

Why use a regulatory hosting umbrella?

[Haydon Thomas](#), Director at Newgate Compliance, highlights how engaging with a regulatory hosting umbrella platform can benefit fledgling UK start-ups and funds in delivering regulated services quicker, and in a cost-effective way.

Becoming a firm or fund fully authorised by the Financial Conduct Authority (FCA) can take time that could otherwise be used for core value-add activities such as investment marketing or providing investment advice. Utilising a regulatory hosting provider can expedite this process, enabling unregulated firms to fall under the regulatory umbrella of an existing regulated firm. This means that the unregulated firm can carry out regulated activities prior to obtaining direct authorisation by the FCA.

It is a useful solution for start-up firms, or funds that are in their infancy who need to be able to undertake regulated activity quicker than the length of time it takes to obtain authorisation from the FCA. It also enables firms to provide regulated services without the complexity and expense of becoming directly regulated.

As a platform provider, Newgate's affiliate firm, Aldgate Advisors Limited, allows its regulatory permissions, to be used by the client firm to carry out investment advisory, arrange transactions and/or marketing services.

Following completion of the due diligence process, our clients can begin to market and provide investment advice as an Appointed Representative. We can also arrange for regulatory coverage if the client wants to undertake discretionary investment management. Longer term regulatory solutions can also be provided if required.

Benefits of choosing a regulatory host:

- **Speed to market:** get your operations up and running within a matter of weeks.
- **Cost-efficiency:** it is cheaper than obtaining your own regulatory licence.
- **Establish a good relationship with the FCA:** begin to establish a track record and build a positive relationship with the regulator that will assist you should you apply for direct authorisation.
- **Time to focus on value-add activities:** we manage your regulatory obligations which frees up your time to focus on your core activities.
- **Peace of mind:** that your firm is compliant.
- **Access to expertise:** while using the regulatory umbrella, our clients benefit from compliance oversight and assistance from our experienced team of compliance consultants.

Hosting activities

We can provide regulatory coverage for a wide variety of client types. Most often they are firms who wish to undertake investment advisory and marketing activities and who are:

- investment advisory firms such as corporate finance advisers or private equity advisers.
- marketing firms who distribute collective investment schemes such as hedge funds.

We do not offer regulatory coverage for firms who deal with retail customers other than in respect of corporate finance business.

Get the support you need

Newgate ensures that best practice is adopted for firms using the regulatory umbrella in respect of regulation and compliance procedures, providing any training that is required. This will benefit any of our clients who are using the regulatory umbrella as a stepping stone to full authorisation.

For more information on our hosted regulatory umbrella service please contact the Newgate team at newgatecompliance.com/contact-us.



Haydon Thomas
Director