

Application for Authorisation

Insurance Special Purpose Vehicle (ISPV) Application Form

Full name of applicant	
Name of proposed ISPV	

Important information to be read before completing this form

Keep a copy of the forms you complete and the supporting documents that you include with this application pack for your future reference.

The FCA and Bank of England process personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notices available on our websites:

- FCA : www.fca.org.uk/privacy
- Bank of England: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398A of FSMA regardless of the status of your application.

The accompanying ISPV Application Form – Notes document provides further detail on the information requests contained within this ISPV Application Form, and should be read prior to completing the ISPV Application Form. In addition, it also lists the relevant PRA and FCA guidance and rules which you should read prior to completing this form.

In accordance, with Article 5 of the Commission Implementing Regulation 2015/462, “When submitting an application for authorisation, the applicant shall submit, at least, the supporting documentation as set out in Annex 1 [of the Commission Implementing Regulation 2015/462]”. In addition, in accordance with Section 55U(5) of FSMA, “At any time after the application is received and before it is determined, the appropriate regulator may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application or, as the case requires, to decide whether to give consent.”

Filling in the form

1. Fill in the requested information in the text boxes provided. Alternatively, provide a supporting document and indicate in this form where the requested information for each part can be found in your supporting documentation (i.e. the sections and page numbers in your supporting documentation that address each specific information request). Provide in Section 6.1 or in a separate supporting document, an index of all supporting documentation submitted, that includes any PRA/FCA forms that are submitted.
2. If you think a part of this form does not apply to you, write 'N/A' in the relevant textbox and explain why.
3. If you leave an information request blank, do not sign the declaration or do not attach the required supporting information without telling us why, otherwise this may increase the time taken to assess your application.
4. If you are completing the form by computer, print out the completed form and sign the declaration.
5. If you are filling in the form by hand:
 - use black ink;
 - write clearly; and
 - sign the declaration.

6. Submit an electronic copy of the application pack to the PRA at the following mailbox: ISPVMailbox@bankofengland.co.uk. The submission should consist of:
- this ISPV Application Form (including the declaration form in Section 8);
 - the appropriate supporting documents;
 - the SMR Application Forms and accompanying documentation;
 - the FCA Controlled Function Application Form(s) where applicable;
 - the Application Form for Registration of Protected Cell Companies where applicable; and
 - the remittance advice and payment details of the application fee (£5,000) if you have paid by BACS payment. Section 7 of this ISPV Application Form provides instructions on how to pay, including where you wish to pay by cheque.
7. For applications where the total file size amounts to 25MB and above, as an alternative to e-mailing the application pack, it may be submitted via the Bank of England Data Submission (BEEDS) portal. Please contact ISPVMailbox@bankofengland.co.uk for further information.

Terms in this form

In this form we use the following terms:

- 'AMRE' refers to Aggregate Maximum Risk Exposure as defined in Article 1(44) of the Commission Delegated Regulation (EU) 2015/35;
- 'applicant' refers to the person or firm applying on behalf of the proposed ISPV, where the entity has not been established yet. Where an entity has already been established the applicant may be the entity, or a person or firm applying on its behalf.
- 'cedant' refers to the insurance or reinsurance undertaking which the ISPV assumes risk from;
- 'Delegated Regulation' refers to Commission Delegated Regulation (EU) 2015/35;
- 'FCA' refers to the Financial Conduct Authority;
- 'FSMA' refers to the Financial Services and Markets Act 2000;
- 'Implementing Regulation' refers to Commission Implementing Regulation (EU) 2015/462;
- 'ISPV' refers to a UK ISPV, as per the meaning given in the Glossary of the PRA Rulebook;
- 'ISPV webpage' refers to the following webpage: <https://www.bankofengland.co.uk/prudential-regulation/authorisations/insurance-special-purpose-vehicles>
- 'MISPV' refers to a UK multi-arrangement ISPV, as per the meaning given in the Insurance Special Purpose Vehicles Part of the PRA Rulebook;
- 'Part 4A Permission' refers to the permission granted by the PRA to carry out one or more regulated activities as per section 55F (within Part 4A) of FSMA;
- 'PCC' refers to a Protected Cell Company;
- 'PRA' refers to the Prudential Regulation Authority;
- 'Qualifying holding' has the meaning given in Article 13(21) of the Solvency II Directive;
- 'RTR' refers to the Risk Transformation Regulations 2017;
- 'Solvency II Directive' refers to Directive 2009/138/EC;
- 'SOP' refers to Scope of Permission;
- 'SS8/17' refers to the Supervisory Statement 8/17 'Authorisation and supervision of insurance special purpose vehicles';
- 'VOP' refers to Variation of Permission;
- 'we', 'us' or 'our' refers to the appropriate regulator; and
- 'you' refers to the person(s) signing the form on behalf of the applicant.

Note: The requirements that an applicant seeking to become an MISPV must meet are the same as those for a standalone ISPV, though in addition an MISPV must register as a PCC and comply with any rules applicable to MISPVs and PCCs. Therefore, unless otherwise indicated, all references made to "ISPV" in this form are equally applicable to MISPVs. In addition, all references made to Articles are to Articles in the Delegated Regulation, unless otherwise specified.

1

Core Details

We need to know this information to contact the relevant individuals during our assessment, to enable efficient processing of the application and to update the Financial Services Register, the public record of authorised firms, upon approval.

Applicant

1.1 Is the applicant acting on behalf of the proposed ISPV?

No

Yes ▶ Please provide details of the connection the applicant has to the proposed ISPV, and the reason for the proposed ISPV cannot execute the application on its own behalf.

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1.2 Principal place of business of applicant.

Principal place of business address	
Contact number	
E-mail address	

Contact for this application

1.3 Contact details of the person we will get in touch with about this application.

This must be someone who works for the applicant, and not a professional adviser.

Title	
First name(s)	
Surname	
Job title	
Principal place of business address	
Contact number	
E-mail address	
Connection to the proposed ISPV	

Details of professional advisers

1.4 Has a professional adviser been used to help with this application?

No ▶ Continue to 1.7

Yes

1.5 Name and contact details of professional adviser.

Firm name	
Title	
First name(s)	
Surname	
Job title	
Principal place of business address	
Contact number	
E-mail address	

1.6 Shall we copy all correspondence to the professional adviser? No Yes**Timings for this application****1.7 Does the applicant have a target date for authorisation to be considered (dd/mm/yy)?**

We cannot guarantee to authorise an application by a specific date but we will try to take into account any timings when assessing the application.

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Legal status of the proposed ISPV**1.8 Principal place of business of the proposed ISPV.**

Principal place of business address	
Contact number	
E-mail address	

1.9 For an ISPV, please provide the Certification of Incorporation, Memorandum of Association, Articles of Association and the registered company number on the Companies House register. For an MISPV continue to Question 1.11. Certificate of Incorporation attached Memorandum of Association attached Articles of Association attached

Companies House number:

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Where any of the above are not available provide details below.

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1.10 You must confirm that all details given above match Companies House records.

- Yes
 No ▶ Please provide details below

1.11 For an MISPV, please enclose a completed Application Form for Registration of Protected Cell Companies (accessed via the [ISPV webpage](#)), and its Instrument of Incorporation. Pursuant to Regulation 21(2) of the RTR, where possible, please provide the FCA a statement signed by the solicitor or counsel of, or acting on behalf of, the proposed ISPV confirming that the Instrument of Incorporation satisfies the requirements of Regulation 19 of the RTR (see ISPV Application Form – Notes for more details). For an ISPV continue to Question 1.12.

- Application Form for Registration of Protected Cell Companies attached
 Instrument of Incorporation attached
 Statement confirming Regulation 19 is satisfied attached

Where any of the above are not available provide details below.

History of applicant

1.12 Has the applicant ever submitted and had approved a similar application, to the extent the proposed cedant is the same, *and* the information included in the application form and its supporting transaction documents are substantially the same?

- No
 Yes ▶ Please provide details below, including a summary of how the applications are the same and how they differ

1.13 Has the applicant ever been refused – or had revoked – any licence, membership, authorisation, registration or other permission granted by a financial services regulator or government body in the United Kingdom or overseas?

- Yes
 No ▶ Please provide details below

1.14 Has the applicant ever, after having made an application to a regulatory body for any of the items below, decided not to proceed with it?

- a licence;
- authorisation;
- registration;
- notification;
- membership; or
- other permission granted by a regulatory body.

No

Yes ▶ Please provide details below

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Communication with the supervisory authority of the cedant

1.15 Where possible, if the proposed cedant(s) of the ISPV will be domiciled in the EEA, provide details of the relevant contact at the supervisory authority responsible for the cedant(s), and a copy of any correspondence that notifies the supervisory authority of the cedant(s) concerning the intention to transfer risk to the ISPV.

Title	
First name(s)	
Surname	
Job title	
Business address	
Contact number	
E-mail address	

2 Scope of Permission

In accordance with Regulation 7 of the RTR, as a standard part of the approval process for both a standalone ISPV and an MISPV, the PRA will impose a limitation on the FSMA 'Part 4A Permission', which will determine the scope of the regulated activities that the ISPV may carry on (referred to as the "Scope of Permission" or "SOP"). The SOP will set out:

- the regulated activity/activities the ISPV or MISPV is authorised to carry on; and
- any limitations attaching to it.

Type of ISPV

2.1 For which type of entity is the applicant seeking authorisation?

- Standalone ISPV
- Multi-arrangement ISPV (MISPV)

Regulated activities

2.2 Please confirm that the applicant is seeking permission for the proposed ISPV to carry on the regulated activity of insurance risk transformation.

- Yes

2.3 Please confirm that the applicant requests permission for the proposed ISPV to carry on the regulated activity of 'Agreeing to carry on a regulated activity'.

Under the permission regime, 'agreeing to carry on a regulated activity' is a regulated activity in its own right. If the applicant is seeking for the proposed ISPV to carry on insurance risk transformation, as a matter of course, it will also carry on this regulated activity.

- Yes

2.4 Is the applicant intending for the proposed ISPV to carry on any ancillary activities?

- No
- Yes ▶ Briefly describe the nature of these intended ancillary activities, how they will be carried out, and how they will contribute to the activity of insurance risk transformation.

Limitation on the Scope of Permission

The SOP will be based on the information included in this form. This information must be of sufficient quality and detail to clearly demonstrate compliance with the relevant requirements. The contents of the SOP will be agreed on a case-by-case basis between the applicant and the PRA, taking into account the components listed in the Appendix of SS8/17. The PRA may deem it appropriate to include any other information submitted as part of this application within the SOP.

If the applicant wants flexibility regarding future transactions, for example, flexibility on the types of risks underwritten, trigger mechanisms, contractual terms in its transaction documents, or changes in service providers, this must be highlighted and the specifics of the flexibility documented in this form at the outset. Highlighting such flexibility only in the latter stages of the authorisation process will likely result in the authorisation timelines being extended.

In the case of a standalone ISPV, which may only accept a single risk transfer, it is likely that the applicant will not require much flexibility in its SOP.

However, in the case of an MISPV, the SOP provides applicants with a flexible tool to allow the possibility of seeking authorisation in advance for future MISPV transaction structures so that future transactions may be executed without further regulatory approval.

Consistent with Part 4A of FSMA, the ISPV may not act outside its SOP. This means that in the case of an MISPV, future transactions must fall within the SOP.

Where an ISPV wishes to perform activities that are outside its current SOP, it can apply to the PRA for approval for the SOP to be updated. An ISPV should do this by submitting an application for a variation of permission (VOP) using the ISPV VOP Application Form (see the [ISPV webpage](#) for a link to the relevant form). If this is approved, an updated SOP will be issued. The timetable for approval is likely to vary depending on the complexity of the changes proposed.

2.5 Please outline the key areas where the applicant is seeking flexibility, and hence would like the regulators to consider including in its SOP. Where applicable, please reference where this flexibility has been identified in the underlying transaction and/or other supporting documents.

We encourage applicants to consider at the earliest stage how much flexibility they would like to retain in the structures used for future transactions (and hence the SOP), and to discuss this with the PRA. Please see the ISPV Application Form – Notes for more information.

3 Funding, Risk Transfer and Subordination

ISPVs must meet the applicable requirements related to fully funded, effective risk transfer and subordination of providers of debt or finance (i.e. investor), in particular Articles 319-321. In addition its investment strategy must be in line with Article 327.

As outlined in the previous Scope of Permission section, if the applicant wants flexibility regarding future transactions, this must be highlighted and the specifics of the flexibility documented in this form at the outset.

Note: the applicant may provide the information requested in this section by filling in the relevant textboxes provided below, or by providing a supporting document with references to link the relevant part(s) of that supporting document with the relevant questions. Where the applicant considers a question is not applicable they must explain why.

Purpose of the ISPV

3.1 Describe the purpose for which the ISPV will be established and the proposed lifetime of the vehicle.

This should also include details of the following:

- the length of time for which the ISPV is intended to operate; and
- plans for winding down the ISPV, once the purpose for which it was established has been served.

Fully funded and solvency requirements – Article 319 and 326

3.2 Describe how, in accordance with Article 319, the contractual arrangements relating to the transfer of risk from a cedant(s) to the ISPV shall ensure the ISPV is at all times fully funded in accordance with Article 326.

This should include the following (*where applicable, provide references to the clauses in the relevant contractual agreements which give the legal effect of the responses provided*):

a) Aggregate maximum risk exposure (AMRE) – please provide:

- (i) an assessment of how the AMRE will comply with the definition in Article 1(44), including how the ISPV's expense liabilities will be segregated from the insurance liabilities assumed from the cedant(s). For an MISPV this should also include an assessment of how the vehicle will ensure compliance with Article 7(1) and 7(2) of the Implementing Regulation. This should also include an assessment of how the AMRE of both the cell(s), and the core of the MISPV, will comply with the definition in Article 1(44), including how expense liabilities will be segregated from the insurance liabilities assumed from the cedant(s). In the case of both a standalone ISPV and an MISPV, where expenses will be excluded from the AMRE, provide an assessment of how the ISPV will meet each of the three criteria outlined in Article 1(44)(i)-(iii).
- (ii) in accordance with Article 326(1)(a), an assessment of how the assets of the ISPV will be valued in accordance with Article 75 of the Solvency II Directive.
- (iii) an explanation of how the AMRE will be calculated at any point in time, including, in accordance with Article 326(1)(b), an assessment of how the ISPV will have at all times assets the value of which are equal to or exceed the AMRE. In accordance with Article 326(2), this assessment should include details of the liquidity risks of the ISPV, and its liquidity strategy for the issued securities.
- (iv) a financial projection of the ISPV over its expected lifetime, including expense amounts.

- b) **Fully paid-in** – in accordance with Article 326(1)(c), details of how the ISPV shall satisfy the requirement that the proceeds of the debt issuance or other financing mechanism are fully paid-in.
- c) **Collateral arrangement/structure** – explanation of how the assets used to meet the AMRE will be held, including, where applicable, details of how these interact with the Custody Agreement, Trust Deed, Deed of Charge (Indenture) and/or Security, and the identity and qualification of the persons who are, or will be, appointed to act as trustee.
- d) **Payout instructions** – details of how payouts to cedant(s) or providers of debt or finance (i.e. investors) will be permitted, e.g. joint instruction, cedant only, pre- and post-enforcement, where applicable, etc.
- e) **Loss payments** – details of the ISPV’s approach to loss payments to be paid to cedant(s), including the trigger for a loss payment (e.g. attachment and exhaustion levels), how loss payment amounts will be calculated, when they will be paid (e.g. quarterly), how they will be paid (e.g. quarterly settlement amounts), etc.
- f) **Collateral releases to providers of debt or finance (i.e. investors)** – details of the ISPV’s approach to collateral releases to providers of debt or finance, including the circumstances in which collateral releases will be paid, how collateral releases will be calculated, when they will be paid (e.g. only after the risk period ceases), etc..
- g) **Limited recourse and non-petition provisions** – where applicable, references to the limited recourse and non-petition provisions included in all of the contractual agreements.
- h) **Off-balance sheet commitments** – where applicable, details of any off-balance sheet commitments that may be used to support the ISPV, including guarantees or any other form of credit risk mitigation sold to or otherwise provided to the ISPV, e.g. contingent assets or top-up arrangements the ISPV may activate upon a breach of the fully funded requirement occurring.
- i) **Future premium** – where applicable, in accordance with Article 326(4), if an ISPV wishes to include in its AMRE payments relating to existing insurance and reinsurance contracts that are expected to be received in the future by the ISPV, outline how each of the four criteria listed in Article 326(4)(a)-(d) will be met.
- j) **Rating reports** – where applicable, any rating assessment or credit rating agency’s report in relation to the issue of the funding instruments by the ISPV.
- k) **Other additional features** – where an ISPV wishes to include other features, e.g. tranching, rollover mechanisms, inter-cell arrangements, provide a detailed explanation and assessment of how these features comply with Article 319, including references to relevant contractual wording.

Effective transfer of risk – Article 320

- 3.3 Describe how, in accordance with Article 320, the contractual arrangements relating to the transfer of risk from the cedant(s) to the ISPV, and from the ISPV to the providers of debt or financing (i.e. investors) shall ensure (a) the transfer of risk is effective in all circumstances, (b) the extent of the risk transfer is clearly defined and incontrovertible.

This should include the following (*where applicable, provide references to the clauses in the relevant contractual agreements that transfer risk between the cedant(s) and the ISPV and the ISPV and the providers of debt or finance, which give the legal effect of the responses provided*):

- a) **Offering material** – where applicable, the prospectus or offering circular or private placement memorandum, or drafts thereof.
- b) **Cedant(s)** – details of the type of entity (e.g. insurer, reinsurer, syndicate, etc.) and whether it is located in the EEA.

- c) **Originator(s)** – where this party differs from the applicant, provide the identity and qualifications of the originator(s) of the ISPV.
- d) **Form of the risk transfer** – details of the form of risk transfer from the cedant(s) to the ISPV and, accordingly, from the ISPV to the providers of debt or finance, and how this complies with Article 318(a).
- e) **Risk to be transferred** – a description of the nature, scale and scope of the risks to be transferred from the cedant(s) to the ISPV and, accordingly, from the ISPV to the providers of debt or finance (e.g. location, type of cover, class of business, peril, risk period, etc.). Where applicable, this should include an assessment of any residual risk retained by the cedant(s) or the ISPV, including basis risk. Where there exists any basis risk please provide a corresponding basis risk analysis report. Also, where applicable, provide an actuarial assessment of the insurance risks assumed.
- f) **Risk period, and any early termination events** – details of the risk period, including any early termination events.
- g) **Post-risk period** – details of termination and extension events and dates.
- h) **Commutation approach** – where applicable, the ISPV’s approach to commutation of the risk transfer.
- i) **Independent third-party opinions** – these are not mandatory, but please indicate if the applicant has received an independent third-party opinion (for example a legal or accounting opinion) which may support demonstration of compliance with the Solvency II requirements.
- j) **No connected transactions** – confirmation that, as per Article 320(2), there will be no connected transactions which could undermine the effective transfer of risk.
- k) **Qualifies for risk-mitigation under SII** – where the cedant(s) will be domiciled in an EEA jurisdiction, provide an assessment of how the risk transfer meets the requirements to qualify as risk mitigation given in Articles 210 and 211.

Rights of the providers of debt or financing mechanism (i.e. investors) – Article 321

- 3.4 Describe how, in accordance with Article 321, the contractual arrangements relating to the transfer of risk from a cedant(s) to the ISPV, and from the ISPV to the providers of debt or financing shall ensure that (*where applicable, provide references to the relevant clauses in the applicable contractual agreements which give the legal effect of any of the details included below*):
- a) the claims of the providers of debt or financing mechanisms are at all times subordinated to the reinsurance obligations of the ISPV to insurance or reinsurance undertaking;
 - b) no payments are made to the providers of debt or financing, if following those payments the ISPV would no longer be fully funded;
 - c) the providers of debt or finance to the ISPV have no rights of recourse to the assets of the insurance or reinsurance undertaking; and
 - d) the providers of debt or finance to the ISPV have no rights to apply for the winding-up of the ISPV.

Solvency requirements on investments – Article 327

3.5 Describe how the ISPV will invest its assets in accordance with Article 327.

This should include the following:

- a) Investment management** – details of internal controls over investment management processes, and regular reporting of management information.
- b) Risk management** – details of risks arising from the ISPV's proposed investment strategy, and how the ISPV intends to manage these.
- c) Permitted investments** – details of the permitted investments, including references to where in relevant documentation this is outlined.
- d) Hedging instruments** – if used, details of the use of hedging instruments, such as interest rate swaps or currency contracts. Note: contracts, or drafts thereof, of such hedging instruments may be requested.

4 Systems of Governance

ISPVs must meet the applicable requirements related to fitness and propriety of individuals and shareholders, appropriate governance, systems and controls, as well as supervisory reporting, in particular Articles 322-325.

As outlined in the previous Scope of Permission section, if the applicant wants flexibility regarding future transactions, this must be highlighted and the specifics of the flexibility documented in this form at the outset.

Note: the applicant may complete the requests in this section by filling in the relevant textboxes provided below or they may produce a supporting document and provide references to the relevant part(s) of that supporting document that correspond to each of the requests. Where the applicant considers a request is not applicable they must explain why.

Fit and proper requirements of persons who effectively run an ISPV – Article 322

- 4.1 List below the names of the individuals who will perform the SMR functions required of an ISPV (SMF1, SMF2, SMF9), as well as those who will be performing any other applicable SMR functions. Also, please fill in the relevant application form (see Senior Managers Regime – Applications and Notifications Part of the PRA Rulebook) for each of the individuals nominated for a SMF role at the ISPV.**

Name	SMR function	Individuals work address	Application attached

- 4.2 Where the applicant requires additional FCA Controlled Functions list below the names of the individuals. Also, please fill in a 'Form A – Application to perform controlled functions' for each individual who will be performing a controlled function that is listed below and attach it to this application.**

Name	Controlled function	Individuals work address	Application attached

- 4.3 Please also provide information about the identity, qualification and relevant experience of all persons who will be employees of the ISPV (other than the SMR or controlled functions above), including details of persons who will be effectively running the ISPV (for more information on 'effectively running' see paragraph 3.1 of SS8/17) and those who will hold key function holder responsibilities. An individual may perform more than one key function.**

Fit and proper requirements for qualifying holdings – Article 323

4.4 Structure Chart

Provide a structure chart of the proposed ISPV's ownership/equity structure and of any close links.

This structure chart should include the following:

- percentage of shareholdings in the ISPV;
- percentage of voting rights in the ISPV;
- any close links to which the ISPV will be part;
- identity of the parent or any subsidiaries if part of a group;
- identity of any firms or individuals that will be deemed to be a qualifying holding of the ISPV by virtue of their significant influence as outlined in paragraphs 3.8 and 3.10 of SS8/17; and
- any shareholdings the applicant has in another firm which may cause a conflict of interest in relation to this ISPV.

If there will be any close links, outline whether they might prevent our effective supervision of the ISPV, and the business type of the close link.

4.5 Provide an assessment of the applicable accounting consolidation requirements of the ISPV into a group.

4.6 Qualifying holdings

- a) **For standalone ISPVs, describe the ISPV's framework for assessing the fitness and propriety of each shareholder that will meet the qualifying holding threshold as outlined in paragraph 3.9 of SS8/17. This should consider all of the criteria in Article 323(1)(a)-(d).**
- b) **For each shareholder that will meet the qualifying holding threshold as outlined in paragraphs 3.8 and, for an MISPV, also paragraph 3.10 of SS8/17, provide the following where applicable:**
 - name and address;
 - legal status;
 - percentage of holdings;
 - percentage of voting rights;
 - confirmation of whether the shareholder is a Qualified Investor;
 - registered number (or if registered outside the UK provide the equivalent);
 - confirmation that the shareholder is solvent, evidenced by their latest financial statement;
 - details of any future financial obligations to the ISPV (e.g. top-up arrangements);
 - description of the business activities the shareholder carries on;
 - details of the arrangement between the shareholder and the ISPV;
 - if the shareholder is a trust, the purpose of the trust, and the trust deed;
 - if regulated, details of the supervisory authority;
 - the identity of the beneficial owners of the shares;
 - details of any litigation (or known circumstances which might give rise to litigation) against the shareholder currently outstanding or that has occurred in the last 5 years, excluding cases arising in the course of normal business activities;

- details of any material written complaints made against the shareholder by its clients or its former clients in the last 5 years which are awaiting determination by, or have been upheld by an ombudsman;
 - details of any significant events or information (for example in relation to insolvency, reconstruction, civil or ongoing criminal investigations or proceedings, or financial services regulations) not given elsewhere in this form, which would be relevant to our consideration of the shareholder and the applicant's application for authorisation; and
 - a declaration from the shareholder or from a suitably authorised person on behalf of the shareholder confirming that all the above information is accurate.
- c) If applying for an MISPV, and thus applying to register a PCC, will there be any arrangements within the MISPV/PCC which could enable shareholders in cells to exercise significant influence over it?**

Sound administrative and accounting procedures, adequate internal control mechanisms and risk management requirements – Article 324

4.7 Describe how the system of governance and management will be in accordance with Article 324(1).

This should include the following:

- a) Organisational chart** – an organogram showing all the functions and additional services (including those outsourced to service providers).
- b) Board composition** – details of the proposed board composition together with its terms of references, and expected frequency of meetings.
- c) Key functions and additional services** – a description of the key functions, where applicable, and any additional services that will be carried out by the ISPV (where an ISPV outsources key functions or additional services, these can be included in section 4.10), including:
 - details of the reporting lines (in the form of a chart, for example) and responsibilities for the key functions and additional services; and
 - details of resource allocated as well as procedures and controls that will be implemented to ensure the effective provisions of each key function and additional service.
- d) Management Information** – how the ISPV will ensure the effective dissemination of management information.

4.8 Describe how the ISPV's administrative and accounting procedures, internal control mechanisms and risk management systems will be in accordance with Articles 324(2) and 324(3).

Taking into account the uses of the ISPV, this should include the following:

- a) Risk Management** – a description, or a copy, of the written policies in relation to risk management outlining the processes and reporting procedures necessary to identify, measure, monitor, manage and report on an ongoing basis, the risks to which the ISPV could be exposed. This should include details of how the ISPV proposes to manage any potential conflicts that have been identified.

- b) Internal Controls** – a description, or a copy, of the written policies in relation to internal controls which demonstrate how the Board will ensure that the mandatory contract conditions in Articles 319-321, and the requirements in Articles 326 and 327 will be fulfilled on an ongoing basis.
- c) Administrative and account procedures** – a description, or a copy, of the written policies in relation to administrative and accounting procedures and internal audit (if applicable).
- d) Confirmation** – where a description of the written policies, above, have been submitted rather than a copy of the policies themselves, please confirm that the ISPV shall ensure that the policies will exist upon it being granted approval. If copies of the written policies have been submitted then this confirmatory request is not applicable.

4.9 IT Systems – Provide responses to the following:

- Are the IT systems to be outsourced?
- What due diligence has been undertaken on the outsourced provider?
- Will a new IT system be required, or will there be any substantive changes that will impact timeframes?
- Explain how the applicant will comply with requirements in SYSC 13.9 of the FCA Handbook?
- Provide details of the IT business continuity and the disaster recovery plans the applicant will put in place to ensure business continuity.

4.10 Outsourcing – will the applicant be outsourcing any key functions or additional services? If so, provide a written outsourcing policy and details of all outsourcing or sub-contracting arrangements, including:

- a) Outsourced arrangements** – a description of any key functions, where applicable, and any additional services that will be outsourced, including details on how the outsourced service provider was selected, and how the ISPV will ensure they remain appropriate throughout the term of their contract.
- b) Outsourcing oversight** – details of the responsibilities and reporting lines of the key functions and additional services, and resource allocated, as well as procedures and controls that will be implemented to ensure the effective provisions of each key function and additional service.
- c) Outsourcing of day-to-day management** – where the applicant will be outsourcing the day-to-day management of the ISPV to a service provider please provide written confirmation from the service provider confirming that either:
- i. where the services provided constitute ‘regulated activities’ under FSMA, they have the relevant ‘Part 4A permission’ to carry out such regulated activities; or
 - ii. the services provided do not constitute ‘regulated activities’ under FSMA.

This written confirmation may be a copy of an e-mail from the service provider to the applicant.

d) Copies or drafts of the key outsourcing agreements.

Supervisory reporting – Article 325

Financial year end

4.11 Date of the ISPV's financial year end (dd/mm).

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4.12 Describe how the ISPV's planned supervisory reporting procedures will comply with the requirements of:

- a) Articles 325 and 326(3);
- b) the specific reportable matters identified under Article 326(3);
- c) Articles 13-18 of the Implementing Regulation; and
- d) the reporting templates set out in Annexes II and III of the Implementing Regulation.

5 Compliance Arrangements

The applicant must have the appropriate compliance arrangements in place.

Compliance procedures

The applicant is not required to send compliance procedures with this application but the applicant must be able to produce a copy at any time while the PRA and FCA are assessing the application, or in the future.

The applicant must ensure that it establishes and adopts compliance procedures to comply with the relevant rules in the PRA Rulebook, FCA Handbook and with relevant provisions in legislation (including the RTR) that apply to the type of business it is proposing to carry on. Each compliance procedure should identify and address the applicant's obligations in the PRA Rulebook and FCA Handbook.

5.1 Please confirm the applicant has in place documented compliance procedures that relate specifically to the regulated business for which it is seeking permission.

Yes

No – The applicant's documented compliance procedures are not in place at the time of submission of this application, but will be in place prior to authorisation.

Compliance monitoring programme

5.2 Please confirm the applicant has in place a documented compliance monitoring programme that relates specifically to its compliance procedures manual.

Yes

No – The applicant's documented compliance monitoring programme is not in place at the time of submission of this application, but will be in place prior to authorisation.

Other information relevant to this application

5.3 Is there any other information which the applicant believes may be relevant to our assessment of this application?

Financial crime

5.4 ISPVs should have appropriate policies and procedures to prevent financial crime. Please describe the steps the applicant has, or will, put in place to counter the risks that might be used by others to further financial crime. This includes any offence involving a) fraud or dishonesty; b) misconduct in, or misuse of information relating to, financial markets; or c) handling the proceeds of crime.

6

Documents for this application

Please list which forms and documents are included in the application pack.

Supporting Documentation

6.1 List below all the documents that are being sent with this application

6.2 Please provide any comments on supporting documents if necessary.

7 Application fee

The applicant must send a BACS payment or cheque for the appropriate application fee in full with this application, otherwise the application will not be processed.

Application fee

The application fee for ISPVs is £5,000. The full application fee must be paid by BACS payment or cheque. It is not refundable (even if the applicant decides to withdraw its application).

How to pay by BACS payment

1. Make the payment to the FCA using the details below:

Account name: FCA Collection account

Bank name: Lloyds Bank

Account number: 00828179

Sort code: 30-00-02

Swift code: LOYD GB 2LCTY

IBAN code: GB68 LOYD 3000 0200 8281 79.

2. Reference the payment with the following: Title: "New authorisation application – [insert 'Name of the Proposed ISPV']".
3. E-mail the remittance advice and payment details to: fcafees@fca.org.uk & PRA-AuthsVoPsCancellations@bankofengland.co.uk.

How to pay by cheque

1. Make the cheque payable to the FCA. We cannot accept post-dated cheques.
2. Write the name of the proposed ISPV on the back of the cheque.
3. Write 'Application for authorisation' on the back of the cheque.
4. Send the cheque to the following address:

Authorisations, The Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

- BACS payment – remittance advice and payment details e-mailed as per the instructions above
- Cheque payment – cheque sent to postal address as per the instructions above

8 Declaration

Declaration

It is a criminal offence to – knowingly or recklessly – submit information that is false, misleading or deceptive.

If any information is inaccurate or incomplete this application may take longer to be processed.

You must notify us immediately of any significant change to the information provided. If you do not, the application may take longer to be processed. It could also call into question the applicant's suitability and hence the suitability of the proposed ISPV to be authorised.

D1 I am authorised to make this application for authorisation on behalf of the applicant named on the front of this form.

D2 I attach the documents listed in Section 6.1 and I have taken all reasonable steps to ensure they are correct.

D3 I confirm that the documents listed in Section 6.1 have been prepared to an appropriate standard and are available for immediate inspection by the regulators.

D4 I confirm that the information in this application is accurate and complete to the best of my knowledge and belief.

D5 I authorise the regulators to make such enquiries and to seek such further information as it thinks appropriate to verify the information given on this form.

D6 I understand that the regulators may require the applicant to provide further information or documents at any time after I have sent this application and before the applicant has been authorised.

Who must sign the declaration?

This declaration must be signed by the people who are responsible for making this application on behalf of the applicant.

Signature one

Name	
Position	
Signature	
Date (dd/mm/yy)	

Signature two
