



# 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

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 Interest

What is a conflict of interest?

Legal and regulatory obligations

Identifying and managing potential conflicts

Conflicts of interest – 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

### 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