



Direction

To: Mako Financial Markets Partnership LLP
Mako Fixed Income Partnership LLP
Mako Global Derivative Partnership LLP
Mako Investment Managers LLP
(Together "the firms")

Ref: **235827**
252151
252152
252155

Of: 25 Christopher Street
London
EC2A 2BS

Date: **27 April 2004**

Handbook Version as in force at the date of this Direction

Power

1. This direction is given by the *FSA* under section 148 of the *Act*.

Duration

2. This direction takes effect from the date of this notice

Rules Modified

3. The *FSA* directs that *rule* IPRU (INV) 10-201 R be modified and SUP 16.7.33(d) be waived. The modifications listed below in the table apply to the firms.

Rule	Modification
IPRU (INV) 10-201 R	A <i>firm</i> must calculate the externally generated <i>financial resources</i> of its group <u>using conventional accounting rules to consolidate balance sheets (including the netting of balances between companies included in the consolidation). Externally generated financial resources is defined as per IPRU(INV) Table 10-62(2)A.</u> as the sum of: (a) the <i>financial resources</i> of the most senior undertaking in the group calculated in accordance with Table 10-62(2)A, except material holdings in credit institutions and financial institutions in the group and deficiencies in subsidiaries need not be deducted; and (b) for each subsidiary or participation, the group's share of the <i>financial resources</i> of the subsidiary or participation, calculated in accordance with Table 62(2)A, which was not provided by undertakings within the group subject to consolidated supervision, provided that: (i) these <i>financial resources</i> are freely transferable and suitable for the purposes of covering the group's <i>financial resource requirement</i>; or (ii) if not, they are limited to the value of the subsidiary's or participation's financial resources requirement from which they originate.

Interpretation

- Interpretative provisions (including definitions) of the *Handbook* apply to this direction in the same way as they apply to the *Handbook*.

Uche Iwuchukwu (Mr)
Central Waivers Team
Financial Services Authority