



## Appendix 1 INVESTOR CERTIFICATION

### **\*Self-Certification as a High Net Worth or Sophisticated Investor: Financial Services and Markets Act 2000 (Financial Promotion and Promotion of Collective Investment Schemes) (Miscellaneous Amendments) Order 2005**

In terms of the Financial Services and Markets Act 2000 ("FSMA") and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) ("FSMAO"), individuals seeking to make angel investments in SMEs are required to provide evidence that they are either a "certified high net worth individual", "self-certified sophisticated investor" or a "certified sophisticated investor". If you are in either of these categories then you are exempt from the provisions of the FSMA.

### **To satisfy the requirements of the FSMA you must satisfy one of the following three options:**

#### **1. Certified High Net Worth Individual**

I confirm that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means:- (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority; (b) the content of such financial promotions may not conform to rules issued by the Financial Conduct Authority; **(c) by signing this statement I may lose significant rights;** (d) I may have no right to complain to either of the following: (i) the Financial Conduct Authority; or (ii) the Financial Ombudsman Scheme; and (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because **at least one of the following applies:-**

(a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more; or (b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more.

"net assets" for these purposes do not include:- (i) the property which is my primary residence or any loan secured on that residence; (ii) any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or (iii) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

**I accept that I can lose my property and other assets from making investment decisions based on financial promotions.**

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

**Or:**

## **2. Statement for Self-Certified Sophisticated Investor**

I confirm that I am a self-certified sophisticated investor for the purposes of the Financial Services and Markets Act (Financial Promotion) Order 2005.

I understand that this means: (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority; (b) the content of such financial promotions may not conform to rules issued by the Financial Conduct Authority; **(c) by signing this statement I may lose significant rights;** (d) I may have no right to complain to either of the following:- (i) the Financial Conduct Authority; or (ii) the Financial Ombudsman Scheme; and (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a self-certified sophisticated investor because **at least one of the following applies:-** (a) I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below; (b) I have made more than one investment in an unlisted company in the two years prior to the date below; (c) I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises; (d) I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.

**I accept that I can lose my property and other assets from making investment decisions based on financial promotions.**

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

**Or:**

## **3. Statements for Certified Sophisticated Investor**

### **Part 1 – Statement by the investor:**

I confirm that I am able to receive promotions which are exempt from the restrictions on financial promotion in the Financial Services and Markets Act 2000. The exemption relates to certified sophisticated investors and I declare that I qualify as such in relation to investments of the following kind: **investments in unquoted private companies and unquoted public companies.** I accept that the contents of promotions and other material that I receive may not have been approved by an authorised person and that their content may not therefore be subject to controls which would apply if the promotion were made or approved by an authorised person. I am aware that it is open to me to seek advice from someone who specialises in advising on this kind of investment.

### **Part 2 – Certification by an Authorised Person advising the investor:**

An “authorised person” in terms of the Financial Services and Markets Act 2000 must certify that the person who has signed the above statement (in Part 1) is a “sophisticated investor” in terms of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.