

# RMAR

(Retail Mediation  
Activities Return)

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*RMA Data Items  
help and guidance  
for Small Retail Firms*

Includes:

- Useful help and guidance
- Key tips on completing the RMA Data Items



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## ***Welcome to this RMAR guide***

The RMAR is an important tool enabling the FSA to supervise small firms efficiently and effectively. Providing you with the assistance and support to complete the RMAR is an objective of the FSA.

We appreciate that the RMAR can be time consuming to complete and that firms sometimes require assistance. We have therefore put together this booklet, containing help and advice on each Data Item of the RMAR. We have also included links to relevant pages of the FSA website to give you further guidance.

Throughout this booklet we will be referring to “Data Items” which were previously known as “Sections” within Firms Online.

We hope you will find this booklet useful. However if you have further questions when completing your firm’s RMAR, please contact our Customer Contact Centre on 0845 606 9966.

Please note that this guide should not be taken as altering the application or meaning of any part of the FSA handbook.

## **General GABRIEL guidance**

### **Once logged into GABRIEL:**

The first screen you are taken into is the reporting schedule. All returns are listed on this screen – present and future. The far right column will indicate what status the return is in e.g. Overdue which will be in red, Ready to complete which will be in green.

### **To submit your return**

You must have completed and validated every Data Item in your return. Each Data Item can be submitted separately, unless it needs to be cross validated with another Data Item, for example RMA-A and RMA-D. There is a tick box alongside each Data Item, at least one of these needs to be selected (ticked) when cross validating.

### **Error messages**

When validating, if any system errors have been made by the firm an error message appears in red, at the top of the screen, in the relevant data item.

### **To confirm that you've submitted your RMAR**

The 'View Submission History' link on the left-hand side of the screen lists all previous RMARs submitted.

### **To print your returns**

Click on the 'Print' link at the top of the screen.

## ***Data Item RMA-A: Balance Sheet***

The Balance sheet must be completed in line with General Accepted Accounting Principles (GAAP).

Some of the key terms in the Balance Sheet are:

**Tangible assets** = Assets that have physical substance. For example, buildings and equipment

**Intangible assets** = Assets that are not physical. For example, copyrights and patents

**Net current assets** = Total current assets minus Total amounts falling due within one year

**Net assets** must be the same as the 'Total capital' answer

A glossary definition to each field in the Balance Sheet is available using the following link:

[http://www.fsa.gov.uk/pages/Doing/Regulated/Firms/pdf/bs\\_glossary.pdf](http://www.fsa.gov.uk/pages/Doing/Regulated/Firms/pdf/bs_glossary.pdf)

### **Including goodwill within capital resources:**

Since 14 January 2008 firms conducting insurance mediation and/or mortgage activities have to meet the capital resources requirement after deducting goodwill to arrive at their capital resources. There is more information on the FSA website at:

[www.fsa.gov.uk/pages/Doing/small\\_firms/insurance/library/goodwill.shtml](http://www.fsa.gov.uk/pages/Doing/small_firms/insurance/library/goodwill.shtml)

## **Data Item RMA-B: Profit & Loss Account**

The Profit & Loss Account should be reported on a cumulative (i.e. 'year to date') basis throughout the firm's current financial year. Therefore, firms submitting half yearly should report income over 6 months on the half year return and 12 months income on the end of year return.

Some of the key terms in the Profit & Loss Account are:

### **'Gross' & 'Net' figures:**

For mortgage and general insurance business, firms must add their 'gross' commissions to their 'fees' and 'other income'.

For investment business, firms need to add their 'net' commissions to their 'fees' and 'other income'.

### **'Other income (regulated activities)'**

This is any income that has derived from the relevant regulated activities, which has not been recorded under commissions or fees. For example, interest on client money or payments made by product providers other than fees or commissions.

### **'Other Revenue (income from non-regulated activities)'**

Gross revenue arising from the firm's non-regulated activities, if any, should be entered here.

## ***Data Item RMA-C: Client Money and Assets***

If your firm does not hold client money you are still required to complete the final question 'Does the firm hold any client assets (other than client money)?'

If your firm has only one client account you should only enter a figure in either '**credit**' or '**debit**' (not both fields).

If your firm operates a segregated trust please ensure that information is entered in the correct field, statutory/non-statutory.

To find out more a link to the client money guide for General Insurance firms is provided below:

[http://www.fsa.gov.uk/pubs/other/client\\_Money\\_Guide.pdf](http://www.fsa.gov.uk/pubs/other/client_Money_Guide.pdf)

## **Data Item RMA-D**

### **RMA-D1: Regulatory Capital & Financial Resources**

Firms are subject to FSA capital resources requirements and therefore must provide information in RMA-D, unless the FSA has granted a specific exemption.

**If you feel your firm is exempt from FSA capital resources requirements, please contact the Customer Contact Centre on 0845 606 9966 before completing RMA-D1 of the RMAR.**

### **Base requirement (Mortgage and Non-investment Insurance Activities)**

If your **firm does not hold client money**, the base requirement is the greater of £5,000, or 2.5% of the firm's annual income derived from the firm's insurance mediation activity, mortgage and other home finance business.

If your **firm holds client money** and operates a statutory trust, the base requirement is the greater of £10,000, or 5% of your firm's annual income derived from general insurance and/or mortgage/other home finance business.

If your firm operates a non-statutory trust, the base requirement is the greater of £50,000, or 5% of your firm's annual income derived from general insurance, mortgage/other home finance business.

### **Capital Requirements**

If your firm holds capital to cover increased excess relating to its Professional Indemnity Insurance this should be indicated against the question '**Additional capital requirements for PII**'.

Your firm's '**Total capital requirement**' is the sum of '**Capital requirement**' + '**other FSA capital requirements**' + '**additional capital requirements for PII**'.

## **Total Capital Resources**

Your firms' **'Total Capital Resources'** are calculated within RMA-D, under **'Eligible capital (mortgage and non-investment insurance)'**. These figures should be transposed from RMA-A, the Balance Sheet.

The **'Total Capital Resources'** are entered twice in RMA-D1. The figure in Q9 should be equal to the total given in Q32 or Q39.

## **RMA-D2: Regulatory Capital & Financial Resources**

Personal Investment Firms are required to complete this data item.

## ***Data Item RMA-E – Professional Indemnity Insurance (PII) Self-Certification***

All firms are required to take out and maintain Professional Indemnity Insurance (PII) and therefore provide full information in this Data Item, unless the firm has been granted a specific exemption.

If you consider your firm is exempt, please contact our Customer Contact Centre on 0845 606 9966

### **What is Professional Indemnity Insurance?**

Professional indemnity insurance is designed to cover businesses should they be pursued by third parties who claim to have suffered a loss as a consequence of negligence.

### **What should I put under the question 'Has the firm renewed its PII cover since the last reporting date?'**

You should answer **'Yes'** to this question if:

1. your firm has renewed its Professional Indemnity Insurance within the reporting period;
2. this is your firm's first RMA-E. This will enable your firm to provide details of its Professional Indemnity Insurance electronically;
3. your firm's policy details have changed within the reporting period.

You should only answer **'No'** if you have not renewed your firms PII cover during this reporting period. When answering no to question 3, you are NOT required to answer questions 4-10.

### **What should I put under 'PII basic information'?**

You should review your policy documents and provide the data elements requested.

**What should I put under 'PII detailed information'- policy excess?**

You should review your policy documents to identify the standard policy excess and any increased excesses that apply to specific lines of business. If your policy has any increased excesses, insert the business type covered by the increased excess and then the excess figure.

**What should I put under 'Annual income as stated on the most recent proposal form'?**

The figure entered in Question 5, is determined by firm type for a personal investment firm, this is the relevant income arising from all of the firm's activities for the last accounting year before the policy began or was renewed.

For insurance intermediaries and mortgage and home finance intermediaries, this is the annual income given in the firm's most recent annual financial statement from the relevant FSA regulated business activities.

**What should be entered under 'Amount of additional capital required for increased excess(es)'?**

If you have recorded increased excesses, you will need to calculate your firm's additional capital requirement against the highest excess amount.

A link to the PII excess calculator is provided below:

<http://www.fsa.gov.uk/Pages/Doing/Regulated/Firms/help/rmar/index.shtml#pii>

The calculated figure should also be added to RMA- D1, when calculating the firm's capital requirement against the question 'Additional capital requirements for PII'.

**What should I put in PII detailed information – Policy exclusion(s)?**

We only expect information regarding exclusions from a PII policy for business types the firm currently undertakes, may undertake, or has undertaken in the past. If the firm has an exclusion, for example for split capital investment trusts, but has not and does not intend to undertake the business, this exclusion does not need to be included in the answer to this question.

**What is the total amount of additional own funds required for policy exclusions?**

If you have recorded policy exclusions, you will need to calculate any additional capital (own funds) requirements to cover the risk attached to the exclusion. This will depend on the individual circumstances of the firm and the nature of the exclusion.

**The following questions apply to Personal Investment Firms only:****What should be recorded under total of additional own funds required?**

Please insert the total amount of additional own funds required for exclusions (if any) and add this to the total of additional own funds for noncompliant policy excesses. You also need to record this figure in RMA-D1.

**What are readily realisable own funds?**

The FSA's rules require that additional own funds to mitigate non-compliant policy excesses and policy exclusions are held in a readily realisable form. Items included in own funds are regarded as 'readily realisable' if they can be realised, at any given time, within 90 days.

## **Data Item RMA-F, G, H, I and J**

### **RMA-F: Threshold Conditions Data**

Firms must complete each of the sub-headings; close links and controllers.

### **RMA-G: Training & Competence**

If you are a sole trader and are giving advice, you should include yourself in the 'Number of staff that give advice'.

### **RMA-H: COB Data**

An Appointed Representative (AR) acts as an agent for the Principal. The Principal must be a firm that is FSA authorised and there must be a written contract between the Principal and the AR. For further information, a link to the AR factsheet is below:

[http://www.fsa.gov.uk/pubs/other/factsheet\\_appointed.pdf](http://www.fsa.gov.uk/pubs/other/factsheet_appointed.pdf)

### **RMA-I: Supplementary Product Sales Data**

Data in this section should be reported in relation to new sales only, i.e. excluding renewals and top-ups

#### **(i) non-investment insurance product information**

You are asked to provide aggregate data on advising and arranging activities (for non-investment insurance contracts with retail customers). The information required is an indication of the product types in which the firm has been active during the reporting period, and a further indication of how significant this activity is (i.e. whether it forms more than 40% by premium of all of the firm's retail non-investment insurance activities)

This information enables us to ascertain the importance of each product type to the firm and to target thematic work in this area.

**(ii) non-investment insurance chains**

A chain is where a non-investment insurance firm passes their business to another intermediary rather than directly to the product provider. Product Sales Data only identifies the firm that has submitted the business to the product provider, although this may not necessarily be the intermediary that originated the sale.

**Critical Illness**

All critical illness sales i.e. both standalone products and sales as rider benefit to other policies should be disclosed. If critical illness is sold as a rider benefit to another product type, for example term assurance policy, that transaction is reported under the product type 'Critical illness' and the other relevant product type.

***RMA-J: Data Required for Calculation of Fees***

**Mortgage and general insurance intermediaries** are required to enter income figures in the 'FSA' boxes only.

**Retail investment firms** should enter the number of approved persons at the firm within the 'FOS' box only.


Your firm is required to complete this Data Item once a year. To find out when please use the table within the 'help' notes of the RMAR, using the 'help' link below:

<http://www.fsa.gov.uk/Pages/Doing/Regulated/Firms/help/rmar/#j>

## ***Need further help?***

There are several sources of help to complete your firm's RMAR.

### **Online RMAR**

Don't forget each Data Item of the RMAR has a help page. You can find the 'Help' link at the top of each Data Item. In addition, there are help links alongside some of the questions; this is indicated with a question mark 

### **E-learning packages**

You will be able to obtain access to the Gabriel online training package at: <http://www.fsa.gov.uk/Pages/Doing/Regulated>Returns/IRR/gabriel/training>

Other FSA interactive e-learning packages are available online at: [www.fsa.gov.uk/Pages/Doing/training/index.shtml](http://www.fsa.gov.uk/Pages/Doing/training/index.shtml)

This includes an RMAR package, relevant to all mortgage and general insurance intermediaries and personal investment firms who submit the RMAR. It is aimed at smaller firms, but is relevant to anyone who has responsibility for collecting and submitting data to the FSA and anyone within a firm who needs to understand what information we will be collecting and why. The course costs £5 per person.

### **Customer Contact Centre**

If you have any queries contact our Customer Contact Centre on 0845 606 9966.





