

The new IFPR is now in effect – what next?

The new FCA Investment Firms Prudential Regime (IFPR) is now in effect as of 1 January 2022. Firms should now be taking steps to ensure it remains compliant with the regime's new requirements.

In this article, we explore the practical next steps firms should be taking now that the new regime is in effect.

COMPLIANCE POLICIES AND MONITORING

Firms should have new and updated compliance policies and procedures, such as Prudential, Remuneration and Disclosure policies.

Firms should also update its “financial resources” compliance monitoring test to include all elements of the new regime. Additionally, firms should ensure that its Finance and Compliance teams are aware of, and monitoring, its new regulatory capital and liquidity requirements. These teams should be aware of any updated reporting schedules and disclosure requirements (both internally and externally), such as any impact on management information to be sent to the Board, and submissions on RegData.

Newgate can assist with drafting new compliance policies. Our Gateway system has an online compliance monitoring module reflecting the new financial resources requirements. Speak to us on how we can roll it out for your firm.

REMUNERATION POLICY

Firms must put in place and update their Remuneration Policy to reflect the firm's status under the new IFPR regime (e.g., SNI or Non-SNI firm). The FCA has released

a Remuneration Policy Statement template which should be completed by all firms. Firms with a 31 December year end should now be looking to document and have their Board approve the Remuneration Policy for the current financial year.

The FCA has released further guidance regarding the MIFIDPRU Remuneration Code [here](#).

Newgate can assist with drafting your Remuneration Policy to ensure it meets the requirements of IPRU.

REGDATA CHANGES

The FCA will soon update your firm's RegData schedule so that it shows the new quarterly returns due under IFPR. We estimate the first submissions to the FCA will be around 28 April 2022. Make sure that your Finance and Compliance teams, and any third-party providers such as accountants and administrators are aware of the new reporting schedule and timings so that the filing of these RegData returns are carried out in a timely manner.

Newgate can provide advice on the content and format of the returns to ensure you have the data ready to complete these when due. We can also assist with preparing the returns for submission and filing with the FCA.

OVERALL FINANCIAL ADEQUACY RULE AND ICARA

Under the new regime, firms must now demonstrate that it has adequate own funds and liquid assets, to prove the firm can remain viable throughout the economic cycle, with the ability to address potential harm from activities as well as to wind down in an orderly manner.

The quarterly returns in RegData will ask you to detail what you believe your own funds threshold requirement and liquid asset threshold requirement to be which may be greater than the FCA minimum requirements.

Firms must assess what the own funds and liquid assets thresholds should look like

for its organisation, which should be captured as part of the ICARA document. The ICARA replaces the existing 'ICAAP' document previously required to be held by firms.

Newgate can assist you with determining your firm's own funds and liquid assets thresholds. We have developed templates which firms can use to document your ICARA process.

Contact us for more information on how the regime impacts your firm.



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About Newgate Compliance

Newgate Compliance is a compliance consultancy offering a modern solution to implement your compliance function using an innovative compliance software solution called **The GATEway**.

Newgate has an unrivalled combination of experienced professionals, many of whom are ex-regulators.

Our customer focused approach seeks to provide appropriate, pragmatic and flexible solutions to our clients helping them to meet both the regulator's rules but also the spirit, principles and culture of the regulatory regime.

We look to build long-term relationships with our customers helping to encourage business growth, productivity and innovation. Our proactive approach is tailored to each customer's needs changing to meet those needs as the customer progresses and develops.

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