

## Chapter 28

Insurance distribution: specific knowledge, ability and good repute requirements

## 28.1 Minimum knowledge, ability and good repute requirements for carrying out insurance distribution activities

### Application

- 28.1.1 **R** (1) This chapter applies to a *firm* with *Part 4A permission* to carry on *insurance distribution activities*.
- (2) ■ SYSC 28.2 (except ■ SYSC 28.2.1R(1)) does not apply to an *authorised professional firm* with respect to its *non-mainstream regulated activities*.
- 28.1.2 **R** In this chapter, relevant employees are employees or other *persons*:
- (1) directly involved in the carrying on of the *firm's insurance distribution activities*; or
- (2) within the management structure responsible for the *firm's insurance distribution activities*; or
- (3) responsible for the supervision of a relevant employee acting in the capacity as set out in (1).
- [Note: article 10(1) and the fifth paragraph of article 10(2) of the *IDD*]
- 28.1.3 **R** In this chapter 'employee':
- (1) is not restricted to an individual working under a contract of employment; and
- (2) includes (without limitation) any natural or legal person whose services are placed at the disposal of the *firm*, under an arrangement between the *firm* and a third party; and
- (3) also includes *appointed representatives* and their employees.
- 28.1.4 **G** Rules specified in sections ■ SYSC 28.2 (knowledge and ability), ■ SYSC 28.4 (record-keeping) and ■ SYSC 28.5 (other requirements to consider) relate to the requirements in:
- SYSC 3.1.6R;

- SYSC 5.1.1R;
  - SYSC 3.2.20R, ■ SYSC 9.1.1R and ■ SYSC 9.1.1AR;
  - TC 4.2 (Specified requirements for firms carrying on insurance distribution activities); and
- article 22 of the *AIFMD level 2 regulation*.