU Exempt CAD Investment Firms which meet all of the conditions set out at MIFIDPRU 1.2.1 (the new FCA Sourcebook for the new Investment Firms Prudential Regime (IFPRU)) will be classified as 'Small and Non-interconnected Investment Firms.' **See next slide.**
 - If your firm cannot meet all these tests than it will be classified as a Non-SNI Investment Firm and, potentially, subject to the more complex elements of IFPR.
 - There may be some existing Exempt CAD Firms which cannot meet the SNI thresholds, either because;
 - » They are part of a UK Group of connected Investment Firms;
 - » Their AUM is larger than £1.2bn on the basis of Ongoing Investment Advisory portfolios;
 - » They handle Client Orders which amount to more than the threshold of;
 - £100m/day Cash Trades;
 - £1bn/day Derivative Trades;
 - » On and Off-Balance Sheet is greater than £100m; and
 - » Total Annual Gross Revenue is greater than £30m.

Application – The SNI Test Criteria for existing Exempt CAD

- **SNI MIFIDPRU Investment Firms, which are currently Exempt CAD Firms;**
 - Are those which meet the following conditions per Article 12(1) of the IFR:
 - » AUM (MIFIDPRU 1.2.1(1)) is less than £1.2bn* - applies to ongoing advisory mandates irrespective of whether the Firm has delegated the advisory activity to another Firm – Note if a Firm has such a mandate delegated from a Financial Sector Entity to it then these should be excluded;
 - » Client Orders Handled (MIFIDPRU 1.2.1(2)) is less than;
 - £100m/day* for Cash Trades; or
 - £1bn/day* for Derivatives.
 - » On and Off-Balance Sheet is less than £100m* (MIFIDPRU 1.2.1(6)); and
 - » Total Annual Gross Revenue is less than £30m* (MIFIDPRU 1.2.1(7)).
- Current Exempt CAD Firms are prohibited from undertaking the following MiFID Activities which would otherwise have applied the following additional SNI threshold tests so will not count;
 - » Assets Safeguarded and Administered (MIFIDPRU 1.2.1(3)) is Zero.
 - » Client Money Held (MIFIDPRU 1.2.1(4)) is Zero.
 - » Daily Trading Flow (MIFIDPRU 4.6.1(8)) is Zero.
 - » Net Position Risk (MIFIDPRU 4.6.1(5)) and Clearing Margin Given (MIFIDPRU 4.6.1(6)) is Zero.
 - » Trading Counterparty Default (MIFIDPRU 4.6.1(7)) is Zero.

Key: * = On a combined basis. Per MIFIDPRU 1.2.10 which requires the inclusion when calculating these thresholds across Group entities operating here in the UK, these are classified as all;

- A MIFIDPRU Investment Firm;
- Designated Investment Firm (i.e. an FCA/PRA Dual Regulated Investment Firm);
- Collective Portfolio Management Investment Firm; and
- Third Country Investment Firms that carry out Investment Services and/or Activities here in the UK (e.g. Branches of Third Country Investment Firms.)

*** Also indicates where the Firm is a Principal it must include in these, the activities of their Appointed Representatives.**

Own Funds and Own Funds Requirement

New basis of Minimum Own Funds and Own Funds Requirements

Own Funds (MIFIDPRU 3)

Existing Exempt CAD Firms, as SNI MIFIDPRU Investment Firms, will need to maintain Own Funds which is determined as follows;

- **Own Funds (i.e. the amount, after mandated deductions, of Net Capital available to meet the Firms Own Funds Requirement) is the sum, after deductions, of;**
 - Common Equity Tier 1 (CET1) as per MIFIDPRU 3.3; e.g. Ordinary Share Capital/Eligible LLP Member Capital and Audited Reserves;
 - Additional Tier 1 (AT1) as per MIFIDPRU 3.4; e.g. Preference Shares; and
 - Tier 2 (T2) as per MIFIDPRU 3.5; e.g. Long-Term Subordinated Debt.
- **Eligible amount of Own Funds that may be utilised to meet a Firms' Own Funds Requirement at all time is that;**
 - At least 56% of the Firm's Own Funds Requirement must be met by CET1;
 - At least 75% of the Firm's Own Funds Requirement by way of Tier 1 (i.e. sum of CET1 and AT1); and
 - At least 100% of the Firm's Own Funds Requirement by way of Total Own Funds (i.e. sum of Tier 1 and Tier 2.)
 - Tier 2 Own Funds cannot contribute to more than 25% of the Own Funds Requirement; and
 - Additional Tier 1 cannot contribute more than 44% of the Own Funds Requirement.
- **NOTE! For existing Exempt CAD Firms using Short-Term Subordinated Debt/Capital this will no longer be eligible under MIFIDPRU.**

Own Funds Requirement for current Exempt CAD Investment Firms becoming SNI MIFIDPRU Investment Firms (MIFIDPRU 4)

- **Current Exempt CAD which will become SNI MIFIDPRU Investment Firms**

Are subject to an Own Funds Requirement, at all times, per MIFIDPRU 4.3.3, which is the highest of its;

- The Fixed Overheads Requirement (MIFIDPRU 4.5); and
 - The Permanent Minimum Capital Requirement (MIFIDPRU 4.4.)
- Will be subject to new ICARA Process, the new ICAAP, but on a proportionate basis. Basis has not yet been clarified (MIFIDPRU 7).
 - Will be subject to a new Liquidity Requirement (MIFIDPRU 6).
 - Breach of the Own Funds Requirement is a breach of a Firm Threshold Conditions.
 - **The applicable Own Funds Requirement is subject to the Transitional Provisions which may be applied as per MIFIDPRU TP2 from 1 January 2022 up to the day prior to 1 January 2027.**

The Fixed Overhead Requirement (MIFIDPRU 4.5)

- SNI MIFIDPRU Investment Firms will be subject to the Fixed Overhead Requirement.
- Represents 25% of a Firm's latest Audited Fixed Overheads calculated in accordance with the relevant UK provisions.
- The FCA have now consulted on the details of the Fixed Overheads Requirement, including the basis of determining Fixed Overheads, in its second Consultation Paper (published Monday 19 April 2021 – CP2 – [CP21/7.](#))
- Fixed Overheads are, in broad terms, defined as;
 - The Audited Overheads of a Firm/Group from the immediate past Financial Year;
 - less;**
 - Non-Guaranteed Bonuses;
 - Non-Guaranteed Dividends or their equiv.;
 - Discretionary Appropriations of Profits;
 - Shared Commissions and Fees paid which are directly associated/conditional on Commissions and Fees receivable;
 - Fees to Tied Agents; and
 - Non-Recurring Expenses from 'non-ordinary activities' which are taken to mean all Exceptional/Non-Recurring Overheads.
- **Special provisions apply to circumstances where previous years Overheads don't exist or are from Part Years.**

Permanent Minimum Capital Requirement (PMR) MIFIDPRU 4.4

- **The Permanent Minimum Capital Requirement is set out at MIFIDPRU 4.4.**
- **SNI Firms which are only permitted to undertake one or more of the MiFID Activities of;**
 - » Reception and Transmission of Orders (A1),
 - » Execution of Orders (A2),
 - » Portfolio Management (A4),
 - » Investment Advice (A5); and
 - » Placing on a Non-Firm Commitment basis (A7) and not permitted to Safeguard and Administer Assets and/or Hold Client Money.

Will be subject to a PMR of **£75k**.

- **The application of the PMR is subject to, as applicable, the Transitional Provisions at MIFIDPRU TP2.12;**
 - Investment Firms currently classified as an Exempt CAD Firm are currently subject to an Initial Capital Requirement of €50k (some may be £5k plus PII.) All may take advantage of the following PMR Transitional;
 - Their PMR may increasing each year by £5k from £50k to £75k over 5 years;
 - » 1 January to 31 December 2022 = £50k (**Note those using PHI have to move to £50k**)
 - » 1 January to 31 December 2023 = £55k
 - » 1 January to 31 December 2024 = £60k
 - » 1 January to 31 December 2025 = £65k; and
 - » 1 January to 31 December 2026 = £70.
 - » From 1 January 2027 = £75k.

Fixed Overhead Requirement Transitional Provision for current Exempt CAD Investment Firms

- **Current Exempt CAD Firms will be permitted to use a Transitional Provision which provides a progressive increase to the full FOR after 5 years per the Transitional Provisions at MIFIDPRU TP2.10;**
 - Current Exempt CAD Investment Firms will have to calculate their full FOR but may apply the following factors, as below, to reduce the FOR for each of the first five years;
 - » 1 January to 31 December 2022 = FOR x 0%
 - » 1 January to 31 December 2023 = FOR x 10%
 - » 1 January to 31 December 2024 = FOR x 25%
 - » 1 January to 31 December 2025 = FOR x 45%; and
 - » 1 January to 31 December 2026 = FOR x 70%.
 - » From 1 January 2027 = The full FOR applies.
- **Examples of the Combined Impact of the PMR and FOR Transitional:**

Transitional FOR/PMR Based on Various Fixed Overhead Amounts

Date		Transitional %	Fixed Overheads	Transitional FOR									
From	To	MIFIDPRU TP2.10		£ 2,500,000	£ 2,250,000	£ 2,000,000	£ 1,750,000	£ 1,500,000	£ 1,250,000	£ 1,000,000	£ 750,000	£ 500,000	£ 250,000
01 January 2022	31 December 2022	0.00%	No FOR Applicable	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
01 January 2023	31 December 2023	10.00%	10% of FOR TP	£ 62,500	£ 56,250	£ 50,000	£ 43,750	£ 37,500	£ 31,250	£ 25,000	£ 18,750	£ 12,500	£ 6,250
01 January 2024	31 December 2024	25.00%	25% of FOR TP	£ 156,250	£ 140,625	£ 125,000	£ 109,375	£ 93,750	£ 78,125	£ 62,500	£ 46,875	£ 31,250	£ 15,625
01 January 2025	31 December 2025	45.00%	45% of FOR TP	£ 281,250	£ 253,125	£ 225,000	£ 196,875	£ 168,750	£ 140,625	£ 112,500	£ 84,375	£ 56,250	£ 28,125
01 January 2026	31 December 2026	70.00%	70% of FOR TP	£ 437,500	£ 393,750	£ 350,000	£ 306,250	£ 262,500	£ 218,750	£ 175,000	£ 131,250	£ 87,500	£ 43,750
01 January 2027	and beyond	100.00%	No Transitional Available	£ 625,000	£ 562,500	£ 500,000	£ 437,500	£ 375,000	£ 312,500	£ 250,000	£ 187,500	£ 125,000	£ 62,500

		Transitional PMR		Transitional Own Funds Requirement (Higher of Transitional PMR and Transitional FOR)								
		MIFIDPRU TP2.12		£ 50,000	£ 55,000	£ 60,000	£ 65,000	£ 70,000	£ 75,000	£ 80,000	£ 85,000	£ 90,000
01 January 2022	31 December 2022	£ 50,000	Minimum = PMR	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000
01 January 2023	31 December 2023	£ 55,000	Minimum = PMR or FOR	£ 62,500	£ 56,250	£ 55,000	£ 55,000	£ 55,000	£ 55,000	£ 55,000	£ 55,000	£ 55,000
01 January 2024	31 December 2024	£ 60,000	Minimum = PMR or FOR	£ 156,250	£ 140,625	£ 125,000	£ 109,375	£ 93,750	£ 78,125	£ 62,500	£ 60,000	£ 60,000
01 January 2025	31 December 2025	£ 65,000	Minimum = PMR or FOR	£ 281,250	£ 253,125	£ 225,000	£ 196,875	£ 168,750	£ 140,625	£ 112,500	£ 84,375	£ 65,000
01 January 2026	31 December 2026	£ 70,000	Minimum = PMR or FOR	£ 437,500	£ 393,750	£ 350,000	£ 306,250	£ 262,500	£ 218,750	£ 175,000	£ 131,250	£ 87,500
01 January 2027	and beyond	£ 75,000	No Transitional Available	£ 625,000	£ 562,500	£ 500,000	£ 437,500	£ 375,000	£ 312,500	£ 250,000	£ 187,500	£ 125,000

Liquidity – MIFIDPRU 6

- SNI MIFIDPRU Investment Firms are subject to the Main Liquidity Requirement.
- **Liquidity Requirement.** These MIFIDPRU Investment Firms must maintain Liquid Assets, as defined, of at least;
 - 1/3rd of the Firm's Fixed Overhead Requirement calculated in accordance of MIFIDPRU 4.5 of the IFR; plus, if applicable
 - 1.6% of any Guarantees provided to Clients (e.g. in effect loans to clients in order to settle trades using the Firm's own balance sheet.)

The FCA has now consulted on Liquidity in their second Consultation Paper ([CP2](#).)

- **Liquid Assets** to meet the Liquidity Requirement are defined as unencumbered;
 - Short Term (available within a month) cash;
 - Gilts and Government Bonds (issued by issuers with high credit ratings);
 - Some forms of Debt (e.g. high-quality covered bonds, corporate debt and securitisations);
 - Shares and Units in Collective Investment Schemes (but no more than €50m qualify);
 - Other assets traded on a Regulated Market for which there is a liquid market as defined by MiFIR but subject to a 55% hair cut (i.e. only 45% of its value may count); and
 - Meet up to 1/3rd of their Main Liquidity Requirement using Trade Debtors or Commissions Receivable but subject to a 50% haircut.

Public Disclosure

Equivalent of current Pillar 3 Disclosure

Annual Disclosure (currently known as Pillar 3) – MIFIDPRU 8

- **SNI Firms are generally not required to make these Disclosures. However, they will be required to make this annual disclosure if the SNI Firm has issued Additional Tier 1 Capital used as, and not deducted from, Own Funds.**
- **In the event an SNI Firm does issue AT1 Capital it is only then required to disclose details of its;**
 - Risk Management Objectives and Policies;
 - Own Funds; and
 - Own Funds Requirements (just FOR and PMR.)

Supervisory Reporting

Certain prudential and other related reports to the FCA.

SNI Firm: Supervisory Reporting MIFIDPRU 9 and amended SUP16.1, 3, 7A and 12.

- **All MIFIDPRU Investment Firms will be required to make periodic supervisory reports to the FCA, these will be;**
 - Using new RegData templates, which will be shorter, simplified and with one single set dedicated to all MIFIDPRU Investment Firms of all shapes and sizes;
 - These will not need to be, it is believed, XBRL compliant; and
 - Will be made through the FCA's new RegData portal (replacing GABRIEL);
 - Reporting will, generally, be quarterly for SNI MIFIDPRU Investment Firms;
 - See next slide which summarises the expected reporting's application on SNI MIFIDPRU Investment Firms.
- SNI MIFIDPRU Investment Firms will be required to report;
 - The level and composition of Own Funds;
 - Own Funds Requirement;
 - Monitoring of SNI Thresholds as per Article 12(1) of the IFR; and
 - Liquidity Requirements.
- SNI MIFIDPRU Investment Firms are required to monitor their exposure to certain Concentration Risks **but will not be required to report them;**
 - Level of concentration risk with respect to the Credit Institutions, Investment Firms and other entities where Client Securities and Money are held;
 - Level of concentration risk where the Firm's cash is deposited; and
 - Concentration risk of Earnings.
- For Consolidated Situations permitted to use the Group Capital Test (GCT), each relevant Parent Undertaking within the consolidation will be required to report how it is meeting the GCT in Data Item MIF006. If the Consolidated Situation is not permitted to use the GCT it is only the ultimate UK Parent Undertaking that is required to report on a Prudential Consolidation basis.

Summary of SNI MIFIDPRU Investment Firm Supervisory Reporting.

FCA Rule Reference	Narrative	Data Item	SNI		NOTE!
			Frequency	Due Within	
SUP16.7A.3	Annual Report & Accounts	N/A	FRD Annual	80 Business Days after FRD	Remains the same except it now states MIFIDPRU Investment Firm in place of BIPRU Firms and IFPRU Firms which have been removed.
SUP16.7A.5	Annual Report & Accounts	N/A	FRD Annual	7 Months after FRD	On a Consolidated Basis where the ultimate Parent Undertaking is a Mixed Activity Holding Company in a Prudential Consolidation Situation.
SUP16.12.4	RAG Application Rule		All MIFIDPRU Investment Firms fall into, one or more of; RAG3, RAG4, RAG7 or RAG8.		Clarifies which Regulated Activity falls in to which RAG in order to establish which Data Items are due.
SUP16.12.11/12/13	Balance Sheet	FSA029	FRD Quarterly	20 Business Days Individual, 30 Business Days Consolidated	Replaces FSA001/002 but an Existing Data Item/No Change.
	Income Statement	FSA030	FRD Quarterly	20 Business Days Individual, 30 Business Days Consolidated	Replaces FSA001/002 but an Existing Data Item/No Change.
	Capital Adequacy	MIF001	Calendar Quarterly	20 Business Days Individual, 30 Business Days Consolidated	New IFPR Data Item.
	Pillar 2 Questionnaire	TBA	TBA	TBA	To be consulted on.
	Client Money and Client Assets	FSA039	FRD Semi-Annual	30 Business Days	Existing Data Item/No Change.
	CFTC	FSA040	FRD Quarterly	15 Business Days	Existing Data Item/No Change.
	Securitisations	TBA	TBA	TBA	To be consulted on.
	Liquidity	MIF002	Calendar Quarterly	20 Business Days Individual, 30 Business Days Consolidated	New IFPR Data Item.
	Metric Reporting	MIF003	Calendar Quarterly	20 Business Days Individual, 30 Business Days Consolidated	New IFPR Data Item.
	Concentration Risk - non-K Factor	MIF004	N/A	N/A	New IFPR Data Item. Applicable ONLY to Non-SNI.
	Concentration Risk (K-CON)	MIF005	N/A	N/A	New IFPR Data Item. Applicable ONLY to Non-SNI.
Group Capital Test	MIF006	Calendar Quarterly	20 Business Days	New IFPR Data Item. Applicable ONLY to each Parent Undertaking within the GCT.	
Liquidity Questionnaire	MLA-M	FRD Quarterly	20 Business Days	Existing Data Item/No Change.	

Risk Governance

All firms, not only MIFIDPRU Investment Firms, are required to ensure it holds 'Adequate Financial Resources.'

Risk Governance – MIFIDPRU 7

- All Firms authorised in the UK by the FCA are required to ensure they maintain at all times ‘adequate financial resources’, it’s a general Condition of a Firm’s Part 4A Permission.
- Therefore, while SNI MIFIDPRU Investment Firms will only be subject to simplified ICARA Process in terms of Capital and Liquidity, they’re still required to identify risks that would impact their ability to meet this Condition and to put in place suitable Risk Controls.
- SNI MIFIDPRU Investment Firms will not, ordinarily, be subject to SREP.
- The FCA has yet to consult but as already outlined a proportionate ICARA Process will be applied to SNI MIFID Investment Firms. FCA’s [CP2](#) has clarified the FCA’s expectations in regard to an SNI MIFIDPRU Investment Firm’s;
 - Risk Management, Liquidity and Capital processes.
 - How such Firms are required to have adequate arrangements, strategies and processes regarding maintaining adequate levels of Capital and Liquidity.
 - Meet the Internal Governance, Transparency, Treatment of Risks and Remuneration.
 - Demonstrate robust risk governance and independent oversight, i.e. the proper oversight of risks the Firm/Group is subject to by its Governing Body who are ultimately responsible.
 - Risk Management Framework and how it is fit for purpose in identifying material sources of risk in terms of Capital and Liquidity, suitable strategies, policies, processes and systems.
 - The adequacy of these risk management processes should be reviewed at least annually.

Prudential Consolidation and the Group Capital Test

SNI MIFIDPRU Investment Firms - Prudential Consolidation & Group Capital Test – MIFIDPRU 2

- SNI MIFIDPRU Investment Firms are subject to the provisions of;
 - MIFIDPRU 2.5, Prudential Consolidation; and
 - MIFIDPRU 2.6, Group Capital Test (available to simple groups with the agreement of the FCA).
- This means that SNI MIFIDPRU Investment Firms;
 - May trigger the existence of a Prudential Consolidation Group, current Exempt CAD Firms for the first time, if part of a relevant Investment Firm Only Group*;
 - Can be part of a Prudential Consolidation Group even if it does trigger the consolidation itself.
- Consolidated Adequate Financial Resources apply; i.e. adequate Capital and Liquidity.
- SNI or Non-SNI Status of Prudential Consolidation Group;
 - Non-SNI MIFIDPRU Investment Firms are likely to be subject to SREP; however
 - An SNI MIFIDPRU Investment Firm may still be part of a non-SNI MIFIDPRU Investment Firm Consolidation Group (e.g. because there is non-SNI MIFIDPRU Investment Firm within the Group or that on a Consolidated basis it is non-SNI MIFIDPRU Investment Firm Consolidation Group.)
 - SNI Consolidation Groups calculate their Consolidated Own Funds Requirement as an SNI Firm, but a non-SNI Consolidation Group, even one made up only of SNI MIFIDPRU Investment Firms, must calculate their Consolidated Own Funds Requirement as a non-SNI Consolidation Group.

* An 'Investment Firm Only Group' is a Group which does not contain a Credit Institution. It has to contain at least one MIFIDPRU Investment Firm but may contain other entities, such as an AIFM or UCITS ManCo (but not a Credit Institution) and unregulated entities.

Prudential Consolidation Groups – MIFIDPRU 2.5

- Fundamentally the same approach as currently exists under CRR, except that;
 - MIFIDPRU Prudential Consolidation can only exist where there are no Credit Institutions within the group. If there is a Credit Institution in the Group then it is highly likely to remain/or become a CRR Prudential Consolidation Group.
 - A ‘Consolidated Situation’, as defined, must exist in order that a MIFIDPRU Prudential Consolidation is formed. A ‘Consolidated Situation’ is defined as;
 - » *Where either an UK Parent Investment Firm, UK Parent Investment Holding Company or UK Parent Mixed Financial Holding Company has subsidiary undertakings in MIFIDPRU Investment Firms, Financial Institutions, Ancillary Services Undertakings and Tied Agents in the Investment Firm Group (and any Third Country Undertaking which would be similarly defined were it established in the EEA.)*
 - » *The Investment Firm Group is then defined as the ‘Consolidated Basis.’*
 - Unregulated UK Parent Undertakings may now be directly supervised by the FCA. Regulations will be implemented in the Finance Act to give the FCA the relevant powers to supervise and regulate these hitherto unregulated entities.

Prudential Consolidation Groups (Cont...)

- The ultimate UK Parent Undertaking, Authorised or Unauthorised, of an SNI MIFIDPRU Investment Firm only Consolidated Situation, will be subject to, on a Consolidated Basis, a Consolidated;
 - Own Funds - MIFIDPRU 2.5.23;
 - Own Funds Requirement – MIFIDPRU 2.5.24 to 26;
 - Liquidity Requirement – MIFIDPRU 2.5.11 and 2.5.47 and 48, unless it has obtained an exemption from the FCA under MIFIDPRU 2.5.19;
 - Disclosure – MIFIDPRU 2.5.49; and
 - Supervisory Reporting – MIFIDPRU 9.1.1(2).

Group Capital Test – MIFIDPRU 2.6

- FCA may permit a Consolidated Situation to adopt the Group Capital Test (GCT) in place of Prudential Consolidation, including SNI MIFIDPRU Consolidated Situation Groups.
- The FCA will only permit the GCT where it is comfortable that there is no significant risk to clients or to the market from the group as a whole. These groups must also be sufficiently simple. The FCA has confirmed they expect the majority of MIFIDPRU Investment Firm groups to meet this test.
- Groups permitted by the FCA to use the GCT then each Parent Undertaking and Relevant Financial Undertaking (including any Third Country intermediate Parent Undertakings) which are an Investment Firm, Financial Institution, Ancillary Service Undertaking or Tied Agent, must, each, at all times;
 - Hold sufficient Own Funds, calculated in accordance with MIFIDPRU 2.6.2(1) to cover the sum of the following;
 - » The sum of the full book value of all holdings, subordinate claims and instruments in Financial Services Entities as defined in UK CRR, per MIFIDPRU 2.6.5(1); and
 - » The total amount of all contingent liabilities in favour of Investment Firms, Financial Institutions, Ancillary Services Undertakings and Tied Agents within the Investment Firm Group, per MIFIDPRU 2.6.5(2).
- GCT Supervisory Reporting per MIFIDPRU 9.1.1(3).

IFPR's Remuneration Code

SNI MIFIDPRU Investment Firms – application of Remuneration Code

Remuneration – SYSC19G

- The UK's MIFIDPRU Remuneration Code does not apply to SNI MIFIDPRU Investment Firms.
- Only the MiFID Remuneration Code (the so called 'sales person code') as set out at SYSC19F will apply to SNI MIFIDPRU Investment Firms.
- SNI Firms which are members of a Prudential Consolidation Group or subject to the Group Capital Test;
 - Where the investment firm only prudential consolidation contains only SNI MIFIDPRU Investment Firms then the Remuneration Code does not apply at consolidation group level; however
 - If the investment firm only prudential consolidation group include non-SNI then the Remuneration Code will apply at Consolidation Group level.