

Interpretive Document

Markets in Financial Instruments Directive
– Annual submission by 50,000 Euro firms
Agreed-upon Procedures

This document sets out the GFSC's expectations in respect of Regulation 75 of the Financial Services (Investment Services) Regulations 2020 as it applies to 50,000 Euro firms, otherwise referred to as Category 3 firms.

The GFSC does not require a specific report for the purposes of meeting Regulation 75 for Category 3 firms. This is on the basis that they are not permitted to conduct the activities set out in Regulation 75. This interpretation will apply to all Category 3 firms, however, should the GFSC believe that this exemption should not apply to a particular firm, for example due to its complexity or size, this will be communicated specifically to the firm.

Should the GFSC have any concerns that there is a breach of client assets rules, it will review this further to understand the issue and this will form part of the GFSC's regulatory work.

As part of its ongoing supervision, the GFSC will request confirmations in relation to client assets.

To Note:

If the return submitted by a firm at its financial year-end differs to the audited financial statements, a revised return reflecting the accurate amounts should be submitted to the Commission along with the audited financial statements. A reconciliation detailing the differences and changes should also be submitted. Where these differences are material, further details should be provided.