

## Chapter 22

# Regulatory references

## 22.8A Groups and outsourcing

### Intra-group transfers

22.8A.1 **R**

- (1) This *rule* applies when:
  - (a) a *firm* (A) would otherwise have to ask another *person* (B) for a reference under ■ SYSC 22.2.1R; and
  - (b) A and B are in the same *group*.
- (2) A need not ask for a reference from B if there are adequate arrangements in place under which A has access to the same information sources as B to the extent that they are relevant to things A has to ask B under ■ SYSC 22.2.1R (Obligation to obtain references).
- (3) If A only has access to some of the information sources in (2), A may ask for a reference that only covers the sources to which A does not have such access.
- (4) If A, in accordance with this *rule*, does not ask for a reference or a full reference it must access the information resources referred to in this *rule* and get the relevant information within the time specified by ■ SYSC 22.2.3R.

22.8A.2 **G**

- (1) ■ SYSC 22.8A.1R means that a *firm* recruiting someone from another member of its *group* is not required to request a reference from the other where the *group* has centralised records or alternative measures in place to ensure sharing of relevant information between its members.
- (2) The recruiting *firm* should be satisfied that the centralised or alternative measures ensure relevant information is made available as part of the fit and proper assessment of the recruit.

22.8A.3 **G**

If:

- (1) a *firm* (A) appoints someone (P) to a *certification function* or *approved person* position;
- (2) A obtains a reference from an *ex-employer* (B);
- (3) later P transfers to a *certification function* position or an *approved person* position with an *SMCR firm* in A's *group* (C);

- (4) B's reference is:
  - (a) addressed to all *firms* in A's *group*; or
  - (b) otherwise drafted so that it is clear that C may rely on it; and
- (5) C does not need to ask for the reference to be reissued or amended, taking account of ■ SYSC 22.7.6G and ■ SYSC 22.7.7G;

C may be able to rely on that reference without asking B to give another one.

### Getting and giving a reference where the employee has worked in a group or on secondment

#### 22.8A.4

G

If:

- (1) a *firm* (A) is thinking of employing someone (P);
- (2) P is *employed* by a group services company (D) that is not a *firm*;
- (3) P (in their capacity as an *employee* of D) performs a function or service for a *firm* (B) in the same *group* as D such that P is also an *employee* of B; and
- (4) A intends to appoint (P) to a position that entitles A to obtain a reference from B;

then:

- (5) A should ask both B and D for a reference;
- (6) B is obliged to give the reference if A asks it to;
- (7) B should ask D to provide it with the information needed to provide a reference in accordance with this chapter;
- (8) D may give a reference but (as it is not a *firm*) it is not obliged to; and
- (9) D and B may give a single joint reference.

#### 22.8A.5

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■ SYSC 22.8A.4G also applies where:

- (1) D is not in the same *group* but has seconded P to B; and
- (2) P (in their capacity as an *employee* of D) performed any function or services for B such that P was also an *employee* of B.

#### 22.8A.6

G

If:

- (1) a *firm* (A) is thinking of appointing someone (P) to a position that entitles A to obtain a reference from another *firm* (B); and
- (2) P was an *employee* of other members of B's *group* as well as of B;

then:

- (3) A should ask all the group members that *employed P* for a reference;
- (4) B should give a reference if A asks it to;
- (5) P's *employers* in that group (including any that are not *firms*) may give a single joint reference; and
- (6) if the reference is being provided on a consolidated group basis, it should be clear what information is relevant to which *employer* within the *group*.