Dear Member

A digestible aid to compliance

Since FSA started the regulation of our sector, members expressed a need for an easy-to-understand compliance manual which could act as a source of reference as well as explanation of key rules and requirements. The result was, and is, the BIBA Compliance Manual which has developed into an “industry standard” since it was first produced in 2004.

The BIBA Compliance Manual for 2014 has been fully updated from FSA to FCA and includes a brand new section on Consumer Credit (CONC) to cover the instances where you act as a credit broker (arranging the credit agreement). Each chapter explains in plain English what the rules mean and then you use clear templates in order to assist you achieve, maintain and demonstrate compliance.

The templates continue to be offered in either Word or Excel format which means you can easily download them, alter them etc, without having to spend time retyping them. In other words, they are yours to modify as you wish so that they can help you support a compliant regime in your business.

It is available on a convenient CD for £495 + VAT. This is a one-off cost and when the next manual is ready (following key FCA changes) we will invite you to pay for a renewal service. Any changes we make in 2014 will be included at no extra cost – we are anticipating new client money rules (CASS) and if in place this year the update will be provided FOC.

A full list of contents and the templates available is detailed in the manual’s contents pages, which are replicated overleaf. To order your CD please see the order form which follows.

For more information, please contact the publishers directly: Branko Bjelobaba at Branko Ltd on (0800) 619 6619; Email: branko@branko.org.uk

Many thanks for your continuing support.

With kind regards,

Steve White Cert CII
CEO, BIBA.
SECTION 1 – BACKGROUND AND INTRODUCTION TO FCA

1. Background
2. Scope of New Regime
3. Statutory Objectives of the FCA
4. The FCA’s Approach
5. FCA Handbook

SECTION 2 – HIGH LEVEL STANDARDS

1. Principles for Business (PRIN)
2. Senior Management Arrangements and Systems and Controls (SYSC).
   General requirements:
   - Governance
   - Business continuity
   - Regular monitoring
   - Audit committee
   - Person’s directing the business
   - Responsibility of senior personnel
   - Apportionment of responsibility
   - Skills, knowledge and expertise:
     - Segregation of functions
     - Awareness of procedures
   Compliance:
   - Internal audit
   - Risk management
   - Outsourcing
   - Record keeping
   - Conflicts of interest
   Other controls:
   - Business strategy
   - Management information
   - Whistle blowing
   - Financial Crime
   - Proceeds of Crime Act 2002
   - Reporting Requirements
   - Data Security
   - Anti-bribery and corruption
   - What is a bribe?
   - When does the act apply?
   - What are adequate procedures?
   - Consequences of getting it wrong
   - What is the FCA’s involvement in the Bribery Act?
   - Financial Sanctions

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 Report
SYSC Template 5 – Compliance Breach log (example)
SYSC Template 6 – Compliance Activity Log
SYSC Template 6a – Compliance Monitoring Programme
SYSC Template 7 – Regulatory Risk Log
SYSC Template 8 – Risk Assessment Form
SYSC Template 9 – Audit Checklist
SYSC Template 10 – Business Strategy 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
   - Fees

SECTION 3 – BUSINESS STANDARDS

1. Prudential Sourcebook (MIPRU)
   - Responsibility for mediation activities
   - Knowledge ability and good repute
   - Financial safeguards
   - Solvency margins
   - Compulsory professional indemnity cover
   - 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

ICOBS Continued
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:
- Client money calculation using the accruals method
- Client money calculations using the client money balance method
- Notifying and reporting to the FCA

Appointed Representatives:
- Risk transfer
- Segregating client money held by ARs
- Monitoring appointed representatives

Client Money Audit:
- What must be covered in a client money audit
- Record Keeping
- Credit Write Backs
- Changes to Consumer Credit Licensing

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)
   General Rules
   - Application and purpose
   - General Rules
   Financial Promotions
   - What is a financial promotion?
   - Media of Communication
   - General Rules
   - Websites
   - Use of third party financial promotions
   - White labelling of Insurance Products
   Compliant Sales Process
   - Pre Approach
   - Introduction
   - Statement of Demands and Needs
   - Presenting the solution
   - Closing the Sale
   On-Going Servicing
   - Renewals
   - Claims handling
   - Mid term adjustments
   Insurer Disclosure Exemptions
   Add On Products
   Contract Certainty
   - How is contract certainty achieved
   - Contract Certainty Code of Practice
   OFT Guidelines on sales of Payment Protection Insurance
   - Information in Marketing Communications and Statements

SECTION 4 – REGULATORY PROCESSES

Annual Review/Reminder
Quotations
Prohibition of sale of PPI at credit sale

Single Premium PPI
Compliance Officer
Consumer Insurance Disclosure and Representatives Act 2012

ICOBS Template 1 – Terms of Business Agreement (initial Disclosure Document.)
ICOBS Template 2 – Statement of Demands and Needs Letter
ICOBS Template 3 – Demands and needs statement
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 Representatives Act

4. Training and Competency (TC)
   - Application
   - Competence
   - Assessment of Competence and Supervision
   - Assessment of competence
   - Supervision
   - Training
   - Maintenance of Competence
   Training and Competence Scheme, including
   - Recruitment
   - Job Descriptions
   - Induction
   - Appraisals
   - Training
   - Maintenance of Competence
   - Record Keeping

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 6 – SPECIAL TOPICS

1. Treating Customers Fairly
| 1. Decision Making and Penalties (DEPP) | Conduct for Treating Customers Fairly
   What you need to do to implement TCF
   TCF Culture
   TCF Management Information
   Tips for sole traders/advisers |
| 2. Supervision (SUP) | 2. Conflicts of Interest
   Conflict of Interest Management Controls |
   The Supervision Framework
   Proactive firm supervision
   Reactive supervision
   Issues and products
   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
   On Line Notification and Applications
   Applications to vary permissions
   Applications to vary permissions
   Changes to approved persons
   Cancelling Permission
   Close Links Reporting |
   | 3. FCA Conduct Risk |
   | 4. Business Risk Awareness |
   | 5. Introducers |
   | 6. Appointed Representatives |
   | 7. Non-Executive Directors |
| 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
   The Final Response
   Closing the Case
   Dealing with correspondence after the final response
   when is complaint deemed as closed
   Referrals to Third Parties
   Complaints received outside FOS set timescales
   Record Keeping
   Payment Protection Complaints
   Assessment
   Considering evidence
   Effect of the breach
   Redress |
| 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 | |
Please return order form with payment to: Branko Ltd, Drenov House, 45 Stoke Road, Leighton Buzzard, LU7 2SW. **Do not send to BIBA.**

**Please Note:** Payment must be included with this order form (or telephoned through if paying by credit card), *prior* to us dispatching the manual(s). We cannot provide the manual(s) for trial purposes.