

Regulatory Business Plan (Template + Guidance)

Version Control

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Template Customisation and Usage Guide **[DELETE WHEN READY]**

Customising Your Policy Template

This template is a guideline and must be customised to reflect your organisation's operations, regulatory obligations, and internal controls. Replace all placeholder text with business-specific information to align with your processes, risk framework, and compliance structure.

*****This guidance and footer graphic should be removed from the final saved version*****

Using This Template

This template provides a comprehensive framework to help your organisation develop a policy that meets regulatory requirements and industry best practices. While structured to align with FCA expectations, you must review and adjust the content to reflect your organisation's compliance framework, sector-specific risks, and operational procedures.

If your organisation has policies related to this document, ensure that relevant cross-references are included. Some of the policies referenced are available separately or as part of bundled compliance toolkits.

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Disclaimer

This template supports regulatory compliance and governance, but does not constitute legal or professional advice. While designed for accuracy and relevance, your organisation ensures compliance with FCA regulations, industry standards, and legal requirements.

Customise this document to reflect your business model, risk exposure, and internal policies. If unsure of your regulatory or legal obligations, seek professional advice before finalising.

Use of this template assumes no liability for loss, damage, or regulatory action.

1. Company Details

(COND 2.4 – Threshold Conditions, SYSC 4.1 – General Organisational Requirements)

Why It's Required:

- To provide evidence that the firm is genuine, organised, and has a clear legal status.
- To confirm the firm's location, nature of business, and how it fits into the UK regulatory perimeter.
- This will enable the FCA to verify basic details against public databases (e.g., Companies House) and ensure effective supervision (SYSC 4.1).

Key Points for Compliance:

- Please provide your full legal name, registered address, and principal place of business so that the FCA can match these details with external records.
- Indicate if you are a sole trader, a partnership, LTD, or a PLC.
- Include any trading names so the FCA can assess potential "sensitive business names."

Checklist

1. Have you stated your legal name per Companies House or official records?
2. Have you specified your registered office and principal place of business (if different)?
3. Have you declared any other trading names or brand names in use?
4. Have you indicated how long you have been trading (if applicable)?
5. Have you included a website address and ensured it matches the one listed in your application documents?
6. If you are a sole trader, have you explained your liability structure (unlimited vs limited)?
7. Have you referenced relevant threshold conditions (COND 2.4) regarding location and adequate supervision?

Example Response

Company Name	
Company Number	
Other Trading Names	
Registered Address	
Trading Address (if different)	
Point of Contact	
Position	

Email Address	
Direct Dial	
VAT Number (if applicable)	

We confirm that we meet the FCA threshold conditions (COND 2.4) by operating from the UK, with clear lines of accountability and an accessible principal office. Our Companies House records match the details provided here.

2. Company Structure & Financial Details

a. Company Strategy and Background

Provide a summary of the company's history, strategic objectives, and why FCA authorisation is required.

Checklist:

1. Have you outlined your business history, including key milestones and achievements?
2. Have you clearly explained why FCA authorisation is necessary?
3. Have you referenced relevant regulatory obligations (e.g., COND 2.4 – Effective Supervision)?

Example:

Our firm was established in 2019 as a consumer credit broker specialising in personal loans. As part of our expansion strategy, we seek FCA authorisation to offer regulated financial products directly to consumers.

b. Ownership and Control Structure

Provide a clear description of the firm's ownership structure, directors, and controllers (anyone with 10%+ ownership).

Checklist:

1. Have you identified all major shareholders and controllers?
2. Have you provided a group structure diagram (if applicable)?
3. Have you outlined any cross-border ownership structures?

Example:

The firm is privately owned, with 60% of shares held by John Smith (CEO) and 40% by Jane Doe (CFO). There are no indirect controllers or significant third-party influences on business operations.

c. Financial Information

Summarise income sources, 3-year financial projections, and provisions for client money (if applicable).

Checklist:

1. Have you provided a three-year financial projection that includes both revenue and expenses?
2. Do you have detailed capital adequacy and liquidity buffers in place?
3. If handling client money, have you explained your CASS compliance measures?

Example:

The firm projects a turnover of £1 million in Year 3. We hold £500,000 in liquid reserves, ensuring we exceed FCA capital requirements.

Helpful Link: [FCA Capital Requirements Guidance](#)

3. Director/Owner Details

(FIT 2 – Honesty, Integrity & Reputation)

Explanation

Purpose: Each director or owner significantly influencing the firm must be assessed under the FCA's Fit and Proper test (FIT 2).

Why It's Required:

The FCA must check that all persons with significant influence are suitable (competence, reputation, integrity).

Helps establish accountability under the Senior Managers and Certification Regime (SM&CR).

Key Points for Compliance:

Provide full names, addresses, dates of birth, and relevant background for all directors/owners.

Include any directorship history, primarily if related to regulated entities.

Disclose fitness and propriety details: bankruptcies, criminal or regulatory sanctions.

Checklist

1. Have you listed all directors/owners, including minority owners with a stake above 10% or more?
2. Does each individual's previous history and directorship record align with the Fit and Proper requirements?
3. Have you cross-checked for any CCJs, bankruptcies, or other issues needing disclosure?
4. Have you identified which directors will hold Senior Management Functions (e.g. SMF3 – Executive Director)?
5. Are there any conflicts of interest between director roles in other companies?

Example Response

Title	
Surname	
First Name	
Middle Name(s)	
Other Names/Aliases	
Home Address	

Gender (M/F)	
Date of Birth	
Home Phone	
Mobile	
NI Number	
Email	

(Repeat for other Directors/Owners as needed.)

4. Key Personnel Details

(SUP 10C – Senior Managers & Certification Regime)

Explanation

Purpose: To demonstrate the competency of all senior managers, highlighting roles, responsibilities, and relevant expertise.

Why It's Required:

- *The FCA needs assurance that day-to-day management is handled by appropriately skilled personnel.*
- *Under SM&CR, key function holders must be identified (e.g., SMF16—Compliance Oversight, SMF17—MLRO).*

Key Points for Compliance:

Provide CV-like details, such as qualifications, regulatory experience, and track record.

Explain each key person's function and how it fits into the firm's org chart.

Checklist

1. *Have you listed all individuals performing SMFs (e.g., SMF 16 for Compliance Oversight)?*
2. *Have you explained how each key person's experience relates to the regulated activities?*
3. *Are you including evidence of qualifications (e.g., diplomas and relevant certifications)?*
4. *Have you identified a Money Laundering Reporting Officer (MLRO) if required?*
5. *Are you describing how each key person is supervised, or how their responsibilities are delegated?*

Example Response

List all key personnel, particularly those performing Senior Management Functions (SMFs), including those responsible for compliance oversight.

Name	Position	SMF Held	Experience and Employment Details
John Smith	CEO	SMF3	15 years in financial services regulatory compliance.
Jane Doe	CFO	SMF2	With ten years of experience in financial management, I oversee risk control.

5. Business Model

(SYSC 3.2 – Business Strategy, COND 2.7 – Business Model Threshold Condition)

Explanation

Purpose: The FCA evaluates how the firm will generate revenue, serve customers, and manage risks. This is central to the FCA's "ready, willing, and organised" principle.

Why It's Required:

- Confirm that the firm has a viable strategy and is not purely opportunistic or lacking substance.
- The FCA aims to assess how the proposed regulated activities align with the overall business, ensuring consumer protection and market integrity.

Key Points for Compliance:

- Outline services/products, target market, and revenue model.
- Demonstrate risk awareness by highlighting any operational, credit, or market risks and explaining how you mitigate them.
- Show how Consumer Duty is embedded into your business approach (e.g., product governance and fair pricing).

Checklist

1. Have you clearly described your main activities (regulated vs non-regulated)?
2. Are you specifying your target market (wholesale, retail, niche sector)?
3. Have you included how your services/products are delivered (e.g. online, online or face-to-face)?
4. Are you identifying the key risks (operational, reputational, compliance) and how you address them?
5. Do you demonstrate how you comply with the Consumer Duty or, if out of scope, explain how you meet Principles 6 and 7?

Example Response

Business Model:

- We are a consumer credit broker that matches clients to suitable credit products. Our primary revenue source is commissions from lenders.
- We also offer non-regulated debt advice as part of a holistic service package.
- Target Market: UK consumers with mid-range credit scores requiring short-term credit solutions.
- Risk Mitigation: Thorough underwriting checks, robust staff training, and ongoing compliance monitoring.

Our business model meets the viability threshold condition (COND 2.7) by demonstrating sustainable revenue streams and focusing on fair customer outcomes.

6. Customer Journey

(COBS 4.1 – Financial Promotions, PRIN 2 – Treating Customers Fairly)

Explanation

Purpose: The FCA must see how consumers interact with your firm, from initial marketing to after-sales support.

Why It's Required:

- To show transparency in how customers are onboarded, advised, and serviced.
- To confirm compliance with fair communication rules (COBS 4.1) and TCF (Treating Customers Fairly).

Key Points for Compliance:

- Demonstrate clear marketing: disclaimers, non-misleading advertisements, and compliance with financial promotions.
- Outline the sales process: How do you fact-find, recommend products/services, and document decisions?
- Clarify after-sales services: complaint handling, ongoing support, and vulnerability procedures.

Checklist

1. Have you mapped each stage from advertising to post-sale follow-up?
2. Are you ensuring that appropriate disclosures (fees, risks, and Terms and Conditions) are made at the right points?
3. How do you identify and support vulnerable customers throughout their journey?
4. Is there a defined complaints process that is accessible to customers?
5. Have you explained your financial promotions approval process for compliance with COBS 4.1?

Example Response

Customer Journey:

- Lead Generation: Our fees are displayed on online advertisements and comparison websites.
- Initial Contact: Customers complete a brief online form that details their financial needs and any relevant vulnerabilities.
- Advice & Recommendation: A qualified advisor discusses suitable products, clearly explaining terms and fees.
- After-Sales: We offer ongoing customer care via phone or email, track feedback, and manage complaints in accordance with DISP rules.

We embed TCF throughout. Financial promotions undergo a compliance sign-off procedure to ensure clarity and fairness (COBS 4.1).

7. Compliance Program & Policies

(SYSC 6 – Compliance, Internal Audit, Risk Controls)

Explanation

Purpose: The FCA wants assurance that the firm's compliance framework is robust, with documented policies covering key areas (AML, TCF, complaints).

Why It's Required:

- A structured compliance program is crucial for monitoring, identifying, and remedying conduct risks and regulatory breaches.
- The FCA expects written policies (SYSC 6.1) on governance, AML, data protection, conflict of interest, and other topics.

Key Points for Compliance:

- Provide a list of all significant policies (e.g. AML, TCF, Complaints, Data Protection).
- Show how these policies are approved, reviewed, and monitored (compliance monitoring plan).
- Outline employee training on each policy and how frequently it's refreshed.

Checklist

1. Have you established documented policies for AML, data protection, TCF, complaints handling, conflicts of interest, and other relevant areas?
2. Is there a compliance monitoring programme, and is there a record of internal audits or checks?
3. Do you specify how policies are reviewed and updated, and by whom?
4. Have you assigned a Compliance Oversight function (SMF16) to implement and monitor these policies?
5. Is there a separate risk management framework describing how you identify, score, and mitigate key risks?

Example Response

Policies & Procedures:

- AML Policy: Follows FCA's FG21/1 guidance with clear KYC checks and enhanced due diligence for high-risk clients.
- TCF Policy: Includes staff training modules, scenario testing, and annual refreshers.
- Complaint Handling: Aligned with DISP 1 rules, with a 48-hour initial response and weekly review by compliance.
- Risk Management: We maintain a quarterly risk register overseen by the Head of Compliance.

We operate a formal Compliance Monitoring Programme (SYSC 6.1), which involves conducting monthly checks on file samples, vulnerability handling, and promotions approval.

8. Outsourcing

(SYSC 8 – Outsourcing Requirements)

Explanation

Purpose: If the firm outsources critical operational functions, the FCA needs evidence that such outsourcing does not diminish the firm's internal controls.

Why It's Required:

- Outsourced functions must comply with FCA rules as if performed in-house (SYSC 8).
- The firm retains full responsibility for outsourced activities; hence, due diligence and monitoring are essential.

Key Points for Compliance:

- Provide details of third-party providers and the function(s) they handle (e.g. IT hosting, back-office, payroll).
- Demonstrate due diligence checks for these providers and outline your performance-monitoring process.
- Explain contractual arrangements that ensure data protection, compliance, and risk management.

Checklist

1. Have you listed all outsourced functions critical to your business?
2. Do you have written contracts/SLAs with each outsourced partner specifying compliance obligations?
3. Are you conducting due diligence checks (including financial stability and regulatory compliance) on these providers?
4. Do you have a contingency plan or exit strategy in place if the outsourced arrangement fails?
5. Have you ensured your data protection obligations are met (GDPR compliance)?

Example Response

Outsourced Functions:

- IT Infrastructure: Cloud-based servers hosted by SecureCloud Ltd. The Contract includes quarterly security audits and data encryption.
- Payroll & HR: Outsourced to HRPro Services, with robust SLAs on confidentiality and compliance.
- Due Diligence: We checked SecureCloud Ltd's financials, data security certifications (ISO 27001), and track record.

We review each outsource provider annually, using performance metrics and compliance checks to ensure ongoing quality. Contracts include termination clauses to ensure service continuity.

9. Employee Information

(SYSC 5 – Employees, Agents & Other Relevant Persons)

Explanation

Purpose: Demonstrates how you select, train, and monitor employees to maintain compliant operations.

Why It's Required:

- Staff must be competent and understand regulatory requirements relevant to their roles (SYSC 5.1).
- The FCA aims to foster a culture of compliance, beginning with thorough induction and ongoing training.

Key Points for Compliance:

- Outline your recruitment process, including background checks, references, and other relevant details.
- Provide details on the training programme (including frequency and coverage).
- Address remuneration structures to prevent misaligned incentives that undermine achieving good customer outcomes.

Checklist

1. Have you described your induction process for new hires, including compliance orientation?
2. Is there a comprehensive training schedule that covers AML, TCF, data protection, and relevant regulations?
3. Do you keep records of employee competence assessments or certifications (where needed)?
4. Are remuneration schemes linked to fair treatment of customers or compliance metrics?
5. Have you explained how you track and address performance issues?

Example Response

Employee Training & Monitoring:

- Every new starter completes a one-week compliance induction covering AML, data protection, and TCF.
- Ongoing CPD: Each staff member is required to complete 15 hours of structured compliance training (e-learning and workshops) annually.
- Remuneration: Balanced scorecard approach (50% quality metrics, 30% compliance, 20% performance) to align with the Consumer Duty.

Quarterly performance reviews ensure staff remain competent, and we maintain training logs in line with SYSC 5.1.

10. Further Information

(SYSC 3.2 – Additional Requirements, GEN 1.2 – Statutory Status Disclosure)

Explanation

Purpose: A catch-all for any additional relevant details, expansions, or clarifications needed for the FCA to see the full scope of your operations.

Why It's Required:

- Provides a place to address anything not covered elsewhere or expansions on unusual aspects of your model.
- Ensures complete transparency, reducing follow-up queries from the FCA.

Key Points for Compliance:

- Clarify exceptional circumstances, e.g., new partnerships, future expansions, and group-level changes.
- Include references to any relevant international operations or cross-border activities.

Checklist

1. Have you addressed all unique aspects of your firm's model (e.g., cross-border deals)?
2. Are there any future expansions or major milestones that could impact the permission scope?
3. Have you included any disclaimers (e.g., disclaiming your statutory status if required under GEN 1.2)?
4. Do you need to mention any material updates since the initial submission?

Example Response

Further Information:

- We are in discussions to expand into bridging finance within 18 months. Once we finalise those plans, a Variation of Permission (VoP) might be needed.
- We plan to open a small representative office in Scotland next year within the existing SM&CR oversight framework.

No other exceptional circumstances or cross-border elements to disclose at this time.