

FCA application - Suggested section headings when completing a Regulatory Business Plan

1. Executive Summary

A brief overview of the business, its structure and strategy, the products offered, the target market and the rationale for the type of authorisation applied for.

2. Background and Introduction

Annual consumer credit income	
Number of customers at authorisation	
Number of customers expected 12 months after authorisation	

Type of Application and regulated activities undertaken

Strategic Objectives

Business rationale

Overview of the business, what it does, number of customers etc.

Our business philosophy, e.g. Values, Vision

3. Our Approved Person(s)

4. Our Structure

- Ownership structure
- Legal structure
- Governance and Committee Structure
- Personnel and Reporting Lines

5. How we meet the Threshold Conditions

Location of Offices

Effective Supervision

- Nature of Business
- Complexity of Products
- Firm’s Organisation
- Group Membership
- Close Links

Appropriate Resources

- Appropriateness in relation to regulated activities

- Nature and scale of activities
- Financial resources
- Provisions
- Prudential considerations
- Group relationships
- Non-financial resources
- Skills and experience of management
- Risks to FCA

Suitability

- Skills, experience and probity of management
- How the business is run in an appropriate manner

Business Model

- Suitability of the Business Model for carrying out regulated activities
- Business Model assumptions
- Rationale and sustainability of cash-flows
- Needs of and risks to customers
- Stakeholder and regulator expectations
- Product strategy
- Governance
- Growth and any diversification strategy
- The external environment

6. Financials and viability

Funding Model

Sources of income

Business Overview (*Volumes, products (types, terms, level of service), channels*)

Financial details and projections

- 3 year Summary
- Balance Sheet (opening and forecast)
- Operating Income
- Operating Profit
- Profit and Loss
- Cash Flow
- Latest Management Accounts
- Outlook – 3 year

7. Growth strategy and risks

- Product Strategy
- Long-term Strategy and Expansion Plans
- Approach to Diversification
- Key business risks

8. Our products

- Current products
- Product design and development
- Marketing and financial promotions

9. Customer needs and risks

Delivery of Fair Outcomes

How the fair treatment of customers has been considered in the development of the business plan?

Customer Centric Culture

How senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?

Customer Base

Who the customer base is, their average profile, their needs, their difficulties and the appeal of the product, customer demographics etc.

Customer needs

Product Suitability

Affordability

Vulnerable customers

Key risks to customers

10. Sales channels and the sales process

- What does a typical sale look like?
- Documents used
- Software and systems
- Finance house involvement

11. Business acceptance processes and criteria

- Underwriting process
- Credit scorecard
- What happens if customers are not accepted?

12. Risk Management and Controls

- Systems and Controls
- Three Lines of Defence
 - Quality assurance

- Arrangements for Compliance
 - Internal audit
 - Risk Management
- 13. Complaints**
- 14. Business Security and Financial Crime**
- Fraud
 - Anti-Money Laundering
 - Data Security
 - Data Protection
 - Information Security
 - Anti-Bribery
 - Whistleblowing
- 15. IT and systems**
- 16. Business continuity**
- 17. Training and Competence**
- 18. Incentives and remuneration**
- 19. Third party relationships/Outsourcing**
- 20. Other**

Appendices and supporting documentation

THE CONTENT OF THIS DOCUMENT IS FOR INFORMATION ONLY AND DOES NOT CONSTITUTE LEGAL ADVICE. IF LEGAL ADVICE IS REQUIRED, BUSINESSES SHOULD CONSULT THEIR OWN LAWYERS

Hyundai Capital UK Limited, 86 Station Road, Redhill, Surrey RH1 1SR. Tel: 0173 730 8650. Email: contact@hyundaicapital.co.uk

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