

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 High Net Worth Investors (HNWI)?

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 HNWI.

HIGH-NET-WORTH INVESTOR STATEMENT
<p>Please confirm whether you qualify as a high-net-worth investor on the basis that A or B apply to you.</p> <p>In the last financial year did you have:</p> <p>A) an annual income of £100,000 or more? Income does NOT include any one-off pension withdrawals.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your income (as defined above) to the nearest £10,000 in the last financial year _____</p> <p>B) net assets of £250,000 or more? Net assets do NOT include: your home (primary residence), your pension (or any pension withdrawals) or any rights under qualifying contracts of insurance.</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p> <p>If yes, please specify your net assets (as defined above) to the nearest £100,000 in the last financial year _____</p> <p>OR</p> <p>C) None of these apply to me.</p> <p><input type="checkbox"/> Yes</p>
<p>I accept that being a high-net-worth investor will expose me to promotions for investment where there is a significant risk of losing all the money I invest. I am aware that it is open to me to seek professional advice before making any investment in a high-risk investment.</p> <p>Signature:</p> <p>Date:</p>

What is the Financial Ombudsman Service (FOS)?

- The FOS is independent of Floww Markets; as an eligible complainant you are now able to refer your complaint to the FOS for independent review, in the case that Floww 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@floww.io. Our team is happy to help.