



# CUMMINGS PEPPERDINE ON MAKING AN FCA APPLICATION

To carry on a regulated activity in the UK, a firm need to be authorised by the FCA under Part 4A of the Financial Services and Markets Act 2000 (FSMA). Those individuals within the firm which conduct certain activities will also need to be authorised by the FCA

Each firm will fall into a particular category of business. These include categories for financial advice, wealth management; investment management, payment service institutions and FinTech or innovative business. For this last category, the FCA has set up a direct support team which gives a dedicated contact for innovator businesses which are considering applying for authorisation and need support and also those which do not need to be authorised but could benefit from FCA support.

Applying to the FCA is a serious business. The FCA expects applicants to carry out a certain amount of preparatory work before they start to fill in and submit the required application forms. These forms will vary depending on which activities the firm is applying for authorisation to carry on and details can be found on the FCA's website.

A firm must apply for authorisation by filling in the appropriate application form with the requested information and is generally, applications must be made online through the FCA's dedicated webpages.

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The forms and documents which must be completed and submitted as part of the application include the following:

- The Core Details Form in which the applicant gives the FCA certain basic information about themselves, including details about their group structure, board of directors, management structure, controllers, IT systems, and business continuity and disaster recovery plans for business and IT systems;
- The Regulatory Business Plan which must contain mandatory information including the applicant's background, the services the applicant will offer, details of the intended investment strategies, fee and remuneration policies, governance framework and key personnel and an analysis of key conduct risks;
- Controllers Forms which give information on those who control the firm. This covers companies, partnerships, individuals, trusts and fund managers;
- SM&CR Applications which relate to permissions to perform senior management functions; and
- A Form A for each person who will carry out an important role, together with that person's cv and supporting documentation on skills, learning and development and induction plan;
- A detailed structure chart showing ownership and staffing with proposed roles;
- The IT Self-Assessment Questionnaire which determines whether the applicant will need to complete more IT forms;
- Corporate documents such as the certificate of incorporation and shareholders' agreement or limited liability partnership agreement;
- The Client Agreement which must contain FCA mandatory firms; and
- Compliance materials such as the compliance manual and monitoring plan.

Along with the forms and supporting documents, each applicant will also need to pay a non-refundable application fee. The amount of this fee varies depending on the complexity of an application.

Once the appropriate regulator has received a completed application pack together with the relevant fee, it will allocate a case officer to the applicant. The case officer may ask for additional information or clarification at any stage in their review process.

As part of the review, the FCA will consider whether the applicant will be able to meet its threshold conditions. Each firm must not just meet but also continue to meet these conditions in order to become and remain authorised. The application forms and supporting documentation therefore need to give sufficient and correct details on these. This will involve the FCA considering, among other matters, the applicant's business plans, capital and liquidity, governance arrangements (including ownership, legal structure and management), risk management and controls.

In general, the FCA is required to make a decision within six months from the date it receives a completed application though for certain insurance and full-scope AIFMD applications this is three months. If the FCA decides that an application is incomplete (which it invariably does), this period is doubled.

If the FCA does grant an application, it will write to the applicant confirming its authorisation and the date from which it takes effect. It will also send a scope of permission notice which says when the permission will start, which regulated activities the firm has permission to carry on and any requirements or limitations with which the firm must comply with.

Once authorisation is granted, a firm is expected to start its regulated activities and do this in accord with the regulatory business plan which it submitted as part of the application.

The FCA can refuse an application. If it does this it will issue a warning notice to the applicant.

Applicants may withdraw their application at any time before authorisation is granted or refused.

Once regulated, the firm will appear on the financial services register, which is run by the FCA and can be found on its website. This is a public record that contains information about all FCA authorised firms, including a list of the regulated activities that they have permission to carry on. It also lists the customer types the firm is authorised to deal with and any limitations that the FCA or has imposed on the firm's regulated activities. It also provides a directory of certified and assessed persons which gives information on individuals approved by the firm (rather than the regulator).

The Cummings Pepperdine Online Training Programme, including sections focussing on the making an FCA application, has been designed by a specialist board of compliance consultants, solicitors, chartered accountants, tax advisors and regulatory consultants. We believe that we are the only firm which offers training created by this range of qualified advisors.

[Click here now to make it all work](#)

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