

FINANCIAL SERVICES REGULATORY AUTHORITY
سلطة تنظيم الخدمات المالية

**Prudential – Investment, Insurance Intermediation and
Banking Rules (PRU)**

1 APPLICATION, INTERPRETATION AND CATEGORISATION

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1.3 Categories of Authorised Persons

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Category 4

1.3.6 An Authorised Person is in Category 4 if:

- (a) its Financial Services Permission authorises it to carry on one or more of the Regulated Activities of Arranging Credit, Arranging Deals in Investments, Advising on Investments or Credit, Arranging Custody, Insurance Intermediation, Providing Trust Services (where it is not acting as trustee in respect of an express trust), Insurance Management, Acting as the Administrator of a Collective Investment Fund or Operating a Multilateral Trading Facility or Organised Trading Facility, or Operating a Private Financing Platform; and
- (b) it does not meet the criteria of Categories 1, 2, 3A, 3B, 3C or 5.

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3 CAPITAL AND LEVERAGE

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3.3.2 The table below sets out the Base Capital Requirement for each Category of Authorised Persons.

| Category | Base Capital Requirement (US \$) |
|----------|---|
| 1 | 10 million |
| 2 | 2 million |
| 3A | 500,000 |
| 3B | 4 million |
| 3C | 250,000, except where an Authorised Person has a Financial Services Permission only to carry out the Regulated Activity of Managing a Collective Investment Fund, in which case the Base Capital Requirement is the higher of: a) 150,000 if the Authorised Person manages a Public Fund or any other type of fund that is available to retail customers; or b) 50,000 otherwise. |

| Category | Base Capital Requirement (US \$) |
|----------|--|
| 4 | 10,000, except where an Authorised Person has a <u>Financial Services Permission to carry out the Regulated Activity of Operating a Private Financing Platform and holds Client Assets, in which case the Base Capital Requirement is 150,000.</u> |
| 5 | 10 million |

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6 OPERATIONAL RISK

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6.1.1 This Chapter applies to an Authorised Person as follows:

- (a) Sections 6.1 to 6.9 apply to an Authorised Person in any Category;
- (b) Sections 6.10 and 6.11 apply only to an Authorised Person in Category 1, 2, 3A or 5;
- (c) Section 6.12 applies only to an Authorised Person in Category 3B, 3C or 4 which undertakes one or more of the following Regulated Activities:

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- (xiii) Operating a Multilateral Trading Facility or Organised Trading Facility; ~~or~~
- (xiv) Providing Money Services; or
- (xv) Operating a Private Financing Platform.

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