

## Chapter 14

# Requirement in relation to agents

		<div>14.1Application</div>
14.1.1	R	<p>This chapter applies to a <i>firm</i> with respect to a <i>credit-related regulated activity</i>.</p>
		<div>Requirements</div>
14.1.2	R	<p>A <i>firm</i> must not appoint an individual, who is not an <i>authorised person</i> or an <i>exempt person</i>, to act as an agent of the <i>firm</i>, in carrying on <i>regulated activities</i> of the <i>firm</i> unless all of the following conditions are met at the date of the individual's appointment and while the individual continues to act as the <i>firm's</i> agent:</p> <div><div>(1) the <i>firm</i> appoints the individual as the <i>firm's</i> agent;</div><div>(2) the individual works as agent only for the <i>firm</i> and not as agent for any other principal;</div><div>(3) the <i>firm</i> has a written contract with the individual which:<div><div>(a) sets out effective measures for the <i>firm</i> to control the individual's activities when acting on its behalf in the course of its business; and</div><div>(b) requires the individual to make clear to <i>customers</i> that the individual is representing the firm as the individual's principal and the name of the <i>firm</i>;</div></div><div>(4) (in the case of collecting debts) receipt of repayments by the individual is treated as receipt by the <i>firm</i>; and</div><div>(5) the <i>firm</i> accepts full responsibility for the conduct of the individual when the individual is acting on the <i>firm's</i> behalf in the course of the <i>firm's</i> business.</div></div></div>
14.1.3	G	<div><div>(1) A <i>firm</i> in ■ CONC 14.1.2 R would need to have a <i>Part 4A permission</i> for every activity the individual carries on as its agent for which the <i>firm</i> would need permission if it were carrying on the activity itself.</div><div>(2) ■ CONC 14 uses the expression “individual” in its natural meaning as referring to a single human being.</div></div>
14.1.4	R	<p>Where a <i>firm</i> appoints an agent in accordance with ■ CONC 14.1.2 R to carry on the business of the <i>firm</i>:</p>

- (1) the *firm* must establish, implement and maintain adequate policies and procedures sufficient to ensure compliance of the agent with the *firm's* obligations under the *regulatory system*; and
- (2) the *firm* must take all reasonable steps to identify conflicts of interest between the agent and a *client* of the *firm* that arise or may arise in the course of the *firm* carrying on *regulated activities* or *ancillary activities*.

