



Dear Member

A digestible aid to compliance

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. The BIBA Compliance Manual has developed into an industry standard since it was first produced in 2004.

The BIBA Compliance Manual for 2011 is now available and contains comprehensive yet plain text on areas such as TCF, systems and controls, adequacy and quality of resources, client money, selling rules (ICOB5) which includes practical ways to deal with the Industry Guidance on commission disclosure for commercial clients, training and competence, regulatory reporting (RMAR) and complaints. Each chapter contains easy to use templates in order to assist you achieve, maintain and demonstrate compliance.

For the first time this year we are offering the templates in either their 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 alter as you wish so that they can help you support a compliant regime in your business.

It is available on a convenient CD for £395 + VAT. This is a one-off cost and when the next manual is ready we will invite you to pay for a renewal service.

A full list of contents and the templates available is detailed in the manual's contents pages, which are replicated overleaf. To order your manual 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

A handwritten signature in blue ink that reads "Steve White". The signature is written in a cursive, slightly slanted style.

Steve White
Head of Training and Compliance
BIBA

SECTION 1 – BACKGROUND AND INTRODUCTION TO FSA

1. Background
2. Scope of New Regime
3. Statutory Objectives of the FSA
4. The FSA's Approach
5. FSA Handbook
6. The Financial Conduct Authority

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 FSA'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 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 FSA
Statutory status disclosure
Use of the FSA logo and Keyfacts logo
General interpretation of the Handbook
Fees
Insurance against financial penalties

SECTION 3 – BUSINESS STANDARDS

1. Prudential Sourcebook (**MIPRU**)
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:
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:

CASS Continued

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 FSA 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

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 (**ICOB**s)

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

ICOB Template 1 – Terms of Business Agreement (initial Disclosure Document.)
ICOB Template 2 – Statement of Demands and Needs Letter

ICOB Continued

ICOB Template 3 – Demands and needs statement
ICOB Template 4 – Compliant Sales Process – face-to-face
ICOB Template 5 – Compliant Sales Process – telephone
ICOB Template 5a – Compliant Sales Process – web site
ICOB Template 6 – File Control Checklist
ICOB Template 7 – Policy Summaries and Policy Documents
ICOB Template 8 – The Compliant Sales Process Checklist
ICOB Template 9 – Commission Disclosure
ICOB Template 10 - Contract Certainty Log

4. Training and Competency (**TC**)

Application
 Competence
 Assessment of Competence and 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 4 – REGULATORY PROCESSES

1. Decision Making and Penalties (**DEPP**)
2. Supervision (**SUP**)
 - Reporting to the FSA
 - Submission of returns
 - Data Collection
 - Auditors
 - Notification of Changes to the FSA
 - General Notification Requirements
 - Core information requirements
 - Inaccurate, false or misleading information
 - On Line Notification and Applications
 - Applications to vary permissions
 - Changes to approved persons
 - Cancelling Permission
 - 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
 - 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
2. Compensation (**COMP**)
3. Complaints Against the FSA (**COAF**)

DISP Template 1 – Complaint Checklist
DISP Template 2 – Complaint Log
DISP Template 3 – Complaints Procedure – What the Customer receives

SECTION 6 – SPECIAL TOPICS

1. Treating Customers Fairly
 - Conduct for Treating Customers Fairly
 - What you need to do to implement TCF
 - TCF Culture
 - Gap analysis
 - TCF Self Assessment Tool
 - Next steps
 - How FSA will assess TCF during ARROW or thematic visit
 - TCF Regional Assessments
2. Conflicts of Interest
 - Conflict of Interest Management Controls
3. ARROW Visits
 - Pre-visit notification
 - The visit
 - Risk Assessment Letter
4. Introducers
5. Appointed Representatives
 - What is an Appointed Representative?
 - What is an Introducer Appointed Representative?
 - Responsibilities of the principal firm for its ARs and IARs
 - Contracts
 - AR training
 - Principal firm’s supervisory responsibilities
 - PI cover
 - Client money,
 - Record keeping,
 - Management information
 - Treating Customers Fairly
6. Non-Executive Directors
 - The Role
 - Function
 - Appointment
7. Industry Guidance on Commission Disclosure
 - Conflicts of Interest
 - Capacity
 - Status/Breadth of search
 - Commercial customer’s right to information and disclosure
 - Distribution Chains
 - Top 10 tips

Template 1 - TCF – areas to review
Template 2 – TCF examples of good and poor practice
Template 3 - Example Conflict Management Policy
Template 4 – Introducer/ Appointed Representative Contract (3 examples)
Template 5 – Compliance monitoring checklist (ARs)



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