

**Professional firms**

## Chapter 5

# Non-mainstream regulated activities

## 5.1 Application and purpose

### Application

- 5.1.1 **R** This chapter applies to an *authorised professional firm* that carries on *non-mainstream regulated activities*.

### Purpose

- 5.1.2 **G** This chapter:
- (1) contrasts "*exempt regulated activities*" with "*non-mainstream regulated activities*";
  - (2) sets out the conditions which must be satisfied for a *regulated activity* of an *authorised professional firm* to constitute a *non-mainstream regulated activity*;
  - (3) refers to other parts of the *Handbook* in which provisions are disapplied or modified in relation to *authorised professional firms* when carrying on *non-mainstream regulated activities*;
  - (4) gives effect to the *Distance Marketing Regulations* with respect to the *non-mainstream regulated activities* of *authorised professional firms*.

### Exempt regulated activities contrasted with non-mainstream regulated activities

- 5.1.3 **G**
- (1) The *FCA's* policy is designed to provide so far as possible a level playing field for authorised and unauthorised members of the professions in relation to the carrying on of similar activities.
  - (2) Subject to conditions (see **PROF 2**), members of *designated professional bodies* that are not authorised can carry on particular *regulated activities*, known as *exempt regulated activities*, and obtain the benefit of the exemption under section 327 of the *Act* from the *general prohibition*.
  - (3) In contrast, *non-mainstream regulated activities* are particular *regulated activities* carried on by an *authorised professional firm*. If the *professional firm* were not authorised under the *Act*, these same activities would be *exempt regulated activities* which, if the *firm* could meet the necessary conditions in section 327, would enable it to benefit from the section 327 exemption.

(4) Therefore, a number of provisions of the *Handbook* (see ■ PROF 5.3) have been disapplied or modified in respect of these *non-mainstream regulated activities of authorised professional firms*.

**5.1.4**

**G**

A "*non-mainstream regulated activity*" is defined in the *Glossary* as "a *regulated activity of an authorised professional firm* in relation to which the conditions in ■ PROF 5.2.1 R are satisfied". Conditions (1) to (6) of ■ PROF 5.2.1 R replicate section 327(1)(b)(i), (3), (4), (5) and (6) of the *Act*, as if those conditions applied to an *authorised professional firm*.