

## MiFIDPRU Notifications: MIFIDPRU TP 7.4R(2)(b)

*Of particular interest to: All Investment Firms, except IFPRU Firms*

### In brief

The FCA has now opened the gateway for applications for certain MiFIDPRU permissions notifications. Firms should **apply for these before** the investment firm prudential regime (IFPR) comes into force on **1 January 2022**. As of the date of this alert, application forms are **not yet available** on FCA Connect.

Firms will not be required to apply for the permission to classify existing capital instruments as Common Equity Tier 1 Capital (CET1), but they will need to submit a notification form to the FCA in line with MIFIDPRU TP 7.4R(2)(b).

### Summary

As a reminder, MIFIDPRU will be the new prudential sourcebook for a 'MiFIDPRU investment firm', the definition of which not only includes a MiFID firm but also includes a **collective portfolio management investment firm** (CPMI) - although they will also continue to be subject to the prudential requirements in IPRU(INV) 11. For the avoidance of doubt collective portfolio managers (CPM) i.e. those firms that do not have MiFID top-up permissions are not caught by the new prudential rules and will continue to operate under IPRU(INV) 11 only.

In advance of IFPR coming into force, **all BIPRU firms and exempt CAD-firms** should make an application of notification to the FCA. The notification to the FCA will outline that the firm's existing **Core Tier 1 Capital will count as CET1** after 1 January 2022.

**IFPRU firms** are not affected and **not required** to make a notification, as their existing capital instruments already comply with the Capital Requirements Regulation (575/2013) as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2018 (UK CRR).

The FCA has produced an example of the notification form on their website but the **actual form is not yet available** on FCA Connect as of the date of this alert.

### Useful Links

[FCA Notification Form Example](#) (p. 27)

[FCA IFPR Newsletter](#)

[FCA IFPR web page](#)

[Final Rules - FCA 2021/38](#)

[Final Rules - 2021/39](#)

## Annex 1: CET 1 Instruments

CET1 Instruments
Fully paid-up capital instruments
Share premium
Retained earnings
Accumulated other comprehensive income
Other reserves
Adjustments to CET1 due to prudential filters
Other funds