

Training and Competence

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| | |
|-----------------|--|
| TC 1 | Application and Purpose |
| 1.1 | Who, what and where? |
| 1.2 | Actions for damages |
| | |
| TC 2 | Competence |
| 2.1 | Assessing and maintaining competence |
| 2.2A | Time limits |
| 2.2B | Reporting requirements [deleted] |
| | |
| TC 3 | Record Keeping |
| 3.1 | Record-keeping requirements |
| | |
| TC 4 | Specified modified requirements |
| 4.1 | Specified requirements for MiFID investment firms and for third country investment firms |
| 4.2 | Specified requirements for firms carrying on insurance distribution activities |
| | |
| TC App 1 | TC Appendix 1 |
| App 1.1 | Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3 |
| | |
| TC App 2 | Appendix 2 |
| App 2.1 | TCs Territorial Scope subject to the limitation in TC Appendix 3 |
| | |
| TC App 3 | Appendix 3 |
| App 3.1 | Circumstances in which TC does not apply |

| | |
|----------|--|
| TC App 4 | Appropriate Qualification tables |
| App 4.1 | Appropriate Qualification tables |
| TC App 5 | Appropriate qualification criteria |
| App 5.1 | |
| TC App 6 | Accredited bodies |
| App 6.1 | Accredited bodies |
| TC App 7 | Guidelines for qualification gap-fill for retail investment advice |
| App 7.1 | Guidelines for qualification gap-fill for retail investment advice |
| TC App 8 | Professional Standards Data Submission Form |
| App 8.1 | Professional Standards Data Submission Form [deleted] |

Transitional provisions and Schedules

| | |
|-------|--|
| TP 1 | Designated Investment Business: Assessments of competence before commencement |
| TP 2 | Designated Investment Business: Assessments of competence in 12 month period after commencement |
| TP 3 | Regulated Mortgage Contracts: Assessments of competence under the Mortgage Code Compliance Board Rules |
| TP 4 | Home Reversion Plans: Assessments of competence before 6 April 2007 in relation to lifetime mortgages |
| TP 5 | Home Reversion Plans: Assessments of competence before 6 April 2007 in relation to Home Reversion Plans only |
| TP 6 | Transitional provisions relating to assessments of competence generally |
| TP 7 | Transitional provisions relating to waivers from existing examination requirements |
| TP 8 | Transitional provisions relating to time limits for attaining qualifications |
| TP 9 | Transitional Provisions relating to MCD credit agreement activities |
| Sch 1 | Record keeping requirements |
| Sch 2 | Notification requirements |
| Sch 3 | Fees and other required payments |
| Sch 4 | Powers exercised |
| Sch 5 | Rights of action for damages |
| Sch 6 | Rules that can be waived |

Chapter 1

Application and Purpose

1.1 Who, what and where?

Who and what?

1.1.1 **R** This sourcebook applies to a *firm* where its *employee* carries on an activity in ■ TC App 1 for *retail clients, customers or consumers* (subject to the limitations set out in ■ TC App 3).

1.1.1A **R** The application of this sourcebook is modified for:

- (1) a *MiFID investment firm* and a *third country investment firm* by the provisions in ■ TC 4.1 where its *employee* carries on an activity in ■ TC App 1 which is also an activity in ■ TC 4.1.2R; and
- (2) a *firm* carrying on *insurance distribution activities* by the provisions in TC 4.2.

1.1.1B **G** *ESMA* has issued guidelines specifying criteria for the assessment of knowledge and competence. The *ESMA* guidelines can be found at <https://www.esma.europa.eu/document/guidelines-assessment-knowledge-and-competence>.

Where?

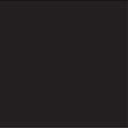
1.1.2 **R** The territorial scope of this sourcebook is set out in ■ TC App 2.

Purpose

1.1.3 **G** The *competent employees rule* is the main requirement relating to the competence of *employees*. The purpose of this sourcebook is to support the *FCA's* supervisory function by supplementing the *competent employees rule* for retail activities.

Meaning of competence

1.1.4 **G** In this sourcebook, competence means having the skills, knowledge and expertise needed to discharge the responsibilities of an *employee's* role. This includes achieving a good standard of ethical behaviour.



1.2 Actions for damages

- 1.2.1 **R** A contravention of the *rules* in *TC* does not give rise to a right of action by a *private person* under section 138D of the *Act* (and each of those rules is specified under section 138D(3) of the *Act* as a provision giving rise to no such right of action).

Chapter 2

Competence

2.1 Assessing and maintaining competence

Assessment of competence and supervision

- 2.1.1 **R** (1) A *firm* must not assess an *employee* as competent to carry on an activity in ■ TC Appendix 1 until the *employee* has demonstrated the necessary competence to do so and has (if required by ■ TC Appendix 1) attained each module of an appropriate qualification. This assessment need not take place before the *employee* starts to carry on the activity.
- (2) A *firm* may assess an *employee* who is subject to, but has not satisfied, an appropriate qualification requirement as competent to the extent that:
- that *employee* works in a *branch* in an *EEA State* other than the *United Kingdom*;
 - the *employee* is engaging in *MiFID business*; and
 - there is no appropriate qualification or equivalent in that *EEA State*.
- 2.1.2 **R** A *firm* must not allow an *employee* to carry on an activity in ■ TC Appendix 1 without appropriate supervision.
- 2.1.3 **G** *Firms* should ensure that *employees* are appropriately supervised at all times. It is expected that the level and intensity of that supervision will be significantly greater in the period before the *firm* has assessed the *employee* as competent, than after. A *firm* should therefore have clear criteria and procedures relating to the specific point at which the *employee* is assessed as competent in order to be able to demonstrate when and why a reduced level of supervision may be considered appropriate. At all stages *firms* should consider the level of relevant experience of an *employee* when determining the level of supervision required.
- ### Supervisors
- 2.1.4 **G** *Firms* should ensure that those supervising *employees* carrying on an activity in ■ TC Appendix 1 have the necessary coaching and assessment skills as well as technical knowledge and experience to act as a competent supervisor and assessor. In particular *firms* should consider whether it is appropriate to

require those supervising *employees* not assessed as competent to attain an appropriate qualification as well except where the *employee* is giving *personal recommendations on retail investment products or advising on P2P agreements*, see ■ TC 2.1.5 R.

- 2.1.5 **R** Where an *employee* has not been assessed as competent to do so and:
- (1) gives *personal recommendations on retail investment products to retail clients*, the *firm* must ensure that the individual supervising and assessing that *employee* has attained an appropriate qualification; or
 - (2) gives *advice on P2P agreements to retail clients*, the *firm* must ensure that the individual supervising and assessing that *employee* has attained an appropriate qualification for giving *personal recommendations on retail investment products to retail clients*.

Knowledge and competence requirements before starting MCD credit agreement activities

- 2.1.5A **R** ■ TC 2.1.5B R and ■ TC 2.1.5C R apply to a *firm* acting as an *MCD creditor* or an *MCD credit intermediary*.

- 2.1.5B **R** A *firm* must ensure that an *employee* does not carry on any of the activities 23A to 23E in ■ TC Appendix 1 without having an appropriate level of knowledge and competence, which includes an appropriate:
- (1) knowledge of *MCD credit agreements* and any ancillary services offered by the *firm* with them;
 - (2) knowledge of the laws relating to *MCD credit agreements for consumers* (in particular, consumer protection);
 - (3) knowledge and understanding of the property purchasing process;
 - (4) knowledge of security valuation;
 - (5) knowledge of the organisation and functioning of land registers;
 - (6) knowledge of the market;
 - (7) knowledge of business ethics standards;
 - (8) knowledge of the process of assessing a *consumer's* creditworthiness or, where applicable, competence in assessing the *consumer's* creditworthiness; and
 - (9) level of financial and economic competency.

[Note: article 9 and annex III (1) of the *MCD*]

- 2.1.5C **R** A *firm* must not assess knowledge and competence based solely on relevant professional experience. It should also take into account relevant

professional qualifications, such as diplomas and degrees, training and competency tests.

[Note: annex III (3) of the MCD]

2.1.5D **G** For the purposes of assessing the *employee's* knowledge and competence, professional experience means their years of employment in areas relating to the origination, distribution or intermediation of *MCD credit agreements*.

[Note: annex III (3)(b) of the MCD]

2.1.5E **R** A *firm* must, for the purposes of **TC 2.1.5B R**, take into account the nature of the *employee's* role and their level of responsibility within the *firm* and decide the appropriate level of knowledge and competence for that *employee*.

[Note: annex III (2) of the MCD]

2.1.5F **G** Where an *employee*, carrying on an activity in relation to a *regulated mortgage contract*, has attained the appropriate qualification required by **TC Appendix 1**, a *firm* may for the purposes of **TC 2.1.5B R** assess that *employee* as having knowledge and competence. Additionally, *firms* will need to meet any other requirements in this or other sourcebooks that are applicable, taking into account the *employee's* role and responsibilities.

Knowledge and competence requirements when advising on P2P agreements

2.1.5G **R** **TC 2.1.5HR** applies to a *firm* *advising on P2P agreements*.

2.1.5H **R** A *firm* must not, for the purposes of **TC 2.1.1R**, assess an *employee* as competent to carry on activity 9A in **TC Appendix 1** until the *employee* has attained each module of an appropriate qualification for giving *personal recommendations on retail investment products to retail clients*.

2.1.5I **G** An *employee* who only carries on activity 9A in **TC Appendix 1** is not a *retail investment adviser*. As such, the *rules* in this section applicable to *retail investment advisers* are not relevant to *employees* who only *advise on P2P agreements*.

Qualification requirements before starting activities

2.1.6 **R** A *firm* must ensure that an *employee* does not carry on an activity in **TC Appendix 1** (other than an overseeing activity) for which there is a qualification requirement without first attaining the relevant regulatory module of:

- (1) (in respect of activities other than *advising on P2P agreements* (activity 9A in **TC Appendix 1**)) an appropriate qualification; or
- (2) (in respect of *advising on P2P agreements* (activity 9A in **TC Appendix 1**)) an appropriate qualification for giving *personal recommendations on retail investment products to retail clients*.

2.1.7 **R** A firm must ensure that an *employee* does not carry on any of the following activities without first attaining each module of an appropriate qualification:

- (1) [deleted]
- (1A) giving *personal recommendations* on and dealing in *securities* which are not *stakeholder pension schemes, personal pension schemes or broker funds*;
- (1B) giving *personal recommendations* on and dealing in *derivatives*;
- (2) the activity of a *broker fund adviser*;
- (3) *advising on syndicate participation at Lloyd's*; or
- (4) the activity of a *pension transfer specialist*.

2.1.8 **G** [deleted]

2.1.8A **R** A firm must ensure that an *employee* who was assessed as competent as a *retail investment adviser* for the purposes of **TC 2.1.1 R** at 30 June 2009 does not carry on the activity of a *retail investment adviser* without first attaining an appropriate qualification.

Exemption from appropriate qualification requirements

2.1.9 **R**

- (1) If a *firm* is satisfied that an *employee* meets the conditions in this *rule* then the requirements to have attained each module of an appropriate qualification will only apply if that *employee* is carrying on one of the activities specified in this *rule*.
- (2) The conditions are that a *firm* should be satisfied that an *employee*:
 - (a) has at least three years' up-to-date relevant experience in the activity in question obtained while employed outside the *United Kingdom*;
 - (b) has not previously been required to comply fully with the relevant qualification requirements in **TC 2.1.1 R**; and
 - (c) has passed the relevant regulatory module of an appropriate qualification;
 but (b) and (c) do not apply to an *employee* who is benefiting from the "30-day rule" exemption in **SUP 10A.10.8 R** or the "14-day rule" exemption in **SYSC 5.2.28AR**, unless the *employee* benefits from that rule because he is giving *personal recommendations* to *retail clients* on *retail investment products*, is providing *advice on P2P agreements* to *retail clients* or is a *broker fund adviser*.
- (3) The relevant activities are:
 - (a) giving *personal recommendations* on *retail investment products* to *retail clients*; or
 - (aa) *advising on P2P agreements*, if that advice is given to *retail clients*; or
 - (b) the activity of a *broker fund adviser*; or

(c) *advising on syndicate participation at Lloyd's*; or

(d) the activity of a *pension transfer specialist*.

Selecting an appropriate qualification

- 2.1.10 **E** (1) This *rule* applies for the purposes of ■ TC 2.1.1 R, ■ TC 2.1.5 R, ■ TC 2.1.5HR, ■ TC 2.1.6 R, ■ TC 2.1.7 R, ■ TC 2.1.9 R, ■ TC 2.2A.1 R, ■ TC 2.2A.3 R and ■ TC 2.2A.6 R.
- (2) To ensure that a qualification is appropriate, a *firm* should select an appropriate qualification from the list of qualifications set out in ■ TC Appendix 4E.
- (3) Contravention of (2) may be relied on as tending to establish contravention of the *rules* referred to in (1).

- 2.1.10A **G** ■ TC Appendix 5G sets out:
- (1) the criteria which the *FCA* may take into account when assessing a qualification provider; and
- (2) the information the *FCA* will expect the qualification provider to provide if it asks the *FCA* to add a qualification to the list of appropriate qualifications in ■ TC Appendix 4E.

- 2.1.10B **G** (1) ■ TC Appendix 6G sets out *guidance* in relation to *accredited bodies*.
- (2) ■ TC Appendix 7G sets out *guidance* on gap-filling in relation to appropriate qualifications and the function of *accredited bodies* in that regard.

Training needs

- 2.1.11 **G** *Firms* should ensure that their *employees'* training needs are assessed at the outset and at regular intervals (including if their role changes). Appropriate training and support should be provided to ensure that any relevant training needs are satisfied. *Firms* should also review at regular intervals the quality and effectiveness of such training.

Maintaining competence

- 2.1.12 **R** A *firm* must review on a regular and frequent basis *employees'* competence and take appropriate action to ensure that they remain competent for their role.

[Note: article 9(1) of the *MCD*]

- 2.1.13 **G** A *firm* should ensure that maintaining competence for an *employee* takes into account such matters as:
- (1) technical knowledge and its application;

- (2) skills and expertise; and
- (3) changes in the market and to products, legislation and regulation.

2.1.14 **G** A *firm* may choose to establish, implement and maintain a training and competence scheme.

Continuing professional development

2.1.15 **R** Subject to ■ TC 2.1.17 R, a *firm* must ensure that a *retail investment adviser* who has been assessed as competent for the purposes of ■ TC 2.1.1 R remains competent by completing a minimum of 35 hours of appropriate continuing professional development in each 12 *month* period.

2.1.16 **G** In order to meet the requirement in ■ TC 2.1.15 R, a *retail investment adviser* should complete no less than 21 hours of structured continuing professional development activities.

2.1.17 **R** A *firm* is permitted to suspend the requirements of ■ TC 2.1.15 R in respect of a *retail investment adviser* for the period of time during which the *retail investment adviser* is continuously absent from work, if that absence is due to:

- (1) maternity, paternity or adoption leave;
- (2) long-term illness or disability;
- (3) caring responsibilities for a family member who has a long-term illness or disability; or
- (4) any other absence allowed in order for the *firm* to meet its statutory duties in relation to equality and diversity.

2.1.18 **G** In ■ TC 2.1.17R (3), a family member includes a partner, parent, grandparent, sibling or child.

2.1.19 **G** In deciding whether to suspend the requirements of ■ TC 2.1.15 R, a *firm* should take into account:

- (1) the *retail investment adviser's* individual circumstances;
- (2) the length of time the *retail investment adviser* is likely to be absent from carrying on the activity; and
- (3) its statutory duties in relation to equality and diversity.

2.1.20 **G** Examples of structured continuing professional development activities include participating in courses, seminars, lectures, conferences, workshops, web-based seminars or e-learning which require a contribution of thirty minutes or more.

- 2.1.21** **G** Examples of unstructured continuing professional development activities include:
- (1) conducting research relevant to the individual's role;
 - (2) reading industry or other relevant material;
 - (3) participating in professional development coaching or mentoring sessions.
- 2.1.22** **G** All continuing professional development should:
- (1) be relevant to the *retail investment adviser's* current role and any anticipated changes to that role;
 - (2) maintain the *retail investment adviser's* knowledge by reference to current qualification standards relevant to the *retail investment adviser's* role;
 - (3) contribute to the *retail investment adviser's* professional skill and knowledge;
 - (4) address any identified gaps in the *retail investment adviser's* technical knowledge;
 - (5) have written learning objectives based on learning needs and a documented learning outcome;
 - (6) be measurable and capable of being independently verified by an *accredited body*.
- 2.1.23** **G** Continuing professional development completed by a *retail investment adviser* in relation to activities other than acting as a *retail investment adviser* should not be taken into account for the purposes of **TC 2.1.15 R** unless it is also relevant to the activity of acting as a *retail investment adviser*.
- 2.1.24** **R** A *firm* must, for the purposes of **TC 3.1.1 R** (Record keeping), make and retain records of:
- (1) the continuing professional development completed by each *retail investment adviser*; and
 - (2) the dates of and reasons for any suspension of the continuing professional development requirements under **TC 2.1.17 R**.
- 2.1.25** **R** A *firm* must not prevent a *retail investment adviser* from obtaining a copy of the records relating to that *retail investment adviser* which are maintained by the *firm* for the purposes of **TC 2.1.24 R**.

Annual declarations

- 2.1.26 **R** A firm must ensure that a *retail investment adviser* confirms annually in writing that the *retail investment adviser* has, in the preceding 12 months:
- (1) complied with *APER* or *COCON* (as applicable); and
 - (2) if applicable, completed the continuing professional development required under ■ TC 2.1.15 R.

Independent verification

- 2.1.27 **R** A firm must obtain from an *accredited body* independent verification of the firm's compliance with:
- (1) in respect of its *retail investment advisers* only, the requirement in ■ TC 2.1.1 R to attain each module of an appropriate qualification;
 - (2) ■ TC 2.1.15 R; and
 - (3) ■ TC 2.1.26 R.

- 2.1.28 **R** The independent verification in ■ TC 2.1.27 R must be obtained by a *firm*:
- (1) in respect of a competent *retail investment adviser* who began to carry on the activity of a *retail investment adviser* on or before 31 December 2012, within 60 days of that date and of the anniversary of that date thereafter;
 - (2) in respect of a *retail investment adviser* who began to carry on the activity of a *retail investment adviser* on or after 1 January 2013, within 60 days of the date on which the *retail investment adviser* was assessed as competent as a *retail investment adviser* and of the anniversary of that date thereafter.

- 2.1.29 **G** Independent verification for the purposes of ■ TC 2.1.27 R should take the form of a statement of professional standing issued by an *accredited body*.

- 2.1.30 **G** The *Glossary* definition of *accredited body* contains a list of bodies recognised by the *FCA* for the purpose of providing the independent verification required under ■ TC 2.1.27 R. Information on *accredited bodies*, including *guidance* on the process for including a body in the list is set out in ■ TC Appendix 6G and the obligation to pay the application fee is set out in ■ FEES 3.2.

Notification requirements

- 2.1.31 **R** A firm must notify the *FCA* as soon as reasonably practicable after it becomes aware, or has information which reasonably suggests, that any of the following events has occurred or may have occurred in relation to any of its *retail investment advisers*, and the event is significant:

- (1) a *retail investment adviser*, who has been assessed as competent for the purposes of ■ TC 2.1.1 R, is no longer considered competent for those purposes;
- (2) a *retail investment adviser* has failed to attain an appropriate qualification within the time limit prescribed by ■ TC 2.2A.1R (1);
- (3) a *retail investment adviser* has failed to comply with *APER* or *COCON* (as applicable) in carrying out their *controlled function*; and
- (4) a *retail investment adviser* has performed an activity in ■ TC Appendix 1 before having demonstrated the necessary competence for the purposes of ■ TC 2.1.1 R and without appropriate supervision.

2.1.32 **G** When considering whether an event is significant a *firm* should include the following in its considerations:

- (1) the potential risk of consumer detriment as a result of the event;
- (2) whether the event or a pattern of events indicate recurrent issues in relation to one or more *retail investment advisers*; and
- (3) its obligations under *Principle 11*.

2.1.33 **G** The Retail Investment Adviser Competence Notification Form approved by the *FCA* for notifications under ■ TC 2.1.31 R may be found at the *FCA*'s website www.fca.org.uk/firms/regulatory-reporting/adviser-reporting-requirements.

2.2A Time limits

Calculation of time limits for attaining an appropriate qualification

- 2.2A.1** **R** (1) For the purposes of **TC 2.1.1 R**, if an *employee* carries on an activity in **TC Appendix 1** (other than an overseeing activity), a *firm* must ensure that the *employee* attains an appropriate qualification within 48 *months* of starting to carry on that activity.
- (2) For the purposes of (1), a *firm* must record the date on which the *employee* starts to carry on that activity.
- 2.2A.2** **R** For the purposes of calculating the 48 *months* referred to in **TC 2.2A.1 R**, a *firm* must:
- (1) aggregate periods of time spent carrying on the activity during different periods of employment; and
- (2) disregard any period of 60 *business days* or more during which the *employee* is not carrying on the activity due to being continuously absent from work.
- 2.2A.3** **R** A *firm* must ensure that any *employee* who does not attain an appropriate qualification within the specified time:
- (1) ceases to engage in the activity to which that qualification would relate; and
- (2) does not resume that activity without first attaining an appropriate qualification.
- 2.2A.4** **G** *Firms* may wish their *employees* to attain an appropriate qualification within an earlier time limit or to place limits on the number of times that qualification can be taken.
- 2.2A.5** **G** *Firms* may wish *employees* who carry on an overseeing activity specified in **TC Appendix 1** to attain an appropriate qualification within 48 *months* of starting the activity.

Record-keeping

2.2A.6

R

A *firm* should, for the purposes of ■ TC 3.1.1 R (Record keeping), make and retain records of the time limits within which the appropriate qualification has been attained.



2.2B Reporting requirements [deleted]

2.2B.1



[deleted]

Chapter 3

Record Keeping

3.1 Record-keeping requirements

3.1.1

R

A *firm* must make appropriate records to demonstrate compliance with the *rules* in this sourcebook and keep them for the following periods after an *employee* stops carrying on the activity:

- (1) at least 5 years for *MiFID business*;
- (2) 3 years for non-*MiFID business*; and
- (3) indefinitely for a *pension transfer specialist*.

[**Note:** article 9(4) of the *MCD*]

Chapter 4

Specified modified requirements

4.1 Specified requirements for MiFID investment firms and for third country investment firms

4.1.1 **R** For a *firm* in relation to its *MiFID or equivalent third country business* the *rules* set out in column 1 of the table in ■ TC 4.1.4R below are amended as set out in column 2.

4.1.2 **R** In this section, references to relevant individuals are natural persons who, on behalf of the *firm*:

- (1) make *personal recommendations to retail clients* in relation to *financial instruments*; or
- (2) provide information to *retail clients* about *financial instruments, investment services or ancillary services*; or

who are otherwise responsible for the supervision of a relevant individual who has not acquired the necessary knowledge and competence to act in a capacity prescribed in (1) or (2).

4.1.3 **R** References in ■ TC 4.1.4R to a relevant individual's knowledge and competence are to the knowledge and competence necessary to ensure that the *firm*, on behalf of which the relevant individual acts, is able to meet its obligations under:

- (1) those *rules* which implement articles 24 and 25 of *MiFID* (including those *rules* which implement related provisions under the *MiFID Delegated Directive*); and
- (2) related provisions of the *MiFID Org Regulation*.

4.1.4 **R** Unless the context requires otherwise the *rules* in column 1 of the table are amended as set out in column 2:

| Column 1 Relevant rule | Column 2 Amendments |
|---------------------------|---|
| TC 2.1.1R(1) | Insert the following at the end of TC 2.1.1R(1): "In addition, a <i>firm</i> must not assess a relevant individual as competent unless the <i>firm</i> has satisfied itself that the relevant individual pos |

| | |
|--------------|---|
| | <p>esses the knowledge and competence to enable the <i>firm</i> to meet its obligations under SYSC 5.1.5ABR. This means that the relevant individual has also:</p> <p>(a) obtained appropriate experience which means that the relevant individual has successfully demonstrated the ability to carry on the activities through previous work experience. This work must have been performed, on a full-time equivalent basis, for a minimum period of 6 months; and</p> <p>(b) attained an appropriate qualification which means a qualification or other test or training course that meets the criteria set out by the ESMA guidelines.</p> <p>The level of knowledge and competence needed to fulfil the <i>firm's</i> obligations reflects the scope and degree of the activities, as described in TC 4.1.2R above, carried out by the relevant individual."</p> |
| TC 2.1.2R | <p>The provision is amended by adding after TC 2.1.2R:</p> <p>"A relevant individual, who has not acquired the necessary knowledge or competence to carry out the activities in TC 4.1.2R above, cannot provide those activities under supervision for a period exceeding 48 months."</p> |
| TC 2.1.5R(1) | <p>The provision is amended by adding after TC 2.1.5R:</p> <p>"Where a relevant individual has not acquired the necessary knowledge and competence to carry out the activities described in TC 4.1.2R above:</p> <p>(a) the <i>firm</i> must ensure that the individual supervising the relevant individual:</p> <p>(i) has been assessed as competent to provide such <i>personal recommendation</i> or information;</p> <p>(ii) has the necessary skills and resources to act as a competent supervisor; and</p> <p>(iii) takes responsibility for the <i>personal recommendation</i> or information, referred to in TC 4.1.2R above, provided by the relevant individual under supervision as if the supervisor is providing the <i>personal recommendation</i> including any <i>suitab-</i></p> |

ility report (COBS 9) or information; and

(b) the *firm* must ensure that the supervision provided to a relevant individual is tailored to the services provided by the individual.”

4.1.5 **G** Rules in this section relate to the requirements in ■ SYSC 5.1.5ABR.

4.1.6 **G** For relevant individuals of an *incoming EEA firm*, with an establishment maintained by that *firm* (or its *appointed representative*) in the *United Kingdom*, the matters covered by ■ SYSC 5.1.5ABR are matters reserved for the *United Kingdom* as the *Host State regulator*.



4.2 Specified requirements for firms carrying on insurance distribution activities

- 4.2.1** **R** For a *firm* which carries on *insurance distribution activities* the *rules and guidance* set out in column 1 of the table in **TC 4.2.5R** below are amended as set out in column 2.
- 4.2.2** **R** **TC 4.2.1R** is limited as set out in **TC App 2** and **TC App 3**.
- 4.2.3** **R** In this section, and the provisions in column 1 of **TC 4.2.5R**, relevant employees are employees and 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).
- 4.2.4** **R** In **TC 4.2** '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.
- 4.2.5** **R**

| Column 1 | Column 2 |
|----------------------------|--|
| Relevant rules or guidance | Amendments either extending the scope, or adding and/or replacing rules and guidance in Column 1 |
| TC 2.1.1R(1) | The provision is amended by adding after TC 2.1.1R(1): 'A <i>firm</i> must ensure that a relevant employee's appropriate knowledge and ability includes the re- |

| Column 1 Relevant rules or guidance | Column 2 Amendments either extending the scope, or adding and/or replacing rules and guidance in Column 1 |
|---|---|
| TC 2.1.15R; TC 2.1.17R; TC 2.1.24R and TC 2.1.25R | <p>requirements set out in SYSC 28.2.3R and is appropriate to the:</p> <p>(a) role and activity carried out by the relevant employee within the <i>firm</i>; and</p> <p>(b) type of distribution and the nature of the products sold.'</p> <p>The <i>rules</i> apply as if references to <i>retail investment advisers</i> included 'relevant employees'.</p> |
| TC 2.1.15R | <p>(1) For <i>firms</i> whose relevant employees are not also <i>retail investment advisers</i>, the <i>rule</i> applies as if '35 hours' was a reference to '15 hours'.</p> <p>(2) The <i>rule</i> is amended by adding at the end: 'Where the relevant employee is also a <i>retail investment adviser</i>, the minimum 35 hours appropriate continued professional development requirement in TC 2.1.15R must include a minimum 15 hours covering the requirements in SYSC 28.2.3R.'</p> |
| TC 2.1.16G | <p>For relevant employees acting in that capacity, the <i>guidance</i> is replaced by the following: 'To meet the requirements in TC 2.1.15R (as modified by TC 4.2.5R) a relevant employee's continued training and development can encompass various types of facilitated learning opportunities including courses, e-learning and mentoring.'</p> |
| TC 2.1.18G, TC 2.1.19G, and TC 2.1.23G | <p>The <i>guidance</i> applies as if references to <i>retail investment advisers</i> included 'relevant employees'.</p> |
| TC 2.1.24R | <p>The <i>rule</i> is amended by adding after TC 2.1.24R(2): 'the <i>firm</i> must be in a position to make available to the <i>FCA</i>, on request, the name of the <i>person</i> responsible for this record keeping requirement.'</p> |
| TC 3.1.1R | <p>The provision is amended by adding after TC 3.1.1R(3): 'a <i>firm</i> must keep an up-to-date record of the continued professional training or development completed by each relevant employee in each 12 <i>month</i> period,</p> <p>(a) for not less than 3 years after the relevant employee stops carrying out the activity; and</p> <p>(b) the <i>firm</i> must be in a position to provide any version of the record to the <i>FCA</i> on request.'</p> |

- 4.2.6** **R** Where the relevant employee is also a *retail investment adviser* the *rules and guidance* in ■ TC 4.2.5R apply as follows (unless otherwise stated in ■ TC 4.2.5R):
- (1) the unamended *TC rules and guidance* in column 1 of ■ TC 4.2.5R apply in relation to the *person* when acting in the capacity of a *retail investment adviser*; and
 - (2) the amended *TC rules and guidance* in column 2 apply in relation to the *person* when acting in the capacity of a relevant employee.
- 4.2.7** **G** *Rules and guidance* in this section relate to the requirements in ■ SYSC 28 (Minimum knowledge and competence requirements for carrying out insurance distribution activities).

Appendix 1 TC Appendix 1

1.1 Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3

App 1.1.1 R

| Activity | Products/Sectors | Is there an appropriate qualification requirement? |
|--|---|--|
| <i>Designated investment business carried on for a retail client</i> | | |
| Providing basic advice | 1. <i>Stakeholder products</i> excluding a deposit-based stakeholder product | No |
| Advising or giving personal recommendations (as relevant) | 2. Giving <i>personal recommendations</i> on securities which are not stakeholder pension schemes, personal pension schemes or broker funds | Yes |
| | 3. Giving <i>personal recommendations</i> on derivatives | Yes |
| | 4. Giving <i>personal recommendations</i> on retail investment products which are not broker funds | Yes |
| | 5. Giving <i>personal recommendations</i> on Friendly Society life policies where the employee is not reasonably expected to receive a remuneration of greater than £1000 a year in respect of such sales | No |
| | 6. Giving <i>personal recommendations</i> on Friendly Society tax-exempt policies (other than Holloway sickness policies where the Holloway policy special application conditions are met) | Yes |
| | 7. Giving <i>personal recommendations</i> on long-term care insurance contracts | Yes |
| | 8. Giving <i>personal recommendations</i> on investments in the course of corporate finance business | Yes |

| Activity | Products/Sectors | Is there an appropriate qualification requirement? |
|---|---|--|
| Undertaking the activity in column 2 | 9. <i>Advising on syndicate participation at Lloyd's</i> | Yes |
| | 9A. <i>Advising on P2P agreements</i> | Yes |
| | 10. <i>Broker fund adviser</i> | Yes |
| | 11. <i>Pension transfer specialist</i> | Yes |
| Giving personal recommendations and dealing | 12. <i>Giving personal recommendations on and dealing in securities which are not stakeholder pension schemes, personal pension schemes or broker funds</i> | Yes |
| | 13. <i>Giving personal recommendations on and dealing in derivatives</i> | Yes |
| Dealing | 13A. <i>Securities which are not stakeholder pension schemes, personal pension schemes or broker funds</i> | No |
| | 13B. <i>Derivatives</i> | No |
| MiFID business bidding | 13C. <i>Emissions auction products that are financial instruments</i> | No |
| Managing | 14. <i>Investments</i> | Yes |
| Overseeing on a day-to-day basis | 15. <i>Operating a collective investment scheme or undertaking the activities of a trustee or depositary of a collective investment scheme</i> | Yes |
| | 16. <i>Safeguarding and administering investments or holding client money</i> | Yes |
| | 17. <i>Administrative functions in relation to managing investments</i> | Yes |
| | 18. <i>Administrative functions in relation to effecting or carrying out contracts of insurance which are life policies</i> | Yes |
| | 19. <i>Administrative functions in relation to the operation of stakeholder pension schemes</i> | Yes |
| <i>Mortgage Activity and reversion activity carried on for a customer</i> | | |
| Advising; arranging (bringing about) an execution-only sale, excluding variations to an existing home finance transaction except where the effect is to change all or part of the home finance transaction from one inter | 20. <i>Regulated mortgage contracts for a non-business purpose</i> | Yes |
| | 20A. <i>Regulated mortgage contracts for a business purpose</i> | No |
| | 21. <i>Equity release transactions</i> | Yes |

| Activity | Products/Sectors | Is there an appropriate qualification requirement? |
|---|--|--|
| est rate to another. | | |
| See Note 3, which for the avoidance of doubt forms part of this rule. | | |
| Designing scripted questions for execution-only sales | 21A <i>Regulated mortgage contracts for a non-business purpose</i> 21B <i>Regulated mortgage contracts for a business purpose</i> | Yes No |
| Overseeing execution-only sales on a day-to-day basis | 22 <i>Equity release transactions</i> 23. <i>Equity release transactions</i> | Yes Yes |
| <i>MCD credit agreement activities carried on for consumers</i> | | |
| manufacturing | 23A <i>an MCD credit agreement</i> | No |
| entering into a regulated mortgage contract or entering into a regulated credit agreement as lender | 23B <i>an MCD credit agreement</i> | No |
| arranging (bringing about) regulated mortgage contracts or acting as an MCD credit broker | 23C <i>an MCD credit agreement</i> | No |
| advising on a regulated mortgage contract or advising on a regulated credit agreement for the acquisition of land | 23D <i>an MCD credit agreement</i> | No |
| directly managing or supervising employees who carry on any of the MCD credit agree- | 23E <i>an MCD credit agreement</i> | No |

| Activity | Products/Sectors | Is there an appropriate qualification requirement? |
|--|---|--|
| <p>ment activities 23A to 23D</p> | | |
| <p>[Note: article 9(1) of the MCD]</p> | | |
| <p>Non-investment <i>insurance business</i> carried on for a <i>consumer</i></p> | | |
| <p>Giving personal recommendations</p> | <p>24. Giving <i>personal recommendations</i> on <i>non-investment insurance contracts</i></p> | <p>No</p> |
| <p><i>Regulated sale and rent back activity</i> carried on for a <i>customer</i></p> | | |
| <p>Advising</p> | <p>25. <i>Regulated sale and rent back agreements</i></p> | <p>No</p> |
| <p>Overseeing an <i>execution-only sale</i> on a day-to-day basis</p> | <p>26. <i>Regulated sale and rent back agreements</i></p> | <p>No</p> |
| <p>Notes:</p> | | |
| <p>1.</p> | <p>In the Appendix the heading and types of business specified in the headings are to be read in conjunction with the paragraphs appearing beneath them.</p> | |
| <p>2.</p> | <p>Thus, for example, paragraph 24, consistent with the heading above it, refers only to <i>personal recommendations</i> given in relation to <i>non-investment insurance contracts</i> given to a <i>consumer</i>.</p> | |
| <p>2A.</p> | <p>In relation to activity number 9A, see TC 2.1.5HR and TC 2.1.6R(2). There is no qualification for this activity in the list of qualifications set out in TC Appendix 4E. However, the effect of TC 2.1.5HR is that an <i>employee advising on P2P agreements</i> must be qualified to the same standard as if that <i>employee</i> were providing investment advice to <i>retail clients</i> on <i>retail investment products</i>.</p> | |
| <p>3.</p> | <p>For the purpose of product numbers 20, 20A and 21 the activity of arranging (bringing about) referred to in the activity column:</p> <p>(a) includes activity which would be arranging (bringing about) but for the exclusion in article 28A of the <i>Regulated Activities Order</i>; and</p> <p>(b) does not include activities which taken on their own would not fall within the definition of that activity. For these purposes no account should be taken of the fact that for an activity to be a regulated activity it must be carried on by way of business (see PERG 4.3).</p> | |
| <p>4.</p> | <p>In this Appendix, paragraphs 23A, 23B, 23C, 23D and 23E relate to the implementation of article 9(1) of the MCD. The specified activities do not, in and of themselves, attract a qualification requirement. However, where those activities overlap with those specified under the heading "<i>mortgage activity and reversion activity</i> carried on for a <i>customer</i>", qualification requirements may apply.</p> | |

Appendix 2

2.1 TCs Territorial Scope subject to the limitation in TC Appendix 3

App2.1.1 **R**

| | <i>UK domestic firm</i> | <i>Incoming EEA firm</i> | <i>Overseas firm (other than an incoming EEA firm)</i> |
|---|--|--------------------------|--|
| <i>MiFID business and equivalent third country business</i> | <p>TC applies in respect of <i>employees</i> who carry on activities from an establishment maintained by the <i>firm</i> (or its <i>appointed representative</i>) in the <i>United Kingdom</i></p> <p>and</p> <p>if an activity is carried on from an establishment maintained by the <i>firm</i> (or its <i>appointed representative</i> or, where applicable, its <i>tied agent</i>) in, and within the territory of, another <i>EEA State</i>, TC applies although matters which would otherwise be covered by SYSC 5.1.5ABR are matters reserved for the <i>Host State regulator</i></p> | TC does not apply | TC applies in respect of <i>employees</i> who carry on activities from an establishment maintained by the <i>firm</i> (or its <i>appointed representative</i>) in the <i>United Kingdom</i> |

| | | | |
|---|--|---|--|
| <p><i>Insurance distribution activities</i></p> | <p>TC applies in respect of <i>employees</i> who carry on activities from an establishment maintained by the <i>firm</i> (or its <i>appointed representative</i>) in the <i>United Kingdom</i> and</p> <p>TC also applies in respect of <i>employees</i> who engage in or oversee activities from a branch established in another <i>EEA state</i></p> | <p>TC does not apply</p> | <p>TC does not apply</p> |
| <p>Mortgage activities and <i>reversion activities</i> numbers 20, 20A, 21, 21A, 21B, 22 and 23 in TC App 1.1.1R; and</p> <p><i>MCD credit agreement</i> activities numbers 23A to 23E in TC App 1.1.1R</p> | <p>TC applies if the customer is resident in the <i>United Kingdom</i> at the time the activity is carried on and</p> <p>TC also applies if the <i>customer</i> is resident in another <i>EEA State</i> (at the time that the activity is carried on) but only if the activity is carried on from an establishment maintained by the <i>firm</i> or its <i>appointed representative</i> in the <i>United Kingdom</i></p> | <p>Same as for <i>UK domestic firm</i> except that:</p> <p>(1) if the <i>firm</i> carries on the activity from an establishment maintained by the <i>firm</i> or its <i>appointed representative</i> in the <i>United Kingdom</i> and the <i>customer</i> is resident in another <i>EEA State</i> when the activity is carried on, TC does not apply; and</p> <p>(2) if the <i>firm</i> carries on the activity from an establishment maintained by the <i>firm</i> in another <i>EEA State</i> (and the <i>customer</i> is resident in the <i>United Kingdom</i> when the activity is carried on), the following provisions of TC apply: TC 2.1.5AR; TC 2.1.5BR(2), (3), (5) and (6); TC 2.1.5CR; TC 2.1.5DG; TC 2.1.5ER; and TC 2.1.5FG.</p> <p>[Note: article 9(3) of the <i>MCD</i>]</p> | <p>Same as for <i>UK domestic firm</i></p> |

Any other activity in Appendix 1

TC applies in respect of *employees* who carry on these activities from an establishment maintained by the *firm* (or its *appointed representative*) in the *United Kingdom*

and

TC also applies in respect of *employees* who carry on activities with or for a *client* in the *United Kingdom*

TC applies in respect of its *employees* who carry on activities from an establishment maintained by the *firm* (or its *appointed representative*) in the *United Kingdom*

TC applies in respect of its *employees* who carry on activities from an establishment maintained by the *firm* (or its *appointed representative*) in the *United Kingdom*

Appendix 3

3.1 Circumstances in which TC does not apply

| App3.1.1 R | Type of firm/activity | Application |
|-------------------|-------------------------------------|---|
| | <i>Incoming EEA firm</i> | This sourcebook does not apply where responsibility for any matter it covers is reserved by an <i>EU</i> instrument to the <i>firm's Home State regulator</i> |
| | <i>Incoming Treaty firm</i> | This sourcebook does not apply where responsibility for any matter it covers is reserved by an <i>EU</i> instrument to the <i>firm's Home State regulator</i> |
| | <i>UCITS qualifier</i> | This sourcebook only applies where it is relevant to the manner in which a <i>firm communicates or approves a financial promotion</i> |
| | <i>Authorised professional firm</i> | <i>TC</i> does not apply with respect to its <i>non-mainstream regulated activities</i> (see PROF 5.2) |
| | <i>Incoming ECA provider</i> | <i>TC</i> does not apply to an <i>incoming ECA provider</i> acting as such. |

Appendix 4

Appropriate Qualification tables

4.1 Appropriate Qualification tables

■ TC App 4.1 is relevant to ■ TC 2.1.10E (selecting an appropriate qualification).

App4.1.1 **E** Part 1: Activities

Note: The activity numbers in this table relate to the activities in ■ TC App 1.1.1 R. These tables do not cover activities 1, 5, 13A, 13B, 13C, 20A, 21B, 23A, 23B, 23C, 23D, 23E, 24, 25 or 26 as these activities do not have a qualification requirement. In relation to *advising on P2P agreements* (activity 9A), see ■ TC 2.1.5HR and ■ TC 2.1.6R(2).

Part 1A: The Retail Distribution Review activities (RDR activities)

| Activity Number | RDR Activity | | |
|-----------------|---|--|--|
| 2 | Giving <i>personal recommendations on securities</i> which are not <i>stakeholder pension schemes, personal pension schemes or broker funds</i> | | |

| Activity Number | RDR Activity | | |
|-----------------|--|--|--|
| 3 | Giving <i>personal recommendations on derivatives</i> | | |
| 4 and 6 | (4) Giving <i>personal recommendations on retail investment products</i> which are not <i>broker funds</i> and (6) giving <i>personal recommendations on friendly society tax-exempt policies</i> (other than <i>Holloway sickness policies</i> where the <i>Holloway policy special application conditions</i> are met) | | |
| 12 | Giving <i>personal recommendations on and dealing in securities</i> which are not <i>stakeholder pension schemes, personal pension schemes or broker funds</i> | | |
| 13 | Giving <i>personal recommendations on and dealing in derivatives</i> | | |

Extent to which the qualification meets the qualification requirement in relation to RDR activities

App4.1.1A [E] In relation to the above RDR activities a qualification in the table in Part 2 will meet the qualification requirement in relation to the activity listed in column 3 of that table, for the purpose of ■ TC 2.1.10E(2), to the extent set out below:

- (1) where an 'a' appears in the fourth column of the table in Part 2 the qualification will fully meet the qualification requirement on and after, 31 December 2012; and
- (2) where a 'b' appears in the fourth column of the table in Part 2 the qualification will fully meet the qualification requirement until 31 December 2012. On and after 31 December 2012 this must be combined with qualification gap-fill. This gap-fill constitutes additional structured continuing professional development, which need not be by examination, completed and verified by an *accredited body*.

Part 1B: The non-Retail Distribution Review activities (non-RDR activities)

| Activity Number | Non-RDR Activity (non-overseeing activity) | | |
|-----------------|---|--|--|
| 7 | Giving <i>personal recommendations</i> on <i>long-term care insurance contracts</i> | | |
| 8 | Giving <i>personal recommendations</i> on <i>investments</i> in the course of <i>corporate finance business</i> | | |
| 9 | <i>Advising on syndicate participation at Lloyd's</i> | | |
| 11 | Undertaking the activity of a <i>pension transfer specialist</i> | | |
| 14 and 10 | Managing <i>investments</i> and/or undertaking the activity of a <i>broker fund adviser</i> | | |
| 20 | <p>Advising on a <i>regulated mortgage contract</i> for a non-business purpose; or</p> <p>Arranging (bringing about) an <i>execution-only sale</i> of a <i>regulated mortgage contract</i> for a non-business purpose, excluding variations to an existing <i>regulated mortgage contract</i>, except where the effect is to change all or part of the <i>regulated mortgage contract</i> from one interest rate to another</p> | | |
| 21 | <p>Advising on <i>equity release transactions</i>; or</p> <p>Arranging (bringing about) an <i>execution-only sale</i> of an <i>equity release transaction</i>, excluding variations to an existing <i>equity release transaction</i>, except where the effect is to change all or part of the <i>equity release transaction</i> from one interest rate to another</p> | | |

| Activity Number | Non-RDR Activity (non-overseeing activity) | | |
|-----------------|---|--|--|
| 21A | Designing scripted questions for an <i>execution-only sale</i> of a <i>regulated mortgage contract</i> for a non-business purpose | | |
| 22 | Designing scripted questions for an <i>execution-only sale</i> of an <i>equity release transaction</i> | | |

| Activity Number | Non-RDR Activity (overseeing activity) |
|-----------------|--|
| 15 | Overseeing on a day to day basis operating a <i>collective investment scheme</i> or undertaking activities of a <i>trustee</i> or <i>depository</i> of a <i>collective investment scheme</i> . |
| 16 | Overseeing on a day to day basis <i>safe-guarding and administering investments</i> or holding <i>client money</i> . |
| 17 | Overseeing on a day to day basis <i>administrative functions</i> in relation to <i>managing investments</i> : (i)arranging settlement; (ii)monitoring and processing corporate actions; (iii) <i>client</i> account administration, liaison and reporting including valuation and performance measurement; (iv) <i>ISA</i> or <i>CTF</i> administration; (v) <i>investment trust savings scheme</i> administration. |
| 18 | Overseeing on a day to day basis <i>administrative functions</i> in relation to <i>effecting or carrying out contracts of insurance</i> which are <i>life policies</i> : (i)new business administration; (ii) <i>policy</i> alterations including surrenders and <i>policy</i> loans; (iii)preparing <i>projections</i> ; (iv)processing claims, including pension payments; (v)fund switching. |
| 19 | Overseeing on a day to day basis <i>administrative functions</i> in relation to the operation of <i>stakeholder pension schemes</i> : (i)new business administration; |

| Activity Number | Non-RDR Activity (overseeing activity) |
|-----------------|--|
| 23 | (ii) receipt of or alteration to contributions; (iii) preparing <i>projections</i> and annual statements; (iv) administration of transfers; (v) handling claims, including pension payments; (vi) fund allocation and switching. Overseeing non-advised sales on a day to day basis of <i>equity release transactions</i> . |

Extent to which the qualification meets the qualification requirement in relation to non-RDR activities

App 4.1.1B

E In relation to the above non-RDR activities a qualification in the table in Part 2 will meet the qualification requirement in relation to the activities in column 3 of the table, for the purpose of **TC 2.1.10E(2)**, to the extent set out below.

- (1) Where a '1' appears in the fourth column of Part 2, that qualification alone will fully meet the appropriate qualification requirement.

Where a '2' or '3' appears in the fourth column of Part 2, two qualifications must be obtained: one being any qualification in the table denoted by a '2' and the other being any qualification in the table denoted by a '3'. Together those qualifications will fully meet the qualification requirement.

Where a '4', '5' or '6' appears in the fourth column of Part 2, three qualifications must be obtained: one being any qualification in the table denoted by a '4', another being any qualification in the table denoted by a '5' and the other being any qualification in the table denoted by a '6'. Together those qualifications will fully meet the qualification requirement.

App 4.1.1C

G To meet the appropriate qualification requirement, a qualification is expected to meet the appropriate qualification criteria (**TC App 5**) and the content should cover both technical aspects in relation to the activity number in column 3 of the table in Part 2 as well as the regulation and ethics concerning those activities. Some of the qualifications in the table in Part 2 deal with all aspects and some only deal with certain aspects, as follows:

- (1) a '1' refers to a syllabus which contains all aspects, namely technical, regulation and ethics;
- (2) a '2' or a '6' refers to a syllabus which only deals with aspects of a technical nature;
- (3) a '3' or a '5' refers to a syllabus which only deals with aspects of regulation and ethics; and
- (4) a '4' refers to a syllabus which is only of an introductory nature.

Part 2: Appropriate Qualifications Tables

Note: A qualification is deemed an appropriate qualification if it appears in this table and is attained within the relevant time period, where one is indicated by the dates set out in the qualification column.

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|---|--------------------|-----|
| ACI The Financial Markets Association | ACI Diploma (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 3, 12, 13 | a |
| | ACI Dealing Certificate when combined with Chartered Institute of Securities and Investment (CISI) Introduction to Securities and Investments and one of the Regulatory units of the Investment Operations Certificate (IOC) | 15, 17 | 4 |
| | ACI Operations Certificate when combined with Chartered Institute of Securities and Investment (CISI) Introduction to Securities and Investments and one of the Regulatory units of the Investment Operations Certificate (IOC) | | |
| Association of Accounting Technicians | Member | 15, 16, 17, 18, 19 | 4 |
| Association of Certified International Investment Analysts (ACIIA) | CIIA qualification (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 3, 12, 13 | a |
| | Certified International Investment Analyst (CIIA) | 14 and 10 | 2 |
| Association of Chartered Certified Accountants | Member or Affiliate | 8 | 1 |
| | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |
| Association of Corporate Treasurers | MCT Advanced Diploma (Member or Fellow) or AMCT Diploma in Treasury (Associate Member) | 15, 16, 17, 18, 19 | 4 |
| Association of International Wealth Management (AIWM) | Certified International Wealth Manager Diploma (CIWM) | 2, 3, 12, 13 | a |
| | | 14 and 10 | 1 |
| Blackburn College - University Centre | Foundation Degree Award in Financial Services | 4 and 6 | a |
| Bournemouth University | BA in Financial Services (1995 to 2001) | 4 and 6 | b |
| | MA in Financial Services (1995 to 2001) | | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|---|--------------------|-----|
| | Post Graduate in Financial Services (1995 to 2001) | | |
| Calibrand / Chartered Institute of Bankers in Scotland | Diploma in Professional Financial Advice (Post 30/4/2014) | 4 and 6 | a |
| Calibrand / Scottish Qualifications Authority | Diploma in Professional Financial Advice (Pre 1/8/2018) | 4 and 6 | a |
| | Diploma in Professional Financial Advice (NMBA - Alternative Assessment method) | | |
| Canadian Securities Institute | Canadian Securities Course (CSC) and Conduct and Practices Handbook Course (CPH) - must include a pass in both modules (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) - both courses must be completed | 2, 12 | b |
| | Canadian Securities Course (CSC), Conduct and Practices Handbook (CPH), the Futures Licensing Course (FLC), the Derivatives Fundamentals Course (DCF) and the Options Licensing Course (OLC) - must include a pass in all modules (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) - all courses must be completed | 3, 13 | b |
| | Canadian Securities Course (CSC), Conduct and Practices Handbook (CPH), the Futures Licensing Course (FLC) and the Derivatives Fundamentals and Options Licensing Course (DFOL) - must include a pass in all modules (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) - all courses must be completed | | |
| CASS Business School | MSC in Banking and International Finance (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 3, 12, 13 | a |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|--|--------------------|-----|
| | MSC in Investment Management pre 2003 syllabus (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) | 2, 3, 12, 13 | b |
| CFA Institute | The CFA Institute Investment Foundations Certificate - (Formerly the Claritas Investment Certificate) | 15, 16, 17, 18, 19 | 4 |
| CFA Institute and the CFA Society of the UK | Level 1 of CFA Program plus Investment Management Certificate (Level 4) | 2, 3, 12, 13 | a |
| | Completion of CFA Program plus Investment Management Certificate Unit 1: The investment environment (Level 4) | | |
| | Holder of Associate qualification (associate member) | 2, 3, 12, 13 | b |
| | Level 1 of CFA Program plus Investment Management Certificate (Level 3) | | |
| | Completion of CFA Program plus Investment Management Certificate Unit 1: UK Regulation and Markets (level 3) | | |
| | Holder of Associate qualification (Fellow) | | |
| | CFA Program (Level 1) | 14 and 10 | 2 |
| | Fellow or Associate by examination | 8 | 1 |
| | | 14 and 10 | |
| | | 15, 16, 17, 18, 19 | 4 |
| | Investment Management Asset Allocation Qualification | 14 and 10 | 2 |
| | Investment Regulation and Practice Paper of the Associate Examination | 15, 16, 17 | 5 |
| CFA Society of UK (Formerly the UK Society of Investment Professionals/ Institute of Investment Management and Research (IIMR)) | Investment Management Certificate (Level 4) plus other qualifications that meet specialist standards for advising on securities | 2, 12 | a |
| | Investment Management Certificate (Level 4) plus other qualifications that meet specialist standards for advising on packaged products | 4 and 6 | |
| | Investment Management Certificate (Level 4) plus other qualifications that meet specialist standards for advising on derivatives | 3, 13 | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|---|--------------------|-----|
| | Investment Management Certificate (Level 3 or 4) | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17 | 5 |
| | | 14 and 10 | 1 |
| | Investment Practice Paper (Unit 2) of Investment Management Certificate (Level 3 or 4) | 14 and 10 | 2 |
| | | 8 | 2 |
| | Investment Management Certificate Unit 1: UK Regulation and Markets (Level 3) or Investment Management Certificate Unit 1: The Investment Environment (Level 4) | 8 | 3 |
| | | 15, 16, 17, 19 | 5 |
| | | 18 | 6 |
| | | 14 and 10 | 3 |
| Chartered Alternative Investment Analysis Association (CAIA) | CAIA Level 1 (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) | 2, 12 | b |
| Chartered Institute of Bankers in Scotland | Diploma in Investment Planning (Existing Adviser) (Post 2010 examination standards and Pre 1/6/2015) | 4 and 6 | a |
| | Diploma in Investment Planning (New Adviser) (Post 2010 examination standards and Pre 1/6/2015) | | |
| | Diploma in Investment Planning (Retail Banking) (New Adviser) (Post 2010 examination standards and Pre 1/6/2015) | | |
| | Diploma in Investment Planning (Retail Banking) (Existing Adviser) (Post 2010 examination standards and Pre 1/6/2015) | | |
| | Diploma in investment planning (work based assessment)(Pre 1/6/2015) | | |
| | Associate (March 1992 to July 1994 syllabus (including top-up test)) | 4 and 6 | b |
| | Associate (post August 1994 syllabus) | | |
| | Certificate in Investment Planning (Pre 17/09/2004) | | |
| | Chartered Banker (where candidates hold UK Financial Services and Investment modules) | | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|---|--------------------|-----|
| | Diploma in Investment Planning (current) | | |
| | Associateship - (must include a pass in the Investment Paper) | 2, 3, 12, 13 | b |
| | Certificate in Investment Planning - Paper 1 | 15, 16, 18, 19 | 4 |
| | | 15, 16, 17, 18, 19 | 5 |
| | Certificate in Investment Planning | 17 | 4 |
| | Member or Associate | 15, 16, 17, 18, 19 | 4 |
| | Mortgage Advice and Practice Certificate | 20 | 1 |
| | Certificate in Mortgage Advice and Practice (MAPC) (Pre 16/09/2004) | 20, 21, 22 | 1 |
| | MAPC bridge paper plus entry requirements (Pre 31/10/2004) | 20 | 1 |
| | Certificate in Investment Planning - Paper 1 (Pre 16/09/2004) | 20, 21, 22 | 3 |
| | MAPC - Paper 1 (Pre 16/09/2004) | 20 | 3 |
| | Mortgage Advice and Practice Certificate - Paper 1 (Post 17/09/2004) | 20, 21 | 3 |
| | Equity Release Mortgage Advice and Practice Certificate (ERMAPC) | 21, 22 | 1 |
| | Lifetime Mortgage Advice and Practice Certificate | | |
| | MAPC Bridge paper plus entry requirements (Pre 16/09/2004) | | |
| | Certificate in Mortgage Advice and Practice (MAPC) (Pre 16/09/2004) - Paper 1 | 21, 22 | 3 |
| | Equity Release Mortgage Advice and Practice Certificate (ERMAPC) | 23 | 4 |
| | | 23 | 5 |
| 23 | | 6 | |
| Chartered Institute of Management Accountants | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |
| Chartered Institute of Public Finance and Accountancy | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|---|-----------------------|-----|
| Chartered Institute for Securities and Investment (CISI) - (Formerly the Securities and Investment Institute (SII); formerly The Securities Association) | Certificate in Pension Transfers and Planning Advice (when combined with an RDR compliant qualification for Activities 4 and 6) | 11 | 1 |
| | Investment Advice Diploma (where candidate holds 3 modules including the private client advice module) | 4 and 6 | a |
| | Investment Advice Diploma (where candidate holds 3 modules including the Financial Planning and Advice module) | 4 and 6 | |
| | Investment Advice Diploma (where candidate holds 3 modules including the derivatives module) | 3, 13 | |
| | Investment Advice Diploma (where candidate holds 3 modules including the securities module) | 2, 12 | |
| | Masters in Wealth Management (Post 2010 examination standards) | 2, 3, 4 and 6, 12, 13 | |
| | Certificate in Private Client Investment Advice and Management | 2, 3, 4 and 6, 12, 13 | b |
| | | 14 and 10 | 1 |
| | Certificate in Private Client Investment Advice and Management (attained through a CISI competency interview and presentation only) | 2, 3, 4 and 6, 12, 13 | b |
| | | 14 and 10 | 1 |
| | Diploma (where candidate holds 3 modules as recommended by the firm) | 2, 3, 4 and 6, 12, 13 | b |
| | Investment Advice Certificate | 2, 3, 4 and 6, 12, 13 | b |
| | Masters in Wealth Management (Pre 2010 examination standards) | 2, 3, 4 and 6, 12, 13 | b |
| | Member of the Securities Institute (MSI Dip) (where candidate holds 3 modules as recommended by the <i>firm</i>) | 2, 3, 4 and 6, 12, 13 | b |
| | Certificate in Corporate Finance | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | Certificate in Derivatives - Paper 2 | 15, 16, 17, 18, 19 | 4 |
| | Certificate in Investment and Financial Advice - Paper 1 | 21, 22 | 3 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|--|--------------------|--------|
| | Certificate in Investment Management (Level 3, pre 31 December 2013) | 8 | 1 |
| | | 15, 16, 17, 19 | 4 |
| | | 15, 16, 17 | 5 |
| | | 14 and 10 | 1 |
| | Certificate in Investment Management (Level 4) | 14 and 10 | 1 |
| | Certificate in Investment Management - Paper 2 | 8 | 2 |
| | | 14 and 10 | |
| | Certificate in Securities | 8 | 1 |
| | Certificate in Securities - Paper 2 | 15, 16, 17, 18, 19 | 4 |
| | Certificate in Securities and Derivatives - Paper 2 | 19 | 4 |
| | Certificate in Securities and Financial Derivatives | 8 | 1 |
| | Certificate in Securities and Financial Derivatives - Paper 2 | 15, 16, 17, 18 | 4 |
| | Client Services Qualification | 15, 16, 17, 18, 19 | 4 |
| | Diploma | 15, 16, 17, 18, 19 | 4 |
| | Diploma - Corporate Finance Paper | 8 | 2 |
| | Diploma - Global Operations Management Module | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17 | 5 6 |
| | Diploma - International Operations Management Module | 15 | 4 |
| | | 15, 16 | 5 6 |
| | | | |
| | | 17 | 5 6 |
| | | | |
| | Diploma - International Operations Module | 16, 18, 19 | 4 |
| | Diploma - Operations Management Module | 15, 16, 17, 18, 19 | 4 |
| | | 15, 17 | 5 |
| | | 15, 16, 17 | 6 |
| | Diploma - Regulation and Compliance Module | 8 | 3 |
| | | 14 and 10 | |
| | | 15, 16, 17, 18, 19 | 5 |
| | Diploma (must include a pass in Regulation and Compliance Paper) | 8 | 1 |
| Diploma (where candidate holds 3 modules as recommended by the firm) | 14 and 10 | 1 | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|------------------------|---|--------------------|-----|
| | Diploma in Corporate Finance (awarded jointly with The Institute of Chartered Accountants in England and Wales) | 8 | 1 |
| | Investment Administration Qualification - Asset Servicing Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Basics of CREST Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Bond Settlement Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Collective Investment Schemes Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - CREST Settlement Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Derivatives Operations Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Exchange - Traded Derivative Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - FSA Regulatory Environment Module | 15, 16, 17 | 5 |
| | Investment Administration Qualification - Global Custody Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Global Securities Operations Module | 16, 17 | 6 |
| | Investment Administration Qualification - Global Settlement Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - IMRO Regulatory Environment Module | 8 | 3 |
| 14 and 10 | | | |
| 15, 16, 17, 18, 19 | | 5 | |
| | Investment Administration Qualification - Introduction to Securities and Investment Module | 15, 16, 17, 18, 19 | 4 |
| | Investment Administration Qualification - ISA Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - ISA and CTF Administration Module | 15, 16, 17 | 6 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|------------------------|--|--------------------|-----|
| | Investment Administration Qualification - ISA and PEP Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Life Policy Administration Module | 18 | 6 |
| | Investment Administration Qualification - OEIC Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Operational Risk Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - OTC Derivatives Administration Module | 15, 16 | 6 |
| | Investment Administration Qualification - Pensions Administration Module | 19 | 6 |
| | Investment Administration Qualification - PEP Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - Portfolio Performance Measurement Module | 15, 16 | 6 |
| | Investment Administration Qualification - Private Client Administration Module | 15, 16, 17 | 6 |
| | Investment Administration Qualification - SFA Regulatory Environment Module | 8 | 3 |
| | | 14 and 10 | |
| | | 15, 16, 17, 18 | 5 |
| | Investment Administration Qualification - Unit 2 FSA Regulatory Environment - (Formerly the Investment Administration Qualification - Regulatory Environment Module) | 8 | 3 |
| | | 14 and 10 | |
| | | 18, 19 | 5 |
| | Investment Administration Qualification - Unit Trust Administration Module | 15, 16, 17 | 6 |
| | Investment Advice Certificate | 14 and 10 | 1 |
| | Investment Advice Certificate - Paper 1 | 15, 16, 17, 18, 19 | 4 |
| | | | 5 |
| | Investment Advice Certificate - Paper 1 (No new registrations) | 20, 21, 22 | 3 |
| | Investment Advice Certificate - Paper 2 | 18, 19 | 6 |
| | Investment Advice Diploma (where candidates hold technical modules as recommended by the firm) | 14 and 10 | 1 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|------------------------|--|--------------------|-----|
| | Investment Operations Certificate - Asset Servicing Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate – Client Money and Assets | 16 | 6 |
| | Investment Operations Certificate - Collective Investment Schemes Administration Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate - CREST Settlement Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate - Exchange - Traded Derivative Administration Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate - UK Financial Regulation Module | 8 | 3 |
| | | 14 and 10 | |
| | | 15, 16, 17, 18, 19 | 5 |
| | Investment Operations Certificate - Global Securities Operations Module | 17 | 6 |
| | Investment Operations Certificate - Global Securities Operations Module | 16 | 6 |
| | Investment Operations Certificate - Introduction to Securities and Investment Module | 15, 16, 17, 18, 19 | 4 |
| | Investment Operations Certificate - ISA Administration Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate - Operational Risk Module | 15, 16, 17 | 6 |
| | Investment Operations Certificate - OTC Derivatives Administration Module | 15, 16 | 6 |
| | Investment Operations Certificate - Platforms, Wealth Management and Service Providers | 15, 16 | 6 |
| | Investment Operations Certificate - Administration of Settlement & Investments Module (previously known as the Private Client Administration Module) | 15, 16, 17 | 6 |
| | Level 3 Certificate in Investments (Derivatives) - Unit 3 | 15, 16, 17, 18, 19 | 4 |
| | Level 3 Certificate in Investments (Investment Management) | 14 and 10 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17 | 5 |
| | Level 3 Certificate in Investments (Investment Management) - Unit 5 | 8 | 2 |
| | | 14 and 10 | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|--|--------------------|-----|
| | Level 3 Certificate in Investments (Securities and Financial Derivatives) | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | Level 3 Certificate in Investments (Securities) | 8 | 1 |
| | Level 3 Certificate in Investments (Securities) - Unit 2 | 15, 16, 17, 18, 19 | 4 |
| | Level 6 Diploma in Wealth Management | 14 and 10 | 1 |
| | Masters in Wealth Management | 14 and 10 | 1 |
| | Member of the Securities Institute by examination | 15, 17, 19 | 4 |
| | Principles of UK Financial Regulation | 8 | 3 |
| | | 18, 19 | 5 |
| | SFA Corporate Finance Representative Examination | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | SFA Futures and Options Representative Examination | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17 | 5 |
| | SFA Registered Persons Examination - Section 1 (Regulation) | 8 | 3 |
| | | 14 and 10 | |
| | | 15, 16, 17, 18, 19 | 5 |
| | SFA Securities and Financial Derivatives Representative Examination | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17 | 5 |
| | SFA Securities Representative Examination | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | | 16, 17 | 5 |
| | TSA Registered Representative Examinations | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16 | 5 |
| | Unit 1 - Financial Regulation | 14 and 10 | 3 |
| | Unit 1 Financial Regulation (Formerly the Securities Institute Regulatory Paper) | 8 | 3 |
| 15, 16, 17, 18, 19 | | 5 | |
| Unit 6 - Principles of UK Financial Regulation | 14 and 10 | 3 | |
| | 15, 16, 17 | 5 | |
| Chartered Insurance Institute | Certificate in Advanced Mortgage Advice | 20 | 1 |
| | Certificate in Pension Transfer Advice | 11 | 1 |
| | Certificate in Securities Advice and Dealing | 2, 12 | a |

| Qualification provider | Qualification | Activity Number(s) | Key |
|------------------------|--|-----------------------|-----|
| | Diploma in Financial Planning (with appropriate gap fill) plus the Award in Long Term Care Insurance | 7 | 1 |
| | Diploma in Financial Planning (subject to gap fill) + AF7 Pension Transfers | 11 | 1 |
| | Diploma in Regulated Financial Planning | | |
| | Diploma in Regulated Financial Planning (attained through a CII alternative assessment day) | 4 and 6 | a |
| | Diploma in Regulated Financial Planning plus the Award in Long Term Care Insurance | 7 | 1 |
| | Fellow or Associate (life and pensions route only) | 2, 3, 12, 13 | b |
| | Advanced Financial Planning Certificate | 2, 3, 4 and 6, 12, 13 | b |
| | Diploma in Financial Planning | | |
| | Fellow (FCII) (where candidates hold appropriate life and pensions modules) | | |
| | Fellow (FLIA Dip) | | |
| | Advanced Diploma in Financial Planning | 4 and 6 | b |
| | Associate (ACII) (where candidate holds appropriate life and pension modules) | | |
| | Associate (ALIA Dip) | | |
| | Diploma in Financial Planning plus a pass in J12: Securities advice and dealing | 2, 12 | a |
| | Certificate in Financial Planning plus the Award in Long Term Care Insurance | | |
| | G80 paper of Advanced Financial Planning Certificate (October 2004) plus appropriate exam requirements for TC 2.1.4R(1)(f) | 7 | 1 |
| | G70 Paper of the Advanced Financial Planning Certificate | 8 | 1 |
| | Award in London Market Insurance | 9 | 1 |
| | Fellow or Associate including three pensions-related subjects as confirmed by the examining body | | |
| | G60 paper of Advanced Financial Planning Certificate | 11 | 1 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|------------------------|--|----------------------------|---------|
| | Unit AF3 of the Advanced Diploma in Financial Planning | | |
| | Certificate of Insurance Practice | 18 | 4 |
| | Certificate of Insurance Practice (life or pensions route) | 18 | 6 |
| | FA1 - Life office administration | | |
| | Fellow or Associate (life and pensions route only) | | |
| | Life assurance paper (735) from the Associateship | | |
| | Certificate of Insurance Practice (Pensions route) | 19 | 6 |
| | Fellow or Associate (Pensions route) | | |
| | Certificate in Mortgage Advice | 20 | 1 |
| | Certificate in Equity Release (Formerly known as Certificate in Financial Planning and Lifetime Mortgages) | 21, 22 | 1 |
| | | 23 | 4 |
| | | | 5 |
| | | | 6 |
| | | | |
| | | | |
| | Advanced Financial Planning Certificate (must include a pass in G70 paper) | 14 and 10 | 1 |
| | Certificate in Discretionary Investment Management | | |
| | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |
| | Financial Planning Certificate - Paper 1 | 15, 16, 17, 18, 19 | 4 |
| | | 15, 16, 17, 18, 19 | 5 |
| | CF1 - UK financial services, regulation and ethics | 10, 14, 15, 16, 17, 18, 19 | 3, 4 |
| | | 10, 14, 15, 16, 17, 18, 19 | 3, 5 |
| | RO1 Paper: Regulation and Ethics | 10, 14, 15, 16, 17, 18, 19 | 3, 4 |
| | | 10, 14, 15, 16, 17, 18, 19 | 3, 5 |
| | FA2 - Pensions administration paper | 18, 19 | 6 |
| | Financial Planning Certificate - Paper 2 | | |
| | (LP1) Life and pensions customer operations; (LP2) Financial services products and solutions; and (LP3) Life and pensions principles and practices (where candidate holds all 3 modules) | 15, 16, 17, 18, 19 | 4 and 5 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|--|-----------------------|-----|
| | Pensions law, taxation and administration paper (740) from the Associateship | 18, 19 | 6 |
| | Certificate in Investment Operations: Collective Investment Scheme Administration paper (FA4) | 15, 16, 17 | 6 |
| | Certificate in Investment Operations: Individual Savings Account Administration paper (FA5) | 1516, 17 | 6 |
| | Certificate in Investment Operations: Investment Client Servicing paper (FA6) | 15, 16, 17 | 6 |
| | Certificate in Mortgage Advice - Paper 1 | 20, 21 | 3 |
| | Mortgage Advice Qualification (MAQ) plus entry requirements | 20, 21, 22 | 1 |
| | Financial Planning Certificate - Paper 1 (No new registrations after 17/12/2004) | 20, 21, 22 | 3 |
| Deutsche Boerse AG | Certified Securities Trader (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 12 | b |
| Deutsche Boerse AG | Certified Derivatives Trader (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 12 | b |
| | | 3, 13 | a |
| EFFAS Societies with accredited examinations | Certified European Financial Analyst | 14 and 10 | 2 |
| Faculty or Institute of Actuaries | Fellow or Associate or where the individual has passed all of the following modules CT1, CT2, CT4, CT5, CT6, CT7 and CT8 | 2, 3, 4 and 6, 12, 13 | a |
| | | 14 and 10 | 1 |
| | Associate - achieved by examination passed before 1 December 2001 (must include a pass in Subject 301 - Investment and Asset Management (syllabus in force from 1998) | 14 and 10 | 1 |
| | Associate - achieved by examination passed after 1 December 2001 (must include a pass in subject 301 - Investment and Asset Management (syllabus in force from 1998) | 14 and 10 | 2 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|---|--------------------|-----|
| | Fellow - achieved by examination (must include a pass in subjects 301 and 401 Investment and Asset Management (syllabus in force from 1998)) | 14 and 10 | 1 |
| | Fellow or Associate | 11 | 1 |
| | | 16, 17, 18, 19 | 4 |
| | | 18, 19 | 6 |
| | Fellow or Associate by examination (must include Investment Paper E (Syllabus in force until 1998)) | 14 and 10 | 1 |
| Fellow or where the individual has passed all of the following modules CA1 and SA2 | 18 | 4 | |
| Financial Industry Regulatory Authority (FINRA) - Formerly the National Association of Securities Dealers (NASD) | Series 7 - General Securities Representatives Examination (provided it is accompanied by appropriate qualifications in Regulation and Ethics and Personal Taxation) | 2, 3, 12, 13 | b |
| Financial & Legal Skills Partnership (formerly the Financial Skills Partnership/Financial Services Skills Council (FSP/FSSC)) | FLSP Advanced/Modern Apprenticeship in Advising on Financial Products (Long Term Care Insurance Pathway) | 7 | 1 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Investment Administration or Operations Pathway including either Asset Servicing / CREST Settlement / Global Securities or ISA and CTF Administration) | 17 | 6 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Investment Administration or Operations Pathway including FSA Regulatory Environment or Principles of Financial Regulation) | 17 | 5 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Investment Administration or Operations Pathway including the Introduction to Securities and Investment module) | 17 | 4 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|--|---|-----|
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Long Term Insurance or Life, Pensions and Investments or Pensions Administration Pathway including CF1) | 18 | 4 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Long Term Insurance or Life, Pensions and Investments or Pensions Administration Pathway including CF1) | 18 | 5 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Long Term Insurance or Life, Pensions and Investments or Pensions Administration Pathway including CF1 and either FA1 or FA2) | 18 | 6 |
| | FLSP Level 3 Advanced/Modern Apprenticeship in Retail or Providing Financial Services (Long Term Insurance or Life, Pensions and Investments or Pensions Administration Pathway including CF1 and FA2) | 19 | 1 |
| | FLSP Level 3 Advanced Apprenticeship in Advising on Financial Products (Mortgage Advice Pathway) or Level 3 Advanced Apprenticeship in Providing Mortgage Advice | 20 | 1 |
| | ICMA Centre/ University of Reading (Formerly ISMA Centre/ University of Reading) | Diploma in Capital Markets, Regulation and Compliance | 17 |
| Operations Certificate Programme (OCP) | | 16, 17 | 6 |
| Institute of Chartered Accountants in England and Wales | Fellow or Associate | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | Initial Test of Competence | 18, 19 | 6 |
| | Diploma in Corporate Finance (awarded jointly with The Institute of Chartered Accountants in England and Wales) | 8 | 2 |
| Institute of Chartered Accountants in Ireland | Fellow or Associate | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | Initial Test of Competence | 19 | 6 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|--|--------------------|-----|
| Institute of Chartered Accountants in Scotland | Member | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| | Initial Test of Competence | 19 | 6 |
| Institute of Chartered Secretaries and Administrators | Certificate in Collective Investment Scheme Administration | 15, 16, 17, 18 | 4 |
| | | | 5 |
| | | 15, 16 | 6 |
| | | 19 | 4 |
| | Certificate in Company Secretarial Practice and Share Registration Practice (including the Regulatory module within the examination) | 15, 16, 17 | 4 |
| | | | 5 |
| | | 6 | |
| Fellow or Associate | 15, 16, 17, 18, 19 | 4 | |
| Institute of Financial Planning (until 1 November 2015) | Certified Financial Planner (syllabus in force until 31 October 2015) | 4 and 6 | b |
| | Fellowship (syllabus in force until 31 October 2015) | | |
| Insurance Sector Education and Training Authority | National Diploma: Financial Services Long-Term Risk Assessment | 7 | 2 |
| Investment Management Association | Investment Administration Management Award | 15, 16, 17 | 6 |
| Investment Property Forum | IPF Certificate in Property Investment | 14 and 10 | 2 |
| Japanese Bankers Association | Registered Representative of Public Securities Examination (pre-April 1990) | 8 | 2 |
| | Representative of Public Securities Qualification - Class 1 | | |
| Japanese Securities Dealers Association | Representative of Public Securities Qualification - Type 1 (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 3, 12, 13 | b |
| | Representative of Public Securities Examination (pre April 1990) | 8 | 2 |
| | Representative of Public Securities Qualification - Type 1 | | |
| Law Society of England and Wales | Module B(ii), Securities and Portfolio Management | 8 | 2 |
| | Module B(i), Retail Branded/ Packaged Products | 18, 19 | 6 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|--|-----------------------|-----|
| Law Society of England and Wales/ Law Society of Northern Ireland | Solicitor | 15 | 4 |
| Law Society of England and Wales/ Law Society of Scotland/ Law Society of Northern Ireland | Solicitor | 17, 18, 19 | 4 |
| Lloyd's | Lloyd's and London Market Introductory Test (Formerly the Lloyd's Introductory Test) | 9 | 1 |
| Lloyd's/ Chartered Insurance Institute | Lloyd's Market Certificate | 9 | 1 |
| London Stock Exchange (records are now kept by The Chartered Institute for Securities and Investment (CISI); Formerly the Securities and Investment Institute (SII); formerly The Securities Association) | London Stock Exchange Full Membership Exams (and other regional stock exchanges as merged with London Stock Exchange) - where candidate holds three or four papers or holds both the Stock Exchange Practice and Techniques of Investment papers | 2, 3, 4 and 6, 12, 13 | b |
| | | 14 and 10 | 1 |
| | Stock Exchange Registered Representative Examination | 8 | 1 |
| | | 15, 16, 17, 18, 19 | 4 |
| 15, 16 | 5 | | |
| Manchester Metropolitan University | BA (Hons) Financial Services, Planning and Management | 2, 3, 4 and 6, 12, 13 | a |
| N/A | In-house module (only where the firm can demonstrate that none of the listed examinations are appropriate) | 15, 16, 17, 18, 19 | 6 |
| NIBE SVV the Dutch Institute for the Banking, Insurance and Stock-broking Industry | Examination | 8 | 2 |
| Pensions Management Institute | Diploma in Regulated Retirement Advice | 4 and 6 | a |
| | | 11 | 1 |
| | Fellow or Associate by examination | 11 | 1 |
| | Module 201: Providing for Retirement | | 4 |
| | | 19 | 5 |
| | | | 6 |
| Fellow or Associate | 15, 16, 17, 18, 19 | 4 | |
| Diploma in Member-Directed Pension Scheme Administration | 18 | 6 | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|--|--|-----------------------|-----|
| | Fellow or Associate by examination | 18, 19 | 6 |
| Sheffield Hallam University | BA in Financial Services (1995 to 2001) | 4 and 6 | b |
| | MA in Financial Services (1995 to 2001) | | |
| | Post Graduate in Financial Services (1995 to 2001) | | |
| SIX Swiss Exchange | Certified Securities Trader the Swiss Markets Insight course (provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | 2, 12 | b |
| Society of Investment Analysts in Ireland | Certificate in Investment Management (at least 3 papers passed by examination) | 14 and 10 | 2 |
| South African Institute of Financial Markets | Ordinary and Senior Certificates | 8, 14 and 10 | 2 |
| Swiss Finance Institute | Dual degree Executive MBA in Asset and Wealth Management | 14 and 10 | 2 |
| The Institute of Banking in Ireland (Formerly the Chartered Institute of Bankers in Ireland) | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |
| | Professional Certificate in International Investment Fund Services | 15, 16, 17 | 6 |
| The London Institute of Banking & Finance (formerly the ifs University College and the ifs School of Finance/Chartered Institute of Bankers) | Diploma for Financial Advisers (post 2010 examination standards) | 4 and 6 | a |
| | Professional Certificate in Banking (PCertB) (where candidate has passed the Practice of Financial Advice module) | | |
| | Level 6 Diploma in Financial Advice (Adv Dipfa) | 4 and 6 | a |
| | Associateship - (must include a pass in the Investment / Investment Management Paper) | 2, 3, 4 and 6, 12, 13 | b |
| | Diploma for Financial Advisers (pre 2010 examination standards) | 4 and 6 | b |
| | Professional Investment Certificate | | |
| | Certificate for Financial Advisers and Certificate in Long-term Care Insurance | 7 | 1 |

| Qualification provider | Qualification | Activity Number(s) | Key |
|---|--|--------------------|------------|
| | Pension Transfers plus Diploma for Financial Advisers (DipFA®) post 2010 exam standards | 11 | 1 |
| | Pensions paper of Professional Investment Certificate | 11 | 1 |
| | Certificate for Financial Advisers - Paper 1 | 15 | 5 |
| | Fellow or Associate | 15, 16, 17, 18, 19 | 4 |
| | Certificate for Financial Advisers - Paper 1 (Pre 31/10/2004) | 15, 16, 17, 18, 19 | 4 |
| | | | 5 |
| | | | 20, 21, 22 |
| | Certificate for Financial Advisers - Paper 1 (Post 01/11/2004) | 18, 19 | 4 |
| | | | 5 |
| | Certificate for Financial Advisers - Paper 2 (Pre 31/10/2004) | 18, 19 | 6 |
| | CeMAP Bridge paper plus entry requirements | 20 | 1 |
| | Certificate in Mortgage Advice and Practice (Post 01/11/2004) | 20 | 1 |
| | Diploma for Mortgage Advice and Practice DipMAP (plus entry requirements) | 20 | 1 |
| | CeMAP bridge paper plus entry requirements (Pre 31/10/2004) | 21, 22 | 1 |
| | Certificate in Mortgage Advice and Practice (CeMAP) (Pre 31/10/2004) - Paper 1 | 20, 21 | 3 |
| | Certificate in Mortgage Advice and Practice (Post 01/11/2004) - Paper 1 | 20, 21 | 3 |
| | Certificate in Mortgage Advice and Practice (CeMAP) (Pre 31/10/2004) | 20, 21, 22 | 1 |
| | Certificate in Regulated Equity Release (Formerly known as Certificate in Lifetime Mortgages) | 21, 22 | 1 |
| | | 23 | 4 |
| | | 23 | 5 |
| 23 | | 6 | |
| The Securities Analysts Association of Japan (SAAJ) | CMA Level 2 (for individuals advising before 30 June 2009) | 2, 3, 12, 13 | b |
| | CMA Level 2 (for individuals not advising before 30 June 2009 - provided it is accompanied by appropriate qualifications in Regulation and Ethics, Investment Principles and Risk and Personal Taxation) | | |

| Qualification provider | Qualification | Activity Number(s) | Key |
|-----------------------------------|--|-----------------------|-----|
| | CMA Level 2 | 8 | 2 |
| | Secondary Examination | | |
| | Chartered Member | 14 and 10 | 2 |
| University of Northampton | BSc Banking and Financial Planning | 4, 6 | a |
| University of South Wales | BSc (Hons) Financial Planning, Investment and Risk | 4 and 6 | a |
| University of Stirling | BA in Finance | 2, 4 and 6, 12 | b |
| | BA in Finance and Accounting | 2, 3, 4 and 6, 12, 13 | b |
| | MSc in Finance | 2, 3, 12, 13 | b |
| | MSc in international Accounting and Finance (where candidates hold modules as recommended by the firm) | 2, 3, 12, 13 | b |
| | | 8 | 2 |
| | | 14 and 10 | 1 |
| | MSc in Investment Analysis | 2, 3, 12, 13 | b |
| | 14 and 10 | 1 | |
| University of the West of England | BA in Financial Services (1995 to 2001) | 4 and 6 | b |
| | MA in Financial Services (1995 to 2001) | | |
| | Post Graduate in Financial Services (1995 to 2001) | | |

Appendix 5

Appropriate qualification criteria

5.1

App5.1.1 G

Introduction

1. TC Appendix 4E contains a list of appropriate qualifications for the purposes of TC 2.1.10 E.
2. This Appendix sets out:
 - (1) the criteria which the *FCA* may take into account when assessing a qualification provider; and
 - (2) the information the *FCA* will expect the qualification provider to provide if it asks the *FCA* to add a qualification to the list of appropriate qualifications in TC Appendix 4 E.

Criteria for assessing a qualification provider

3. The *FCA* will expect the qualification provider of an appropriate qualification to have, in the *FCA*'s opinion:
 - (1) assessors and qualification developers who are trained and qualified;
 - (2) valid, reliable and robust assessment methods;
 - (3) robust governance and a clear separation of function between its qualification services and any other services it performs, including effective procedures for managing any conflicts of interest;
 - (4) procedures for reviewing and refreshing its syllabus and question banks to ensure that they are relevant and up to date;
 - (5) robust and credible procedures for assessing a candidate's demonstration of the learning outcomes specified in the relevant examination standards;
 - (6) robust arrangements for contingency and business continuity planning in relation to its qualification services;
 - (7) appropriate records management procedures in relation to its qualification services;
 - (8) procedures for dealing with inappropriate conduct by candidates, for example, attempting to obtain or obtaining qualifications dishonestly;
 - (9) robust procedures for the setting of assessments and marking of results; and

- (10) adequate resources in order to be financially viable.

Information about the qualification to be provided to the FCA

4. If a qualification provider asks the *FCA* to add a qualification to the list of appropriate qualifications in *TC Appendix 4 E*, the *FCA* will expect the qualification provider to:
 - (1) where relevant, specify the qualifications framework within which the qualification is placed;
 - (2) specify the activity in *TC Appendix 1* to which the qualification relates;
 - (3) set out the recommended prior knowledge, attainment or experience for candidates;
 - (4) where relevant, set out the exemption policy for a candidate's prior learning or achievement;
 - (5) provide the relevant learning materials to the *FCA* together with an explanation of how those learning materials correspond to the content of the most recent examination standards. Any content of the examination standards which has been excluded from the learning materials must be justified;
 - (6) where applicable, explain how grading is applied;
 - (7) where applicable, explain the provider's rules of combination;
 - (8) provide details of expected learning hours or any other similar arrangements;
 - (9) where applicable, specify the level of the overall qualification with reference to the relevant qualification framework or, if there is no relevant qualification framework, the European Qualifications Framework and the percentage of the qualification at that level, as well as the percentages and the levels for the remainder of the qualification;
 - (10) provide details of any credit for prior learning included in the qualification together with an explanation of how it meets the most recent examination standards; and
 - (11) provide an explanation of how the qualification compares in quality and standard to other similar qualifications.

Information about the qualification provider to be provided to the FCA

5. When considering whether to include or retain a qualification in the list of appropriate qualifications, the *FCA* may consider, where relevant:
 - (1) whether the qualification provider has in place suitable arrangements for:
 - (a) meeting its statutory duties in relation to equality and diversity; and
 - (b) reducing barriers to learning, for example, for candidates with learning difficulties;
 - (2) any concerns, issues or investigations which have been raised by the qualification provider's qualifications regulator;
 - (3) the annual pass rates of each of the relevant qualifications;
 - (4) the quality of the service the qualification provider provides to candidates in relation to qualifications and its complaints procedures;
 - (5) how the qualification provider maintains its qualifications to ensure they remain comparable to other qualifications in the same sector; and

- (6) whether the qualification provider gives candidates reasonable notice of any syllabus change, change in method of assessment or pass standards;
- (7) information supporting the criteria in TC Appendix 5G paragraph 3.

Appendix 6

Accredited bodies

6.1 Accredited bodies

6

App6.1.1 G

Introduction

1. An *accredited body* is a body appearing in the list of such bodies in the *Glossary*.
2. Information on *accredited bodies*, including *guidance* on the process for including an applicant body in the list, is set out below and the obligation to pay the application fee is set out in FEES 3.2.
3. [deleted]

Process for including a body in the list of accredited bodies

4. In considering the compatibility of a proposed addition with the *statutory objectives*, the *FCA* will determine whether the applicant will, if accredited, contribute to securing an appropriate degree of protection for *consumers* having regard in particular to:
 - (1) the matters set out in paragraphs 10 to 20; and
 - (2) the rules and practices of the applicant.
5. An application to the *FCA* to be added to the list of *accredited bodies* should set out how the applicant will satisfy the criteria in paragraphs 10 to 20. The application should be accompanied by a report from a suitable auditor which sets out its independent assessment of the applicant's ability to meet these criteria. An application form is available from the *FCA* upon request.
6. When considering an application for *accredited body* status the *FCA* may:
 - (1) carry out any enquiries and request any further information that it considers appropriate, including consulting other regulators;
 - (2) ask the applicant or its specified representative to answer questions and explain any matter the *FCA* considers relevant to the application;
 - (3) take into account any information which the *FCA* considers appropriate to the application; and
 - (4) request that any information provided by the applicant or its specified representative is verified in such a manner as the *FCA* may specify.

7. The *FCA* will confirm its decision in writing to the applicant.
8. The *FCA* will enter into an agreement with the applicant or *accredited body* which will specify the requirements that the *accredited body* must meet. These will include the matters set out in paragraphs 10 to 20. Approval as an *accredited body* becomes effective only when the name of the applicant is added to the *Glossary* definition of *accredited body*.
9. Paragraphs 10 to 20 set out the criteria which an applicant should meet to become an *accredited body* and which an *accredited body* should meet at all times.

Acting in the public interest and furthering the development of the profession

10. The *FCA* will expect an *accredited body* to act in the public interest, to contribute to raising consumer confidence and professional standards in the retail investment advice market and to promoting the profession.

Carrying out effective verification services

11. If independent verification of a *retail investment adviser's* professional standards has been carried out by an *accredited body*, the *FCA* will expect the *accredited body* to provide the *retail investment adviser* with evidence of that verification in a *durable medium* and in a form agreed by the *FCA*. This is referred to in this Appendix and TC 2.1.28 R as a 'statement of professional standing'.
12. The *FCA* will expect an *accredited body* to have in place effective procedures for carrying out its verification activities. These should include:
 - (1) verifying that each *retail investment adviser* who is a member of or subscriber to the *accredited body's* verification service has made an annual declaration in writing that the *retail investment adviser* has, in the preceding 12 months, complied with *APER* or *COCON* (as applicable) and completed the continuing professional development required under TC 2.1.15 R;
 - (2) verifying annually the continuing professional development records of no less than 10% of the *retail investment advisers* who have used its service in the previous 12 months to ensure that the records are accurate and the continuing professional development completed by the *retail investment advisers* is appropriate; and
 - (3) verifying that, if required by *TC*, the *retail investment advisers* who use its services have attained an appropriate qualification. This should include, where relevant, checking that appropriate qualification gap-fill records have been completed by the *retail investment advisers*.
13. The *FCA* will not expect an *accredited body* to carry out the verification in paragraph 12(3) if a *retail investment adviser* provides the *accredited body* with evidence in a *durable medium* which demonstrates that another *accredited body* has previously verified the *retail investment adviser's* appropriate qualification, including, where relevant, appropriate qualification gap-fill.
14. The *FCA* will expect an *accredited body* to make it a contractual condition of membership (where a *retail investment adviser* is a member of the *accredited body*) or of using its verification service (where a *retail investment adviser* is not a member of the *accredited body*) that, as a minimum, the *accredited body* will not continue to verify a *retail investment adviser's* standards and will withdraw its statement of

professional standing if it is provided with:

- (a) false information in relation to a *retail investment adviser's* qualifications or continuing professional development; or
- (b) a false declaration in relation to a *retail investment adviser's* compliance with *APER* or *COCON* (as applicable).

In this regard, an *accredited body* must have in place appropriate decision-making procedures with a suitable degree of independence and transparency.

Having appropriate systems and controls in place and providing evidence to the FCA of continuing effectiveness

- 15. The *FCA* will expect an *accredited body* to ensure that it has adequate resources and systems and controls in place in relation to its role as an *accredited body*.
- 16. The *FCA* will expect an *accredited body* to have effective procedures in place for the management of conflicts of interest and have a well-balanced governance structure with at least one member who is independent of the sector.
- 17. The *FCA* will expect an *accredited body* to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with *APER* or *COCON* (as applicable).

Ongoing cooperation with the FCA

- 18. The *FCA* will expect an *accredited body* to provide the *FCA* with such documents and information as the *FCA* reasonably requires, and to cooperate with the *FCA* in an open and transparent manner.
- 19. The *FCA* will expect an *accredited body* to share information with the *FCA* (subject to any legal constraints) in relation to the professional standards of the *retail investment advisers* who use its service as appropriate. Examples might include conduct issues, complaints, dishonestly obtaining or falsifying qualifications or continuing professional development or a failure to complete appropriate continuing professional development. The *FCA* will expect an *accredited body* to notify the *firm* if issues such as these arise.
- 20. The *FCA* will expect an *accredited body* to submit to the *FCA* an annual report by a suitable independent auditor which sets out that auditor's assessment of the quality of the body's satisfaction of the criteria in paragraphs 10 to 19 in the preceding 12 *months* and whether, in the auditor's view, the body is capable of satisfying the criteria in the subsequent 12 *months*. The *FCA* will expect this annual report to be submitted to the *FCA* within three *months* of the anniversary of the date on which the *accredited body* was added to the *Glossary* definition of *accredited body*.

Withdrawal of accreditation

- 21. If an *accredited body* fails or, in the *FCA's* view, is likely to fail to satisfy the criteria, the *FCA* will discuss this with the *accredited body* concerned. If, following a period of discussion, the *accredited body* has failed to take appropriate corrective action to ensure that it satisfies and will continue to satisfy the criteria, the *FCA* will withdraw the *accredited body's* accreditation by removing its name from the list of *accredited bodies* published in the *Glossary*. The *FCA* will expect the body to notify each *retail investment adviser* holding a current statement of professional standing of the *FCA's* decision. A statement of professional standing issued by the *accredited body* before the withdrawal of accreditation will continue to be valid until its expiration.

Appendix 7

Guidelines for qualification gap-fill for retail investment advice

7.1 Guidelines for qualification gap-fill for retail investment advice

7

App7.1.1 G TC Appendix 7G - Guidelines for qualification gap-fill for retail investment advice

Appendix 8 Professional Standards Data Submission Form

8.1 Professional Standards Data Submission Form [deleted]

App8.1.1 **R**

Training and Competence

TC TP 1

Designated Investment Business: Assessments of competence before commencement

| | | | |
|------|---|---|---|
| 1.1 | R | (1) | This <i>rule</i> applies in respect of an <i>employee</i> of a <i>firm</i> employed at <i>commencement</i> who had, before <i>commencement</i> , been assessed as competent by a <i>firm</i> in accordance with the applicable <i>rules</i> of its <i>previous regulator</i> . |
| | | (2) | An <i>employee</i> described in (1) is exempt from the requirements in this sourcebook to attain an appropriate qualification if the activity (or role of a supervisor) carried on by that <i>employee</i> after <i>commencement</i> is the same or substantially the same as that for which the <i>employee</i> had been assessed as competent before <i>commencement</i> . |
| 1.1A | G | Notwithstanding TC TP1 1.1R: | |
| | | (1) | a <i>firm</i> is subject to SYSC 5.1.5ABR in respect of such an <i>employee</i> and should have regard to the guidelines ESMA has issued specifying the criteria for the assessment of knowledge and competence. The ESMA guidelines can be found at: https://www.esma.europa.eu/document/guidelines-assessment-knowledge-and-competence ; and |
| | | (2) | a <i>firm</i> , in relation to its <i>insurance distribution activities</i> , is subject to SYSC 28 (Insurance distribution: specific knowledge requirements) in respect of such an <i>employee</i> . |
| 1.2 | R | If an <i>employee</i> of a <i>firm</i> is exempted from a qualification requirement under TC TP 1.1R and any other <i>firm</i> subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that: | |
| | | (1) | the activity which the <i>employee</i> carries on (or the role of the supervisor) continues to be the same, or substantially the same, as that in respect of which the <i>employee</i> had previously enjoyed the benefit of the exemption; and |
| | | (2) | the individual had not experienced any significant break in employment since the last employment in respect of which the individual had the benefit of an exemption under TC TP 1. |

Training and Competence

TC TP 2

Designated Investment Business: Assessments of competence in 12 month period after commencement

| | | | |
|-----|---|-----|--|
| 2.1 | R | (1) | This <i>rule</i> applies in respect of an <i>employee</i> who had, on 31 October 2007, the benefit of an exemption under transitional rule 2 in TC TP 1.1R in the form it was in on 31 October 2007. |
| | | (2) | An <i>employee</i> described in (1) is exempt from the requirements in this sourcebook to attain an appropriate qualification but only in respect of the activities in respect of which the <i>employee</i> had the benefit of that exemption as at 31 October 2007. |
| 2.2 | R | | If an <i>employee</i> of a <i>firm</i> is exempted from a qualification requirement under TC TP 2.1R and any other firm subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that: <ol style="list-style-type: none"> (1) the activity which the <i>employee</i> carries on continues to be the same, or substantially the same, as that in respect of which the <i>employee</i> had previously enjoyed the benefit of the exemption; and (2) the individual had not experienced any significant break in employment since the last employment in respect of which the individual had the benefit of an exemption under TC TP 2. |
| 2.3 | G | | At 31 October 2007 transitional rule 2 in TC TP 1.1R applied to a <i>firm</i> whose <i>employees</i> at <i>commencement</i> had not been subject to any specific training and competence requirements of a <i>previous regulator</i> . This rule allowed the <i>firm</i> to assess such individuals as competent in the first twelve months after <i>commencement</i> without their having to pass an exam. The exemption applied only in respect of the activities which the individual was able to carry on before <i>commencement</i> where they were the same or substantially the same. |

Training and Competence

TC TP 3

Regulated Mortgage Contracts: Assessments of competence under the Mortgage Code Compliance Board Rules

| | | | |
|-----|---|-----|--|
| 3.1 | R | (1) | <p>This rule applies:</p> <ul style="list-style-type: none"> (a) in relation to <i>regulated mortgage contracts</i>; and (b) in respect of an individual employed by a <i>firm</i> at 31 October 2004. |
| | | (2) | <p>If the individual described in (1) was assessed as competent by the <i>firm</i> before 31 October 2004 in accordance with the rules of the Mortgage Code Compliance Board applying immediately before 31 October 2004, the individual is exempt from the requirements in this sourcebook to attain an appropriate qualification provided that:</p> <ul style="list-style-type: none"> (a) the activity which the individual carries on continues to be the same, or substantially the same, as that immediately before 31 October 2004; and (b) the individual had not experienced any significant break in employment since the last employment in respect of which the individual had the benefit of an exemption under this <i>rule</i>. |
| 3.2 | R | | <p>If an <i>employee</i> of a <i>firm</i> is exempted from a qualification requirement under TC TP 3.1R and any other <i>firm</i> subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that:</p> <ul style="list-style-type: none"> (1) the conditions in TC TP 3.1R(2)(a) and (b) are met; and (2) the firm assesses the individual to be competent in accordance with TC 2.1.1 R. |

Training and Competence

TC TP 4

Home Reversion Plans: Assessments of competence before 6 April 2007 in relation to lifetime mortgages

| | | | |
|-----|---|-----|--|
| 4.1 | R | (1) | <p>This <i>rule</i> applies in respect of an individual employed by a <i>firm</i> at 6 April 2007, if that individual had before that date been assessed as competent by the <i>firm</i> in relation to:</p> <ul style="list-style-type: none"> (a) advising on <i>lifetime mortgages</i>; (b) designing scripted questions for use in non-advised sales to <i>customers of lifetime mortgages</i>; or (c) overseeing non-advised sales of <i>lifetime mortgages</i>. |
| | | (2) | <p>An individual in (1) is exempt from the qualification requirements in this sourcebook in relation to activities carried on concerning <i>home reversion plans</i> that correspond to those in (1) provided that:</p> <ul style="list-style-type: none"> (a) the individual has been assessed as competent to apply the knowledge and skills necessary to carry on the relevant home reversion activity before 6 April 2007; (b) the home reversion activity which the individual carries on continues to be the same, or substantially the same as that which the individual carried on immediately before 6 April 2007; and (c) the individual had not experienced any significant break in employment since the last employment in respect of which the individual had the benefit of an exemption under this <i>rule</i>. |
| 4.2 | R | | <p>If an <i>employee</i> of a <i>firm</i> is exempted from a qualification requirement under TC TP 4.1R and any other <i>firm</i> subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that:</p> <ul style="list-style-type: none"> (1) the conditions in TC TP 4.1R(2)(b) and (c) are met; and (2) the firm assesses the individual to be competent in accordance with TC 2.1.1 R. |
| 4.3 | R | | <p>TC TP 4 does not apply to an individual in TC TP 4.1R(1) after 6 April 2009 unless the individual passes an appropriate home reversions top-up examination before that date.</p> |

Training and Competence

TC TP 5

Home Reversion Plans: Assessments of competence before 6 April 2007 in relation to Home Reversion Plans only

| | | |
|-----|---|---|
| 5.1 | R | <p>(1) This <i>rule</i> applies in respect of an individual employed by a <i>firm</i> at 6 April 2007 (other than an individual described in TC TP 4.1R).</p> <p>(2) The individual in (1) is exempt from the examination requirements in this sourcebook in relation to the following:</p> <p style="margin-left: 20px;">(a) advising on <i>home reversion plans</i>;</p> <p style="margin-left: 20px;">(b) designing scripted questions for use in non-advised sales to customers of <i>home reversion plans</i>; or</p> <p style="margin-left: 20px;">(c) overseeing non-advised sales of <i>home reversion plans</i>.</p> <p>(3) The exemption in (2) only applies if:</p> <p style="margin-left: 20px;">(a) the individual has been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the relevant home reversion activity before 6 April 2007;</p> <p style="margin-left: 20px;">(b) the home reversion activity which the individual carries on continues to be the same, or substantially the same as that immediately before 6 April 2007; and</p> <p style="margin-left: 20px;">(c) the individual had not experienced any significant break in employment since the last employment in respect of which the individual had the benefit of an exemption under this <i>rule</i>.</p> |
| 5.2 | R | <p>If the individual has not passed an appropriate examination before 6 April 2009, the individual in TC TP 5.1R(1) will cease to be exempt from the appropriate examination requirement.</p> |
| 5.3 | R | <p>If an employee of a <i>firm</i> is exempted from an examination requirement under TC TP 5.1R and any other <i>firm</i> subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that:</p> <p style="margin-left: 20px;">(1) the conditions in TC TP 5.1R3(b) and (c) are met; and</p> <p style="margin-left: 20px;">(2) the <i>firm</i> assesses the individual to be competent in accordance with TC 2.1.1 R.</p> |

Training and Competence

TC TP 6 Transitional provisions relating to assessments of competence generally

| | | |
|-----|---|--|
| 6.1 | G | If appropriate, a <i>firm</i> may treat a competence assessment carried out under TC in the form it was in before 1 November 2007 as being sufficient to satisfy TC 2.1.1 R. |
|-----|---|--|

Training and Competence

TC TP 7

Transitional provisions relating to waivers from existing examination requirements

| | | | |
|-----|---|-----|---|
| 7.1 | R | (1) | This provision applies to a <i>firm</i> which benefited from a waiver from an examination requirement in <i>TC</i> prior to 1 November 2007 in respect of an <i>employee</i> . If such a <i>firm</i> would otherwise find itself in breach of an examination requirement in <i>TC</i> from that date as a result of the re-categorisation of <i>clients</i> in <i>COBS</i> , the <i>firm</i> may allow that <i>employee</i> to continue carrying on the activities in respect of which the waiver was granted until 31 October 2008 though he has yet to satisfy the relevant examination requirement in <i>TC</i> . |
| | | (2) | If an <i>employee</i> of a <i>firm</i> is exempted from an examination requirement under <i>TC</i> TP 7.1(1) and any other <i>firm</i> subsequently employs the individual, that exemption continues to apply in respect of that subsequent employment on the same basis provided that: <ul style="list-style-type: none">(a) the activity which the <i>employee</i> carries on continues to be the same, or substantially the same, as that in respect of which the <i>employee</i> had previously enjoyed the benefit of the exemption; and(b) the <i>employee</i> had not experienced any significant break in employment since the last employment in respect of which the relevant exemption was granted. |

Training and Competence

TC TP 8

Transitional provisions relating to time limits for attaining qualifications

| | | |
|-----|---|---|
| 8.1 | R | An <i>employee</i> who is carrying on an activity specified in TC Appendix 1 on 1 January 2011 will, for the purposes of TC 2.2A.1 R, be regarded as starting to carry on that activity on that date. |
| 8.2 | R | An <i>employee</i> who is carrying on the activities specified in TC App 1 of: <ol style="list-style-type: none"> (1) <i>arranging (bringing about) regulated mortgage contracts or home reversion plans</i> or (for a <i>mortgage lender</i> or home reversion provider) an activity which would be arranging (bringing about) but for the exclusion in article 28A <i>Regulated Activities Order</i> (Arranging contracts to which the arranger is a party) for a non-business purpose; or (2) designing scripted questions for execution-only sales of <i>regulated mortgage contracts</i> for a non-business purpose; as at 26 April 2014 will, for the purposes of TC 2.2A.1 R, be regarded as carrying on such activities only with effect from that date; and, in relation to such an <i>employee</i> , a <i>firm</i> need not (in relation to such activities only) comply with TC 2.1.6 R until 26 October 2016. TP 8.1 does not apply in respect of such an <i>employee</i> . |
| 8.3 | R | An <i>employee</i> who is carrying on the activities specified in TC App 1 in relation to a <i>second charge regulated mortgage contract</i> , of: <ol style="list-style-type: none"> (1) <i>advising; arranging (bringing about) regulated mortgage contracts or home reversion plans</i> or (for a <i>mortgage lender</i> or home reversion provider) an activity which would be arranging (bringing about) but for the exclusion in article 28A <i>Regulated Activities Order</i> (Arranging contracts to which the arranger is a party) for a non-business purpose; or (2) designing scripted questions for execution-only sales of <i>regulated mortgage contracts</i> for a non-business purpose; as at 21 March 2016 will, for the purposes of TC 2.2A.1 R, be regarded as carrying on only such activities with effect from that date and, in relation to such an <i>employee</i> , a <i>firm</i> need not (in relation to such activities only) comply with TC 2.1.6 R until 21 September 2018. TC TP 8.1 does not apply in respect of such an <i>employee</i> . |
| 8.4 | R | An <i>employee</i> who is <i>advising on P2P agreements</i> as at 6 April 2016 will, for the purposes of TC 2.2A.1R, be regarded as starting to carry on that activity on that date. |

Training and Competence

TC TP 9 Transitional Provisions relating to MCD credit agreement activities

| (1) | (2) Material to which the transitional provision applies | (3) | (4) Transitional provision | (5) Transitional provision: dates in force | (6) Handbook provisions: coming into force |
|-----|---|-----|---|---|---|
| 9.1 | 2.1.5B | R | [expired] | | |
| 9.2 | 2.1.5C | R | A <i>firm</i> acting as an <i>MCD creditor</i> or an <i>MCD credit intermediary</i> may, until 21 March 2019, assess the knowledge and competency of the relevant <i>employee</i> solely on the basis of their professional experience. [Note: annex III (3) of the <i>MCD</i>] | From 21 March 2016 to 21 March 2019 | 21 March 2016 |

Training and Competence

Schedule 1 Record keeping requirements

Sch - 1.1 G

TC 2.1.24 R provides:

A *firm* must, for the purposes of TC 3.1.1 R (Record keeping), make and retain records of:

- (1) the continuing professional development completed by each *retail investment adviser*; and
- (2) the dates of and reasons for any suspension of the continuing professional development requirements under TC 2.1.17 R.

Sch 1.1 G

TC 3.1.1 R provides:

A *firm* must make appropriate records to demonstrate compliance with the *rules* in this sourcebook and keep them for the following periods after an *employee* stops carrying on the activity:

- (1) at least 5 years for *MiFID business*;
- (2) 3 years for non-*MiFID business*; and
- (3) indefinitely for a *pension transfer specialist*.

Training and Competence

Schedule 2 Notification requirements

Sch 2.1 G

| Handbook reference | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--------------------|--|---|--|------------------------------------|
| TC 2.1.31 R | Notifications - issues relating to the competency and behaviour of <i>retail investment advisers</i> . | <p>(1) Information about any circumstances relevant to the issue; and</p> <p>(2) information about any steps which a <i>firm</i> has taken or intends to take to rectify the position or prevent any future potential occurrence.</p> | <p>Becoming aware, or having information which reasonably suggests that any of the following has occurred or may occur, and the event is significant:</p> <p>(1) a <i>retail investment adviser</i>, who has been assessed as competent for the purposes of TC 2.1.1 R, is no longer considered competent for the purposes of TC 2.1.1 R;</p> <p>(2) a <i>retail investment adviser</i> has failed to attain an appropriate qualification within the time limit prescribed by TC 2.2A.1 R (1);</p> <p>(3) a <i>retail investment adviser</i> has failed to comply with <i>APER</i> or, as applicable, <i>CO-CON</i>; and</p> | As soon as reasonably practicable. |

| Handbook reference | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--------------------|-----------------------|--------------------------|---|--------------|
| | | | (4) a <i>retail investment adviser</i> has performed an activity in TCAp- pendix 1 before having demonstrated the necessary competence for the purposes of TC 2.1.1 R and without appropriate supervision. | |

Training and Competence

Schedule 3 Fees and other required payments

Sch 3.1 G

There are no requirements for fees or other payments in *TC*.

Training and Competence

Schedule 4 Powers exercised

Sch 4.1 G
[deleted]

Sch 4.2 G
[deleted]

Training and Competence

Schedule 5 Rights of action for damages

Sch 5.1 G

The table below sets out the *rules* in *TC* contravention of which by an *authorised person* may be actionable under section 138D of the *Act* (Actions for damages) by a *person* who suffers loss as a result of the contravention.

Sch 5.2 G

If a "Yes" appears in the column headed "For private person?", the *rule* may be actionable by a "*private person*" under section 138D (or, in certain circumstances, his fiduciary or representative). A "Yes" in the column headed "Removed" indicates that the *FCA* has removed the right of action under section 138D(3) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.

Sch 5.3 G

The column headed "For other person?" indicates whether the rule is actionable by a *person* other than a *private person* (or his fiduciary or representative). If so, an indication of the type of *person* by whom the *rule* is actionable is given.

Sch 5.4 G

Table: Actions for damages: Training and Competence sourcebook

| Chapter/ Appendix | Section/ Annex | Paragraph | Right of action under section 138D | | |
|----------------------|-------------------|-----------|------------------------------------|----------------|---------------------|
| | | | For private person | Removed | For other person |
| <i>Rules in TC</i> | | | No | Yes TC 1.2.1 R | No |

Training and Competence

Schedule 6 Rules that can be waived

Sch 6.1 G

As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.

