

Chapter 28

Insurance distribution: specific knowledge, ability and good repute requirements

		<div>28.1</div> <div>Minimum knowledge, ability and good reputation requirements for carrying out insurance distribution activities</div>
		<div>Application</div>
28.1.1	R	<div><div>(1) This chapter applies to a <i>firm</i> with <i>Part 4A permission</i> to carry on <i>insurance distribution activities</i>.</div><div>(2) ■ SYSC 28.2 (except ■ SYSC 28.2.1R(1)) does not apply to an <i>authorised professional firm</i> with respect to its <i>non-mainstream regulated activities</i>.</div></div>
28.1.2	R	<div>In this chapter, relevant employees are employees or other <i>persons</i>:</div> <div><div>(1) directly involved in the carrying on of the <i>firm's insurance distribution activities</i>; or</div><div>(2) within the management structure responsible for the <i>firm's insurance distribution activities</i>; or</div><div>(3) responsible for the supervision of a relevant employee acting in the capacity as set out in (1).</div></div> <div>[Note: article 10(1) and the fifth paragraph of article 10(2) of the <i>IDD</i>]</div>
28.1.3	R	<div>In this chapter 'employee':</div> <div><div>(1) is not restricted to an individual working under a contract of employment; and</div><div>(2) includes (without limitation) any natural or legal person whose services are placed at the disposal of the <i>firm</i>, under an arrangement between the <i>firm</i> and a third party; and</div><div>(3) also includes <i>appointed representatives</i> and their employees.</div></div>
28.1.4	G	<div>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:</div> <div>■ SYSC 3.1.6R;</div>

■ 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*.