



CLIENT GUIDANCE:

FCA Connect notifications for National Private Placement Regimes (NPPRs)

10-minute read





Introduction

Marketing in the UK means a direct or indirect offering or placement, at the initiative of the Alternative Investment Fund Manager (“AIFM”) or on behalf of the AIFM of units or shares of an Alternative Investment Fund (“AIF”) AIF it manages, to or with investors domiciled or with a registered office in the UK.

This document provides a step-by-step guide for AIFM’s to complete a registration for an AIF under the UK’s National private placement regime (NPPR)

Indicative Process

- YOU ARE HERE
 Consult with Khepri on whether notification is required
- Consider which notification type is applicable.
- Compile the requisite information and documentation.
- Complete the FCA Connect Application
- Prepare for new requirements following application acknowledgement

Step-by-Step Guide

Each step is outlined in the following pages:

- 1** Creating an FCA Connect Account >
- 2** Creating an Application >
- 3** NPPR Access Code >
- 4** Selecting Applicable Regulation >
- 5** Regulatory Questions >
- 6** Firm Check with Existing NPPR Managers >
- 7** Information on New Fund >
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What We Offer

Khepri offer a variety of service offerings ranging from the preparation of the notification to the FCA for the AIFM and the associated AIF on your behalf to the production of the Annex IV report and submission to the appropriate regulator. The full range of service offerings can be found in Appendix B

[Go to Appendix B →](#)

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Step 1:

Creating an FCA Connect Account

In order to submit an application, the AIFM is required to have an FCA Connect account.

Registration can be done by anyone and a link to the FCA connect registration page can be found below:

[Registration page →](#)

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Step 2:

Creating an Application

Using your new FCA Connect account, you now need to create an application.

- 1 On the blue bar on the left-hand screen of FCA Connect (you must be logged in to see this) click the **'Start Application'** item.
- 2 On the main panel, scroll down until you reach **'Fund of Fund Managers'**
- 3 Click on to this grey box and then click **'Show more...'**
- 4 Click **Start Application** under the section **'New Notification and Material Change'**

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Step 3:

NPPR Access Code

If you are adding a new fund, submitting a material change or a cease marketing notification then you will need an NPPR Access Code in order to complete the Connect notification.

The NPPR Access Code is specific to each NPPR Manager and will be issued by email when a notification for a new NPPR Manager is submitted in Connect.

Please note that, the FCA can only issue an NPPR Access Code to an email address at the NPPR Manager and cannot issue codes to third parties representing an NPPR Manager.

NPPR Managers who made their notification prior to September 2019 may not have an NPPR Access Code and can call the FCA contact centre:

0300 500 0597

Call FCA from UK

+44 207 066 1000

Call FCA from outside the UK

If you lose your NPPR Access Code, you can request a new one by calling the FCA contact centre at the numbers above.

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Step 4:

Selecting Applicable Regulation

The outcome selector screen will show after you have selected either a new notification or a material change. You will need to select the correct Regulation that applies to your firm. If you are an existing NPPR Manager and select the wrong Regulation you will not be able to proceed with the rest of the notification.

Regulation 57

Applies to full-scope UK AIFM marketing a third country AIF or a UK or Gibraltar feeder AIF of a master AIF, where the master AIF is either a third country AIF or is managed by a third country AIFM. [Read online →](#)

Regulation 58

Applies to small third country AIFM marketing an AIF, irrespective of whether the AIF is a UK AIF, or a third country AIF. [Read online →](#)

Regulation 59

Applies to an above-threshold third country AIFM marketing an AIF, irrespective of whether the AIF is a UK AIF, or a third country AIF. [Read online →](#)

Not sure on what regulation applies to you?

Further information can be found in [Appendix A →](#). If you are still unsure, contact us. You may also want to refer to [FUND 10.5 in the FCA Handbook →](#).

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Step 5:

Regulatory Questions

Following your choice, you will then have to answer a series of subsequent questions in conjunction with the applicable regulation. The questions for each applicable regulation are shown below.

Questions for Firms where Regulation 57 Applies

You must confirm the following:

- The relevant third country where your firm is based is not a Non-Cooperative Country and Territory now referred to by the Financial Action Task Force Jurisdictions subject to a Call to Action

[View this list →](#)

- In order to notify, the firm must be authorised by the FCA as a full-scope UK AIFM with an existing firm reference number. You must confirm that you have this reference number

- That have made the relevant New Fund Under Management notification before submitting this form.

Questions for Regulation 58 and Regulation 59 are on the following page →

Questions for Firms where Regulation 58 Applies

You must confirm if:

1. The AIFM is based in a third country:

You can answer 'Yes' or 'No' to this.

2. The AIFM has an AUM of:

- Below €100m if the AIFs use leverage or
- Below €500m if the AIFs do not use leverage

You can answer 'Yes' or 'No' to this.

3. If AIFM has previously marketed NPPR AIFs in the UK under Regulation 59 or Regulation 57 and now wishes to notify as a small 3rd country:

- A material change form has been submitted to cancel the firm and AIFs notified under those regulations
- Confirmation has been received from the FCA that all previous NPPR notifications and associated NPPR records have been cancelled.

You can answer 'Yes', 'No' or 'Not Applicable' to this.

Questions for Firms where Regulation 59 Applies

You must confirm that:

1. The Home State of the AIFM is a third country

You can answer 'Yes' or 'No' to this.

2. The Home State has a Supervisory Cooperation MoU in place and is not a non-cooperative country, high-risk jurisdiction or jurisdiction subject to a call to action by the Financial Action Task Force (FATF)

You can answer 'Yes' or 'No' to this.

[View this list →](#)

3. The domicile of the AIF also meets all the criteria set out in Q2 above.

You can answer 'Yes' or 'No' to this.

4. If the AIF you intend to market is a feeder AIF

You can answer 'Yes' or 'No' to this.

5. If the AIFM has previously marketed NPPR AIFs in the UK under any other Regulations related to NPPR and now wishes to notify under Regulation 59, you must confirm that:

- A material change form has been submitted to cancel the firm and AIFs under those Regulations
- Confirmation has been received from the FCA that all previous NPPR notifications and associated NPPR records have been cancelled.

You can answer 'Yes', 'No' or 'Not Applicable' to this.

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Step 6:

Firm Check with Existing NPPR Managers

You will be presented with the following question

If you are an existing NPPR Manager, please search using your FRN and NPPR Access Code

You can Answer 'Yes' or 'No' to this question

If you are an existing NPPR Manager you must select 'yes' and provide the FRN associated with your NPPR Manager record. If you continue as a new NPPR Manager this will create a duplicate NPPR

Manager record. This will result in the creation of a new NPPR Manager record with a new Firm Reference Number (FRN) which will cause issues with RegData reporting and additional periodic fees for each NPPR Manager incorrectly created.

If you have forgotten your FRN or NPPR Access code then please contact us.

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Step 7:

Information on New Fund

You will then be asked to provide the following information

- The AIF's Structure
- The AIF's Legal Name
- AIF Code Type
- AIF Identification Code
- Domicile of AIF
- If the AIF uses a Custodian
- If any portfolio or risk management is carried on by a third party
- If the AIF has an independent valuation agent
- If the AIF has an independent transfer agent
- If the AIF uses any prime brokers
- If the AIF uses independent auditors
- If there are any other entities marketing the AIF in the UK
- If the AIF that you wish to market in the UK is a feeder fund

In order to fully answer the questions you will need to have the following information to hand:

- AIF registration number
- AIF domiciliation
- AIF custodian
- 3rd party involvement for portfolio risk management
- Use of independent valuation agent
- Use of independent transfer agent
- List of all other entities (Funds) marketed in the UK
- AUM of the Fund

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Step 8:

Fund Documentation

The following documents would be useful to have on hand when providing the required information

- LPA
- Private Placement Memorandum (or similar)
- Side Letters
- Fund Articles of Association or Partnership Agreement (or similar)
- Subscription Agreements
- AIFMD Article 23 Disclosure Checklist

Our suggestion is that the fund documents should be in near final form when submitting the application as if you make any substantial changes you will have to notify the FCA through the submission of another FCA connect form.

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Step 9:

Payment

Depending on the type of regulation being notified, there is a payment to the FCA for each new standalone or umbrella. There is no additional fee for new sub-funds added to an umbrella.

The payment facility is built into the Connect notification and you will need to enter card details to submit the notification.

[FCA Fee Schedule →](#)

Do not also make a bank transfer as this will result in a duplicate payment.

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Step 10:

Finalisation and Submission

Once the application has been finalised and submitted you will receive a confirmation email from the FCA.

The FCA does not “approve” but rather they send an acknowledgement. The waiting period is usually around 48 hours, after which you are able to market the fund.

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Step 11:

Changes, Amends and Reporting

A notification should be made in Connect to:

1. create a new NPPR Manager; and add new funds, either standalone or new sub-funds to existing umbrellas, to an existing NPPR Manager; and
2. inform the FCA of material changes to the NPPR Manager or the fund; and
3. cease marketing.

Please note that there are reporting obligations for Funds to be aware of once the notification form has been submitted. Further information on those obligations can be found here:

[FCA AIFM Reporting Page →](#)

Application of Rules







The below table applies to the marketing of AIF, where marketing means a direct or indirect offering or placement, at the initiative of the AIFM or on behalf of the AIFM of units or shares of an AIF it manages, to or with investors domiciled or with a registered office in the UK.

Regulation	57	58	59
Application	A Large UK AIFM with a 3rd country AIF or a Gibraltar AIF	Small 3rd Country AIFM, whether the AIF is in the UK or elsewhere. A 3rd country is any place outside the UK (e.g. EU, Asia or USA).	This is where the 3rd Country AIFM is not a Small AIFM.
Cooperation Arrangement needed between UK and other Jurisdiction?	Yes	No	Yes
AIFM Compliance Requirements	Yes A Large UK AIFM with a 3rd country AIF or a Gibraltar AIF	None	Yes See 3.2, 3.3 and 3.4 of the Investment Funds sourcebook ("FUND"). Asset stripping provisions in Part 5 of the AIFM Regulations
Required to consider Financial Promotions Order	Yes for all where a financial promotion is made to an investor in the UK		
Annex IV Required?	Yes	Very Limited	Yes
Investor Disclosure Required	Full	No	Full
KID?	Required if non-Professional Investor. Where Professional defined in Art 4(1)(10) of MiFID.		






What We Offer

Khepri offer a variety of service offerings ranging from the preparation of the notification to the FCA for the AIFM and the associated AIF on your behalf to the production of the Annex IV report and submission to the appropriate regulator.

The full range of service offerings are listed below:

 <p>Review and commentary on your AIFM Compliance pre-application</p>	 <p>Preparation of your AIFMD Article Disclosure Checklist</p>
 <p>Preparation of the FCA Application</p>	 <p>Responding to FCA Queries</p>
 <p>Review or Drafting of your Key Information Document (KID)</p>	 <p>Guidance on Annex IV Reporting</p>

Let's Connect

 <p>Visit our LinkedIn</p> <p>For punchy regulatory updates relevant to funds.</p> <p>Visit →</p>	 <p>Visit our website</p> <p>to learn more about our team and our services.</p> <p>Visit →</p>	 <p>Key Contact</p> <p>Mike Booth Managing Partner for Regulatory Solutions</p> <p> </p>
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