



1 GENERAL REQUIREMENTS

1.3 Categories of Authorised Firms

Category 3

- 1.3.3** (1) An Authorised Firm is in Category 3 if:
- (a) its Licence authorises it to carry on one or more of the Financial Services of:
 - i. Dealing in Investments as Principal and, it does so only as a Matched Principal; [Added][VER6/06-06]
 - ii. Dealing in Investments as Agent;
 - iii. Managing Assets;
 - iv. Operating a Collective Investment fund; or
 - v. Providing Custody;
 - vi. Providing Trust Services;
 - vii. Acting as the Trustee of a Fund; and
 - (b) it does not meet the criteria of Categories 1, 2 or 5.

Guidance

A Category 3 Authorised Firm may be authorised to conduct other Financial Services but it is the authorisation for Dealing in Investments as Agent, Managing Assets, Operating a Collective Investment Fund, Acting as the Trustee of a Fund or Providing Custody, and the absence of authorisation for the activities specified in Rules 1.3.1 and 1.3.2 that are determinative of it as belonging to Category 3.

Table 1 – Categorisation of Authorised Firms

Notes:

1. The Financial Services described in the emboldened boxes are the determinants for the prudential Category. The activities set out in the boxes in the table are Financial Services (see GEN chapter 2). The Financial Services that an Authorised Firm is authorised to carry on are specified on its Licence.
2. If a Person carries on any one or more of the Financial Services specified in an emboldened box under a particular Category, then the highest such Category is that Person's Category for the purposes of this module.
3. The one and only exception to the above, is an Islamic Financial Institution which Manages a Profit Sharing Investment Account. Such an institution falls in Category 5.
4. The Financial Service of Managing a Profit Sharing Investment Account is not set out in an emboldened box because it is not a determinant for a Person's prudential Category, however, a Category 4 Firm cannot carry on such a activity, hence the crossed box under Category 4.

Category 1	Category 2	Category 3	Category 4	Category 5
Accepting Deposits	Dealing in Investments as Principal, except where it does so as a Matched Principal as defined in Rule 1.3.2 (2)	Dealing in Investments as Agent where it does so only as a Matched Principal as defined in Rule 1.3.2 (2)	Arranging Credit or Deals in Investments	An Islamic Financial Institution whose entire business is conducted in accordance with Shari'a and which Manages a Profit Sharing Investment Account
Providing Credit			Advising on Financial Products or Credit	
	Operating a Collective Investment Fund	Arranging Custody		
	Managing Assets	Insurance Intermediation		
	Providing Custody	Insurance Management		
	Providing Trust Services	Operating an Alternative Trading System		
	<u>Acting as the Trustee of a Fund</u>	Providing Fund Administration		
Managing a Profit Sharing Investment Account	Managing a Profit Sharing Investment Account	Managing a Profit Sharing Investment Account		