



INCUBATION SERVICES

This service is appropriate for clients that wish to become fully FCA authorised and regulated in due course, but wish to continue with investment business whilst their application is in progress. It is understood that these clients will ultimately become regulated and so they will become the regulated operator for the new investment schemes in due course. However, we have been successful in the past in retaining an on-going role as administrator because such clients have valued our experience and quality of service.

The Client

Gallium can assist many different types of client e.g. property managers, asset managers, hedge fund managers, private wealth managers, advisory firms or distributors. Typically, they are looking to bring their product/services/fund to market quickly and cost efficiently but are not FCA regulated and do not possess the necessary compliance expertise in-house.

A client might consider the incubation service for a variety of reasons:

- Applying to carry out regulated activities is a specialised and time consuming process.
- They may wish to commence the regulated activity immediately or in the near future and wish to avoid the lengthy delay due to the application process to the FCA.
- A firm may wish to benefit from the expertise and practical experience of Gallium.
- A client may wish to supplement their own resources to assist with the application process.
- The client may be looking to reduce the time and expense of proceeding with the FCA application on their own.

If you are such a potential client, then Gallium can assist you to achieve your aims by enabling you to become an appointed representative of Gallium and by providing the necessary compliance expertise and over-sight to enable you to proceed with your business plans. In addition, we will provide assistance with your own FCA application and your compliance systems and procedures.

The Service

We provide an “umbrella” service enabling the client companies to become appointed representatives of Gallium, within the meaning of section 39 of FSMA. These client companies then nominate approved persons to perform certain services within an appointed representative agreement, including promoting investment in the schemes and providing investment advice.

We remain responsible for the compliance procedures and we provide guidance in respect of the maintenance of compliance reports and the adverts register. We also conduct regular reviews, in agreement with

the appointed representative, to ensure that the compliance procedures are properly implemented. This service means that the appointed representatives are not required to provide financial returns to the FCA or to maintain capital adequacy requirements. They are able to spend the necessary time to establish their product or service and benefit from our compliance expertise and over-sight.

We also assist such clients to create their own compliance manuals, ICAAP, disaster recovery plans and FCA risk assessments. This enables such clients to proceed with their own FCA application. We can also introduce specialist legal advisers and compliance service advisers if you require additional assistance.

How Does the Client Benefit from Gallium’s Incubation Services?

- Gallium will take regulatory responsibility for your firm and approved persons whilst allowing your firm to retain its own identity and control.
- Becoming regulated by the FCA can take up to 6 months, Gallium’s incubation service can provide a regulatory umbrella in a matter of weeks allowing you to begin marketing and operating faster than the FCA authorisation process would allow. You can then proceed with your own FCA application in your own time.
- Administrative duties are reduced; Gallium will provide you with the required compliance policies, procedures and all FCA regulatory filings will be submitted by us until you become regulated in your own right.
- The client has access to Gallium’s experience and expertise.

The Process of Becoming an Appointed Representative of Gallium

- Gallium is required to complete the necessary KYC checks for appropriateness.
- Upon successful completion of this process you will be asked to execute an appointed representative agreement with Gallium. (Details of this agreement are set out below).
- We will ask you to supply us with the necessary information to complete the FCA application for appointed representative status for your firm.
- You will need to provide details and KYC for those individuals who will become approved persons (individuals who will represent your company under the umbrella of Gallium’s regulated status).





- When the FCA has approved the application to become an appointed representative of Gallium we will submit the application for approved persons.

The Appointed Representative Agreement:

The agreement sets out arrangements between Gallium and its appointed representative. The arrangements include the following:

- Gallium will take regulatory responsibility for your firm and approved persons.
- The client becomes an appointed representative of Gallium within the meaning of section 39 of FSMA.
- Gallium permits the appointed representative to perform certain activities under its own authorisation with the FCA including:
 - provide certain investment advice
 - arrange (bring about) transactions in certain investments
 - make arrangements with a view to transactions in investments
 - communicate and approve financial promotionsprovided that all such activities are carried on in accordance with the rules of the FCA and FSMA.
- The client may not act as an appointed representative or approved person for any other principal or firm.
- Gallium will provide the client with the required compliance policies, procedures and documentation.
- Gallium will monitor and review all regulated activities carried out by the appointed representative.
- The client will not appoint sub-agents or approved persons without the authority of Gallium.
- The client will provide Gallium with the name and details of all the funds/products/services that the appointed representative intends to promote under the agreement.
- The client will submit all financial promotions in respect of funds/products/services to Gallium prior to their distribution for verification purposes.

- The appointed representative agrees and declares that it shall observe, perform and comply with the lawful direction and instruction issued by Gallium in respect of the regulated activities.
- The appointed representative agrees that it shall at all times conduct itself and do all things to the best of its ability, skill and judgement and generally act in a lawful manner.
- At all times the appointed representative shall abide by, and ensure that its staff also abides by, the rules of the FCA.
- Any correspondence, business cards or other literature issued under the name of the appointed representative in the course of undertaking the regulated activities must clearly state that the appointed representative represents Gallium.

Assistance with the full FCA Application

We will also assist clients to prepare their own full application to the FCA to become regulated in their own right. We will assist clients with the completion of their application form and with the preparation of the following additional manuals and documents:

- compliance manual.
- ICAAP.
- disaster recovery plan.
- winding-up analysis.
- FCA risk assessments.

We can also introduce specialist legal advisers and compliance service advisers if clients require additional assistance.

Why Gallium?

- Gallium has provided an incubation service to clients for several years.
- Gallium has practical experience and an awareness of client's regulatory needs in the commercial world.

Gallium's FCA permissions are broad, which allow Gallium to fulfil a variety of roles

Next Step

If you are interested in the incubation services then please contact us to obtain further information and to arrange a meeting to discuss your requirements in more detail.



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