The Approved Persons Regime applies to an individual working for an Appointed Representative (AR) whom the FCA approves to do one or more activities that are called Controlled Functions.

The Approved Persons Regime does not apply to an FCA Approved Person of an SMCR firm. The Code of Conduct Rules applies instead to approved persons of an SMCR Firm.

An approved person has to know and meet the FCA’s regulatory requirements as well as understand how the FCA applies them. They must:

* meet the requirements of the Fit and Proper Test and follow its principles
* comply with the statements of principle and code of practice which explains the behaviour expected and are detailed below
* report anything that could affect their ongoing suitability to the FCA and to other authorised persons.

The approved persons for [AR Firm Name] are:

Director’s Name (FRN) – Controlled Function inserted here

## Fitness and Propriety

When looking at the fitness and propriety of an individual to perform a Controlled Function the FCA look for the following:

* Honesty including openness with self-disclosures, integrity and reputation
* Competence and capability
* Financial soundness.

Prior to submitting an application to the FCA, [Firm Name] must make our own assessment on the candidate and not solely rely on the FCA. The following is information [Firm Name] will consider when assessing a candidate’s fitness and propriety for holding a controlled function:

* Regulatory References – references from previous employers and in particular references from other authorised firms. We will look at the past 6 years depending on the candidate’s history.
* Qualification certificates
* Credit checks
* Disclosure and Barring Service checks / Criminal Record Checks
* Directorship checks

## Statements of Principle for approved persons

The statements of Principle are rules made under the Financial Services and Markets Act 2000 and are rules of conduct that apply to Approved Persons working for an Appointed Representative.

**Statement of Principle 1:** an approved person must act with integrity in carrying out their accountable functions

**Statement of Principle 2:** an approved person must act with due skill care and diligence in carrying out their accountable functions.

**Statement of Principle 3:** An approved person must observe proper standards of market conduct in carrying out their accountable functions.

**Statement of Principle 4:** An approved person must deal with the FCA, the Prudential Regulatory Authority (PRA) and other regulators in an open cooperative way and must disclose appropriately any information of which the FCA or PRA would reasonable expect notice.

**Statement of Principle 5:** An approved person performing an accountable higher management function must take reasonable steps to ensure that the business of the firm for which they are responsible in their accountable function is organised so that it can be controlled effectively.

**Statement of Principle 6:** An approved person performing an accountable higher management function must exercise due skill, care and diligence in managing the business of the firm for which they are responsible in the accountable function.

**Statement of Principle 7:** an approved person performing an accountable higher management function must take reasonable steps to ensure that the business of the firm for which they are responsible in their accountable function complies with the relevant requirements and standards of the regulatory system.

Statements 1-4 apply to all approved persons

Statements 5-7 apply to those performing an accountable higher management function. This is a function which is classed as having a significant influence on the firm.

A Significant Influence Function is a function that is likely to enable the person responsible for its performance to exercise a significant influence on the conduct of the firm’s affairs so far as relating to the activity e.g. Chair, Director, Finance Director, Compliance Oversight Function, CASS Oversight Function.

## Approved Persons Declaration

To be completed initially on Approval by the FCA and annually thereafter by all approved persons performing a Controlled Function

1. I have read the FCA Statements of Principle / Code of practice for Approved Persons and the principles for business for Authorised Firms and will undertake to abide by them.
2. I have read the Company’s procedures on complaints and financial promotions.
3. I will document any breach of FCA regulations and bring it to the notice of the management team and the FCA where relevant.
4. I will notify the Senior Management Team of any Trusteeships and Powers of Attorney that I may hold.
5. I have no legal or criminal proceedings against me since the last declaration or application to the FCA.
6. I have no financial proceedings against me for debt or insolvency and I consent to the company seeking a credit reference if required or a statement of assets and liabilities.
7. I have completed the attached “Honest & Integrity” Questionnaire.
8. I have read the firms policy on “Whistle blowing” and have briefed the contents to staff and displayed the whistle blowing notice in a place accessible to staff within the workplace.

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| --- | --- |
| Name |  |
| Position |  |
| Signature |  |
| Date |  |

#### Honesty, Integrity and Reputation questionnaire

If the answer to any of questions below is YES, please provide full details including dates held, why held, why relinquished, circumstances involved, etc.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Y** | **N** |
| 1 | Has the approved person ever been convicted of any offence involving fraud, theft, false accounting or other dishonesty or an offence (whether or not in the United Kingdom) relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing? (Convictions spent under the Rehabilitation of Offenders Act 1974 must be included) | 🞎 | 🞎 |
| 2 | Is the approved person the subject of any current criminal proceedings? | 🞎 | 🞎 |
| 3 | Has the approved person any convictions for any offences other than those listed in (1) above which are not spent, whether or not in the United Kingdom (excluding traffic offences unless these resulted in a ban from driving or involved driving without insurance)? | 🞎 | 🞎 |
| 4 | Is the approved person, or has the approved person ever been, the subject of any civil proceedings, arbitration or litigation, including proceedings that may lead to a County Court Judgment (“CCJ”) or other judgment debts, in the United Kingdom or elsewhere? | 🞎 | 🞎 |
| 5 | Is the approved person aware of any intention to begin such proceedings against the approved person in the future? | 🞎 | 🞎 |
| 6 | Does the approved person have any judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part? | 🞎 | 🞎 |
| 7 | Has the approved person ever failed to satisfy any such judgment debts within one year of the making of the order? | 🞎 | 🞎 |
| 8 | Is the approved person, or has the approved person ever been, the subject of any bankruptcy proceedings, or proceedings for the sequestration of the approved person’s estate, or been insolvent or been involved in the dissolution of a company? | 🞎 | 🞎 |
| 9 | Has the approved person ever entered into a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed) or other agreement in favour of the approved person’s creditors, or is the approved person doing so? | 🞎 | 🞎 |
| 10 | Does the approved person have any outstanding financial obligations arising from regulated activities, which the approved person has conducted in the past, whether in the United Kingdom or overseas? (In the case of Applicants, this will include any outstanding liabilities arising from commissions paid for the sale of packaged products that have lapsed.) | 🞎 | 🞎 |
| 11 | Has the approved person ever been found guilty of conducting any unauthorised regulated activities or been investigated for possible conduct of unauthorised regulated activities? | 🞎 | 🞎 |
| 12 | Is the approved person, or has the approved person ever been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? | 🞎 | 🞎 |
| 13 | Has the approved person ever, either in the United Kingdom, or elsewhere – been refused entry to, or been dismissed or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust, whether or not remunerated? | 🞎 | 🞎 |
| 14 | Has the approved person ever, either in the United Kingdom, or elsewhere –been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required? | 🞎 | 🞎 |
| 15 | Has the approved person ever, either in the United Kingdom, or elsewhere been disqualified by a court from acting as a director of a company or from acting in a management capacity or conducting the affairs of any company, partnership or unincorporated association? | 🞎 | 🞎 |
| 16 | Has the approved person ever, either in the United Kingdom, or elsewhere been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice to make such a direction or order? | 🞎 | 🞎 |
| 17 | In respect of activities regulated by the FCA or any other regulatory body (see note), has the approved person, or has any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, during the approved person’s association with that entity and for a period of three years after the approved person ceased to be associated with it, ever:  (i) been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted by any such body?  (ii) been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary or intervention action by any such body?  (iii) resigned whilst under investigation by, or been required to resign from, any such body?  (iv) decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by any such body, not to proceed with it?  (v) been the subject of any civil action which has resulted in a finding against the approved person or it by a court? | 🞎 | 🞎 |
| 18 | Has the approved person ever been the subject of disciplinary proceedings? | 🞎 | 🞎 |
| 19 | Has any company, partnership, or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the approved person’s involvement or within one year of such an involvement –  (i) been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?  (ii) been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?  (iii) been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?  (iv) been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b) above)? | 🞎 | 🞎 |
| 20 | Is the approved person aware of any business interests, employment obligations, or any other situations, which may conflict, with the performance of the controlled functions for which approval is now sought? | 🞎 | 🞎 |
| 21 | Is the approved person aware of any allegations of negligence involving the approved person which have been formally notified to the approved person and / or their employer’s insurers in the last ten years | 🞎 | 🞎 |
| 22 | Has anybody made written or verbal complaints relating to the approved persons activities or to services provided by the approve person or their business during the last six years | 🞎 | 🞎 |
| 23 | Has any undertaking, of which the approved person has been a director, senior manager or qualifying holder, conducted a review of Pensions Transfers and/or Opt-Out business, according to PIA and SIB guidelines and if so are there any outstanding or ongoing cases | 🞎 | 🞎 |
| 24 | Has the approved person ever been subject to penalties for tax evasion or been censured in any way by the Inland Revenue, HM Customs and Excise, etc. | 🞎 | 🞎 |

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| Additional Notes |
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