

Changes to Investor Rights Explainer

HM Treasury have implemented some key proposals in the Financial Promotion Order (FPO) that are relevant to investor protections. Floww (Floww Markets, the Firm) is committed to keeping investors informed of all major changes; this document sets out in more detail what has changed and what this means for you as an investor from 31 January 2024 onwards.

[Consultation response document - updates to financial promotion exemptions.pdf \(publishing.service.gov.uk\)](#)

Financial promotion exemption

The FPO allows a Firm to operate under an 'exemption' when presenting financial promotions to eligible investors, e.g. investors that have the knowledge and/or experience to invest in private markets.

This allows information to be presented without full financial promotion sign off. The Disclaimer clearly states that the investor understands they may receive financial promotions that have not been approved by a person authorised by the Financial Conduct Authority (FCA) and that this means that they may lose significant investor rights.

From 31 January 2024 the FPO will increase the threshold at which eligible investors may access financial promotions under this Disclaimer. **This increase in thresholds would have resulted in some investors being unable to continue to access promotions on the Floww Platform.**

To ensure that investors can continue to access financial promotions on the platform, Floww Markets Limited will no longer be relying on the Financial Promotion Order (FPO) Disclaimer.

What has changed?

From 31 January 2024 Floww will be signing off all financial promotions and no longer relying on the use of the FPO disclaimer. As Floww is already fully authorised and regulated by the Financial Conduct Authority [FRN 980098] we are permitted to sign off on financial promotions.

What does this mean for Self-Certified Sophisticated Investors?

Investors will

- Receive promotions approved by Floww Markets that meet FCA Financial Promotion rules;
- No longer be required to accept the FPO Disclaimer prior to accessing each fundraise;
- Have an updated investor certificate that can be found at the close of this explainer document;
- **Would likely be considered as eligible complainants by the Financial Ombudsman Service (FOS); and**
- Importantly investors will be able to continue to access opportunities through the Platform.

Certificate changes

Your previous certificate stated that you may have no right to complain to either the FCA or the FOS or may have no right to seek compensations from the financial services compensation scheme (FSCS). Your new certificate from 31 January 2024 will no longer contain this wording due to potential eligibility for increased investor protections.

Please see below the new certificate for all SCSi.

SELF-CERTIFIED SOPHISTICATED INVESTOR STATEMENT
<p>Please confirm whether you qualify as a self-certified sophisticated investor on the basis that A, B, C or D apply to you.</p> <p>In the last two years have you:</p> <p>A) worked in private equity or in the provision of finance for small and medium enterprises?</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, what is/was the name of the business or organisation? _____</p> <p>B) been the director of a company with an annual turnover of at least £1 million?</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, what is/was the name of the company? _____</p> <p>C) made two or more investments in an unlisted company?</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, how many investments in unlisted companies have you made in the last two years? _____</p> <p>D) been a member of a network or syndicate of business angels for more than six months?</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, what is the name of the network or syndicate? _____</p> <p>OR</p> <p>E) None of these apply to me.</p> <p><input type="checkbox"/> Yes</p>
<p>I accept that being a self-certified sophisticated investor will expose me to promotions for investments where there is a significant risk of losing all the money I invest. I am aware that it is open to me seek advice from someone who specialises in advising on [type of investment] [Note 1].</p> <p>Signature: _____</p> <p>Date: _____</p>

What is the Financial Ombudsman Service (FOS)

- The FOS is independent of Flowww Markets; as an eligible complainant you are now able to refer your complaint to the FOS for independent review, in the case that Flowww Markets is unable to resolve this within the required timeframe or to an outcome that you deem satisfactory. Further information regarding the FOS can be found on its [website](#).

Help Centre

If you are unclear on any of these changes and/or would like further information, please reach out to Support@flowww.io. Our team is happy to help.