

**TRAINING AND COMPETENCE SOURCEBOOK (AMENDMENT No 9)  
INSTRUMENT 2021**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 137A (The FCA’s general rule-making power);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. Part 1 comes into force on 25 June 2021.
- D. Part 2 comes into force on 25 June 2022.

**Amendments to the Handbook**

- E. The Training and Competence (TC) sourcebook is amended in accordance with the Annex to this instrument.

**Citation**

- F. This instrument may be cited as the Training and Competence Sourcebook (Amendment No 9) Instrument 2021.

By order of the Board  
24 June 2021

## Annex

### Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### Part 1: Comes into force on 25 June 2021

## 2 Competence

### 2.1 Assessing and maintaining competence

...

Exemption from appropriate qualification requirements

#### 2.1.9 R ...

(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 2.1.1R*; 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.10.8R* or the ~~"14-day rule"~~ "30-day rule" exemption in *SYSC 27.5.3R*, unless the *employee* benefits from that rule because ~~he is~~ they are giving *personal recommendations to retail clients on retail investment products*, ~~is~~ are providing *advice on P2P agreements to retail clients* or ~~is~~ are a *broker fund adviser*.

...

#### App 4.1 Appropriate Qualification tables

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

...

#### 4.1.1C G ...

## Part 2: Appropriate Qualifications Tables

...

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)	...	...	...
	<u>Certificate in International Advanced Wealth Management (Level 4) (provided it is accompanied by appropriate examinations in Regulation and Ethics, Investment Principles and Risk and Personal Taxation)</u>	<u>2, 12</u>	a
	Investment Advice Diploma (where candidate holds 3 modules including the securities module)	4 and 6	
	...		
	Investment Operations Certificate - Administration of Settlement & Investments Module (previously known as the Private Client Administration Module)	15, 16, 17	6
	<u>Investment Operations Certificate - Transfer Agency Administration &amp; Oversight Module</u>	<u>15, 16, 17</u>	<u>6</u>
	...		
...			

**App 6.1 Accredited bodies**

App 6.1.1 G

<b>Introduction</b>	
...	
<b>Process for including a body in the list of accredited bodies</b>	
...	
8.	The <i>FCA</i> will enter into an agreement with the applicant or <i>accredited body</i> which will <del>specify the requirements that require the <i>accredited body</i> must to meet, among other obligations, the criteria and expectations set out in this Appendix or other parts of the <i>Handbook</i>, as amended from time to time. These will include the matters set out in paragraphs 10 to 20.</del> Approval as an <i>accredited body</i> becomes effective only when the name of the applicant is added to the <i>Glossary</i> definition of <i>accredited body</i> .
...	
<b>Carrying out effective verification services</b>	
11.	If independent verification of a <i>retail investment adviser's</i> professional standards has been carried out by an <i>accredited body</i> , the <i>FCA</i> will expect the <i>accredited body</i> to provide the <i>retail investment adviser</i> with evidence of that verification in a <i>durable medium</i> and in a form agreed by the <i>FCA</i> . This is referred to in this Appendix and <del>TC 2.1.28R</del> <i>TC 2.1</i> as a 'statement of professional standing'.
...	
14.	The <i>FCA</i> will expect an <i>accredited body</i> to make it a contractual condition of membership (where a <i>retail investment adviser</i> is a member of the <i>accredited body</i> ) or of using its verification service (where a <i>retail investment adviser</i> is not a member of the <i>accredited body</i> ) that, as a minimum, the <i>accredited body</i> will not continue to verify a <i>retail investment adviser's</i> standards and will withdraw its statement of professional standing if <del>it is provided with:</del>
(a) (1)	<del>it is provided with</del> false information in relation to a <i>retail investment adviser's</i> qualifications or continuing professional development; <del>or</del>
(b) (2)	<del>it is provided with</del> a false declaration in relation to a <i>retail investment adviser's</i> compliance with <i>APER</i> or <i>COCON</i> (as applicable); <del>or</del>
(3)	the <i>retail investment adviser</i> becomes subject to a <i>prohibition order</i> .
In this regard, an <i>accredited body</i> must have in place appropriate decision-making procedures with a suitable degree of independence and transparency.	

<b>Having appropriate systems and controls in place and providing evidence to the FCA of continuing effectiveness</b>	
...	
16.	The <i>FCA</i> will expect an <i>accredited body</i> to have effective procedures in place for the management of conflicts of interest and have a well-balanced governance structure <u>that engages a broad set of qualities and competences</u> , with at least one member who is independent of the sector.
...	
<b>Ongoing cooperation with the FCA</b>	
...	
19.	The <i>FCA</i> will expect an <i>accredited body</i> to share information <u>as soon as reasonably practicable</u> with the <i>FCA</i> (subject to any legal constraints, <u>including those in <i>data protection legislation</i></u> ) in relation to the professional standards of the <i>retail investment advisers</i> who use its service as appropriate. Examples might include conduct issues, complaints, dishonestly obtaining or falsifying qualifications or continuing professional development, <del>or</del> a failure to complete appropriate continuing professional development, <u>or the <i>accredited body's</i> decision to withdraw or not renew a <i>retail financial adviser's</i> statement of professional standing</u> . The <i>FCA</i> will expect an <i>accredited body</i> to notify the <i>firm</i> if issues such as these arise.
20.	The <i>FCA</i> will expect an <i>accredited body</i> to submit to the <i>FCA</i> <del>an annual</del> , every 2 years, a 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 <del>12</del> <u>24 months</u> and whether, in the auditor's view, the body is capable of satisfying the criteria in the subsequent <del>12</del> <u>24 months</u> . The <i>FCA</i> will expect this <del>annual</del> report to be submitted to the <i>FCA</i> <u>every 2 years</u> , within <del>three</del> <u>3 months</u> of the anniversary of the date on which the <i>accredited body</i> was added to the <i>Glossary</i> definition of <i>accredited body</i> .
<b>Withdrawal of accreditation</b>	
21.	If an <i>accredited body</i> fails or, in the <i>FCA's</i> view, is likely to fail to satisfy the criteria, the <i>FCA</i> will discuss this with the <i>accredited body</i> concerned. If, following a period of discussion, the <i>accredited body</i> has failed to take appropriate corrective action to ensure that it satisfies and will continue to satisfy the criteria, the <i>FCA</i> will withdraw the <i>accredited body's</i> accreditation. <u>Withdrawal of an <i>accredited body's</i> accreditation will be reflected in the <i>Handbook</i> by <del>removing its name from</del> <u>amending the list of <i>accredited bodies</i> published in</u> <u>under the <i>Glossary</i> definition of <i>accredited body</i></u>. The <i>FCA</i> will expect the body to notify each <i>retail investment adviser</i> holding a current statement of professional standing of the <i>FCA's</i> decision. A statement of professional standing issued by the <i>accredited body</i> before the withdrawal of accreditation will continue to be valid until its expiration.</u>

**Part 2: Comes into force on 25 June 2022**

**2 Competence**

**2.1 Assessing and maintaining competence**

...

Notification requirements

2.1.31 R ...

2.1.31A **R** Where a *firm* is required, pursuant to TC 2.1.31R(3), to notify the *FCA* of a *retail investment adviser's* failure to comply with *APER* or *COCON*, the *firm* must also, within the same timeframe, send a similar notification to the *accredited body* that issued a statement of professional standing in respect of that *retail investment adviser*.

...