

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Text with EEA relevance)

TITLE IV

INITIAL CAPITAL OF INVESTMENT FIRMS

Article 29

Initial capital of particular types of investment firms

1 An investment firm that does not deal in any financial instruments for its own account or underwrite issues of financial instruments on a firm commitment basis, but which holds client money or securities and which offers one or more of the following services, shall have initial capital of EUR 125 000:

- a the reception and transmission of investors' orders for financial instruments;
- b the execution of investors' orders for financial instruments;
- c the management of individual portfolios of investments in financial instruments.

2 The competent authorities may allow an investment firm which executes investors' orders for financial instruments to hold such instruments for its own account if the following conditions are met:

- a such positions arise only as a result of the firm's failure to match investors' orders precisely;
- b the total market value of all such positions is subject to a ceiling of 15 % of the firm's initial capital;
- c the firm meets the requirements set out in Articles 92 to 95 and Part Four of Regulation (EU) No 575/2013;
- d such positions are incidental and provisional in nature and strictly limited to the time required to carry out the transaction in question.

3 Member States may reduce the amount referred to in paragraph 1 to EUR 50 000 where a firm is not authorised to hold client money or securities, to deal for its own account, or to underwrite issues on a firm commitment basis.

4 The holding of non-trading-book positions in financial instruments in order to invest own funds shall not be considered as dealing for its own account in relation to the services set out in paragraph 1 or for the purposes of paragraph 3.