

Leicester De Montfort Law School

Legal Practice Course

Foundation Course

Financial Services Decision Tree

- 1. Does it relate to a specified investment?**
No - No financial services problem
Yes - Go to Q2

- 2. Am I being asked to carry out a specified regulated activity?**
(e.g. advising, dealing, arranging, managing, but not generic advice)
No - No financial services problem
Yes - Go to Q3

- 3. Is there an exclusion that I can use under the RAO?**
(e.g. using authorised person or RAO 70 takeover exclusion)
Yes - No financial services problem
No - Go to Q4

- 4. Does the activity meet the basic conditions of exempt regulated activities under Rule 2 of the Scope Rules? i.e.**
(i) the activities arise out of, or are complementary to, the provision of a professional service to this particular client; and

(ii) the manner of provision is incidental and
(iii) the firm accounts to the client for any pecuniary reward or other advantage which it receives from a third party

Yes - Go to Question 5

No – Obtain full FCA authorisation or do **not** do it

5. Is the activity prohibited under Rule 3 of Scope Rules?

(E.g. market making)

Yes – Obtain full FCA authorisation or do **not** do it

No - Go to question 6

6. Is the activity restricted under Rule 4-6 Scope Rules?

(E.g. advising on securities or providing insurance (unless it is as an insurance intermediary and the firm has a FCA registered insurance distribution officer) or offering credit agreements)

Yes - Obtain FCA authorisation or do **not** do it.

No - Proceed but ensure you comply with the SRA Conduct of Business Rules.