**Flowchart – assumption of risk**

The assumption of risk as aligned with conduct – as determined under Step 4(i) – is recognised as being the same as the assumption of risk determined by control and financial capacity to bear that risk. *(****para 1.94****)*

*- Other parties exercising control are appropriately remunerated.* *(****para 1.105****)*

The risk is allocated to whichever of those parties exercises the most control. (***para1.98****)*

*- Other parties exercising control are appropriately remunerated.* *(****para 1.105****)*

**NO**

**YES**

In such exceptional circumstances, the risk should be allocated to the appropriate party based on a rigorous analysis of the relevant facts and circumstances. (***para 1.99***)

Is there another party (or parties) within the group which both:

1. exercises control, and

(b) has the financial capacity to bear the risk? *(****para 1.98****)*

**NO**

**YES**

Does the party (or parties) which assumes the risk under the contract as aligned with conduct both control the risk and have the financial capacity to bear it?