



BIBA Compliance Manual 2018 - Full Contents

SECTION 1 – BACKGROUND AND INTRODUCTION TO FCA

1. Background
2. Statutory objectives of the FCA
3. The FCA's Approach
4. FCA Handbook
5. Applying for authorisation

SECTION 2 – HIGH LEVEL STANDARDS

1. Principles for Businesses (PRIN)
2. Senior Management Arrangements and Systems and Controls (SYSC).
General requirements:
 - Governance
 - Business continuity
 - Regular monitoring
 - Audit committee
 - Persons directing the business
 - Responsibility of senior personnel
 - Apportionment of responsibility
 - Skills, knowledge and expertise:
 - Segregation of functions
 - Awareness of proceduresCompliance:
 - Internal audit
 - Risk control
 - Outsourcing
 - Record keeping
 - Conflicts of interests

Chinese walls
Whistle blowing
Remuneration code
Knowledge, ability and good repute
Financial Crime
Information security
Anti-bribery and corruption
What is a bribe?
What are adequate procedures?
Consequences of getting it wrong
What is the FCA's involvement in the Bribery Act?
Financial Sanctions
Other Controls:

- Business strategy
- Management information

Appendix 1 – CPD requirements

SYSC Template 1 – Reporting Team – Large Firm
SYSC Template 2 – Reporting Team – Small Firm
SYSC Template 3 – Job Authority Matrix
SYSC Template 4 – Compliance Breach Log
SYSC Template 5 – Compliance Breach Log (
SYSC Template 6 – Compliance Activity Plan
SYSC Template 6a – Compliance Monitoring Programme
SYSC Template 7 – Risk Register (example)
SYSC Template 8 – Regulatory Requirements Checklist
SYSC Template 9 - Audit Checklist
SYSC Template 10 – Regulatory Business Plan
SYSC Template 11 - Business Continuity Plan

SYSC Template 12 – Whistle Blowing Procedure
SYSC Template 13 – Summary of SYSC Rules & Guidance
SYSC Template 14 – Financial Crime Checklist
SYSC Template 15 – Anti-Bribery Risk Assessment Checklist

3. Threshold Conditions (**COND**)
4. Approved Persons (**APER**) and (**FIT**)
 - Controlled functions:
 - What is an approved person?
 - Statements of principle
 - The code of practice for approved persons:
 - Key elements
 - Key areas to consider
 - The individual's wider responsibility
 - The FIT and Proper test:
 - Personal files for approved persons

APER Template 1 – Register of control functions and approved persons

APER Template 2 – Declaration of fitness and propriety

5. General Provisions (**GEN**)
 - Referring to approval by the FCA
 - Statutory status disclosure
 - Use of the FCA logo and Keyfacts logo
 - General interpretation of the Handbook
 - Insurance against financial penalties
 - Charging consumers for telephone calls
 - Fees

SECTION 3 – BUSINESS STANDARDS

1. Prudential Sourcebook (**MIPRU**)

- Responsibility for mediation activities
- Financial safeguards
- Solvency margins
- Compulsory professional indemnity cover
- Use of Intermediaries
- Statutory audit

MIPRU Template 1 – Limited Company Balance Sheet

MIPRU Template 2 – Partnership or Sole Trader Balance Sheet

MIPRU Template 3 – Solvency Test – received basis

MIPRU Template 4 – Professional Indemnity Insurance

2. Client Asset Sourcebook (**CASS**)

- Handling Client Money
- Holding client money as an agent
- Segregating client money in a statutory or non-statutory trust account
- Co-mingling insurer monies and client money
- Client bank accounts
- Information to be provided to the customer
- Holding client money:
 - Segregating client money
 - Passing money to a third party
 - Discharging your fiduciary duty
 - Withdrawing commission and fees
 - Controlling client money
- Client Money Calculation:
 - Using the accruals method
 - Using the client money balance method
 - Notifying and reporting to the FCA

Appointed Representatives (ARs):

- Risk transfer
- Segregating client money
- Monitoring ARs
- Client Money Audit:
 - What must be covered in a client money audit?
- Record Keeping
- Credit Write Backs

CASS Template 1 – Account set up letters

CASS Template 2 – Client Money Calculations

CASS Template 3 – Risk Transfer Checklist

CASS Template 4 – Holding Client Money Checklist

CASS Template 5 – Insurer TOBA Checklist

3. Insurance: Conduct of Business (**ICOBS**)

- Compliant sales and administration process
- Communications/advertising
- Inducements
- New business/quotations – general insurance contracts
- New business/quotations – protection policies
- Optional additional products
- Mid-term alterations
- Renewals
- Cancellations
- Claims handling
- ICOBS Rules
 - ICOBS 1 - Application
 - ICOBS 2 - General matters
 - ICOBS 3 – Distance communications
 - ICOBS 4 - Information about the firm, its services, and remuneration

- ICOBS 5 – Identifying client needs and advising
- ICOBS 6 - Producing and providing product information
- ICOBS 6A – Product specific rules
- ICOBS 7 – Cancellation
- ICOBS 8 – Claims handling
- Other Relevant Legislation and Codes of Practice
 - Contract Certainty
 - OFT Guidelines on Sales of Payment Protection Insurance
 - Consumer Insurance Disclosure and Representations Act 2012 (CIDRA)
 - The Insurance Act 2015
 - Private Motor Insurance Order 2015

Appendices 1-4

ICOBS Template 1 – Terms of Business Agreement

ICOBS Template 2 –Statement of Demands and Needs Letter

ICOBS Template 3 – Demands and needs statement

ICOBS Template 3a – Renewal messages

ICOBS Template 4 – Compliant Sales Process – face-to-face

ICOBS Template 5 – Compliant Sales Process – telephone

ICOBS Template 5a – Compliant Sales Process – web site

ICOBS Template 6 – File Control Checklist

ICOBS Template 7 – Policy Summaries and Policy Documents

ICOBS Template 8 – The Compliant Sales Process Checklist

ICOBS Template 9 – Commission Disclosure

ICOBS Template 10 - Contract Certainty Log

ICOBS Template 11 - Consumer Insurance Disclosure and Representations Act

4. Training and Competency (TC)

Competence
Supervision
Training
Maintenance of Competence
Continuing Professional Development
Record-keeping

Training and Competence Scheme, including

Recruitment
Job Descriptions
Induction
Appraisals
Training
Maintenance of Competence

TC Template 1 – Recruitment Interviews

Guidance Notes

TC Template 2 – Interview Checklist

TC Template 3 – Example Employee Supervision Form

TC Template 4 – Job Description (Blank)

TC Template 5 – Job Description – Compliance Manager

TC Template 6 – Job Description – Insurance Sales Executive

TC Template 7 – Job Description – Account Handler

TC Template 8 – Job Description – Claims Handler

TC Template 9 – Job Description – Office Manager

TC Template 10 – Induction Programme

TC Template 11 – Appraisal Guidance Notes (for appraisers)

TC Template 12 – Pre-Appraisal Form

TC Template 13 – Appraisal Report

TC Template 14 – Training and Development Action Planner

TC Template 15 – Individual Training Record

SECTION 4 – REGULATORY PROCESSES

1. Decision Making and Penalties (**DEPP**)

2. Supervision (**SUP**)

The Supervision Framework

Firm categorisation

Supervision of flexible portfolio firms

Reporting to the FCA

Submission of returns

Data Collection

Auditors

Notification of Changes to the FCA

General Notification Requirements

Core information requirements

Inaccurate, false or misleading information

Connect online system

Applications to vary permissions

Applications to vary permissions

Changes to approved persons

Cancelling permission

Change in control

Close Links Reporting

SUP Template 1 – Retail Mediation Activities Return (RMAR) and Complaints Return

SECTION 5 – REDRESS

1. Dispute Resolution and Complaints (**DISP**)

Identification

Eligible Complainant

Definition of a Complaint

Investigation

Resolving Complaints

Complaints resolved by close of business the next day

Timescales for dealing with complaints

Written acknowledgement

Final Response or 8 week holding letter

Complainant's Written Acceptance

The Final Response

Closing the Case

Dealing with correspondence after the final response

When is a complaint deemed as closed?

Referrals to Third Parties

Time limits for referring complaints to the Financial Ombudsman Service (FOS)

Complaints received outside FOS set timescales

Assessment

Considering evidence

Effect of the breach

Redress

Alternative Dispute Resolution Directive

On-line Dispute Resolution Platform

2. Compensation (**COMP**)

3. Complaints against the FCA (**COAF**)

DISP Template 1 – Complaint Checklist

DISP Template 2 – Complaint Log

DISP Template 3 – Complaints Procedure – What the customer receives

DISP Template 4 – Complaint Summary Resolution Communication

DISP Template 5 – Complaint Summary Resolution Communication (Lloyd's)

SECTION 6 – CONSUMER CREDIT (CONC)

Introduction

- Background
- Categorisation of credit related activities
- Authorisation process

Credit broking

- Conduct of business standards
- Financial promotions and communications
- Pre-contractual requirements (CONC 4)
- Responsible Lending (CONC 5)
- Post-contractual requirements (CONC 6)

Credit lending

Debt administration

CONC Template 1 – SECCI Form

SECTION 7 – PRODUCT INTERVENTION AND GOVERNANCE (PROD)

- Intermediaries as distributors
- Intermediaries as manufacturers
- Manufacture of insurance products

Appendix 1 – Manufacturers' responsibilities

SECTION 8 – SPECIAL TOPICS

1. Treating Customers Fairly (TCF)

- Conduct for Treating Customers Fairly
- What you need to do to implement TCF
- TCF Culture
- TCF Management Information
- Tips for sole traders/advisers

2. Conflicts of Interests
 - What is a conflict of interests?
 - Legal and regulatory obligations
 - Identifying and managing potential conflicts
 - Conflicts of interests – management controls
3. FCA Conduct Risk
 - What is conduct risk?
 - Monitoring conduct risk
 - Key messages for firms
4. Introducers
5. Appointed Representatives (AR)
 - What is an Appointed Representative?
 - What is an Introducer Appointed Representative (IAR)?
 - Responsibilities of the principal firm prior to appointment
 - What contracts need to be in place?
 - AR Training
 - Principal firm's supervisory responsibilities
 - PI cover
 - Client money
 - Record keeping
 - Management information
 - Treating Customers Fairly
6. Non-Executive Directors (NEDs)
 - The role of the non-executive director
 - Functions of the NED
 - Appointment of an NED
7. Vulnerable Customers
 - Likely indicators of a vulnerable person
 - What can be done as a business
 - What can be done as individual staff members

- What can be done as individual staff members
- 8. Ancillary Insurance Intermediaries (AIIIs)
 - In scope AIIIs
 - CTI providers
 - Out of scope AIIIs

Template 1 – TCF – areas to review

Template 2 – TCF examples of good and poor practice

Template 3 – Example Conflict Management Policy

Template 4a – Exempt introducer agreement

Template 4a (1) Incidental introducer agreement

Template 4b – Introducer AR agreement

Template 4c – Appointed representative contract

Template 5 – Compliance monitoring checklist (ARs)

SECTION 9 – DATA PROTECTION

- Data Protection Act 2018 and GDPR
- Key definitions
- Data protection principles
- Lawful bases for processing personal data
- Individual rights
- Privacy notices
- Data subject access requests
- Other key GDPR requirements
- Personal data breaches
- Data protection officers
- Marketing communications
- ICO and registration

Template 1 – Data protection policy checklist

Template 2 - Privacy notice

Template 3 – GDPR DPA 2018 documentation requirements

Template 4 – GDPR marketing rules