

Code of Conduct (COCON)

## Chapter 2

# Individual conduct rules

## 2.3 Firms: training and breaches

- 2.3.1** **G** Under section 64B of the *Act*, an *SMCR firm* must:
- (1) ensure that all *persons* subject to the *rules* in *COCON* are notified of the *rules* that apply to them; and
  - (2) take all reasonable steps to ensure that those *persons* understand how the *rules* in *COCON* apply to them.
- 2.3.2** **G**
- (1) The steps that an *SMCR firm* must take to ensure that its *conduct rules staff* understand how the *rules* in *COCON* apply to them include the provision of suitable training.
  - (2) Suitable training should always ensure that those who are subject to the *rules* in *COCON* have an awareness and broad understanding of all of the *rules* in *COCON*, and that they also have a deeper understanding of the practical application of the specific *rules* which are relevant to their work.
  - (3) For example:
    - (a) for individuals who trade in the markets, *rule 5* in **■ COCON 2.1.5R** may apply in various circumstances arising in the individual's day-to-day activities and additional training may be appropriate to ensure that the individual knows how that *rule* applies to those activities in those various circumstances; or
    - (b) for individuals who deal directly with *customers*, *rule 4* in **■ COCON 2.1.4R** may apply in various circumstances which makes additional training appropriate for such individuals.
- 2.3.3** **G** There are *rules* and *guidance* in **■ SUP 15.3** (General notification requirements) and **■ SUP 15.11** (Notification of *COCON* breaches and disciplinary action) that deal with reporting by an *SMCR firm* of *COCON* breaches to the *FCA*.