

Investment Firms Prudential Regime (IFPR) Update

MIF 007 ICARA Questionnaire – Apply to Extend Deadline

A number of firms will have a “MIF 007 - ICARA Questionnaire” due on their RegData schedule in the coming weeks. In a recent Financial Conduct Authority (FCA) newsletter, firms were reminded that they are able to change their chosen MIF 007 reporting date to a later date.

Firms can make this date change by submitting the ‘Notification under MIFIDPRU 7.8.4R in relation to revised ICARA assessment questionnaire (data item MIF007) submission date’ form via the Connect system.

Changing the deadline date will no doubt be a relief to firms who will benefit from additional time to complete their Internal Capital Adequacy and Risk Assessment (“ICARA”) Process for Board approval ahead of making the MIF 007 filing.

How can Newgate assist? We have helped a number of firms to amend the deadline date for the MIF 007 return. Please contact us for assistance with making this notification.

ICARA Process

All firms are required to undertake an ICARA Process under IFPR. The ICARA process is the centrepiece of IFPR and replaces the Internal Capital Adequacy Assessment Process (the ICAAP). For firms that were exempt from the ICAAP, such as former

Exempt CAD firms, the whole ICARA process will be an entirely new undertaking.

The ICARA process is the collective term for the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.

In terms of the ICARA Process, Newgate has developed a comprehensive framework to help firms document the results which includes: a Risk Matrix, financial model, guidance on determining recovery actions and simulation of wind down plans.

How can Newgate assist? The team at Newgate is on hand to provide support with the ICARA Process. Talk to an expert about how we can assist you.

Extension for Firm to Recognise Their Capital Under the Regime

Firms are also reminded to notify the FCA if they want to treat their existing capital instruments as own funds under MIFIDPRU 3. The original deadline for TP 7 notifications was 1 January 2022 to coincide with the launch of the new Investment Firm Prudential Regime (IFPR). However, the FCA has now extended this until 29 June 2022.

Firms will need to check its permission, pre-authorisation, and notification ahead of the June deadline. Firms should then submit the Notification under MIFIDPRU TP 7.4R(2) (b) on treating pre-MIFIDPRU capital instruments as own funds under MIFIDPRU 3, as required.

How can Newgate assist? Newgate is able assist your firm with making the notification under MIFIDPRU TP 7.4R(2)(b).

Quarterly MIFIDPRU Returns – Avoiding Poor Quality Returns

In the FCA newsletter, the FCA noted that it observed in the first round of MIFIDPRU reports and the quality of some of the submissions did not meet the FCA's expectations

as it contained inaccurate and/or incomplete data.

How can Newgate assist? Firms are reminded to refer to the guidance notes set out in [MIFIDPRU 9 Annex 2G](#) in the completion of the reports. Should you require any assistance with the MIFIDPRU submissions, or for advice on the FCA guidance on the completion of these returns, please contact Newgate for assistance.



Matthew Hazell

Managing Director

E matthewhazell@newgatecompliance.com

T +44 (0) 20 3696 8753



Traci Pham

Managing Director

E tracipham@newgatecompliance.com

T +44 (0) 20 3696 8759

 +44 (0)20 3696 8750

 info@newgatecompliance.com

 newgatecompliance.com

 Follow Us

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.

© 2022 Newgate Compliance Limited