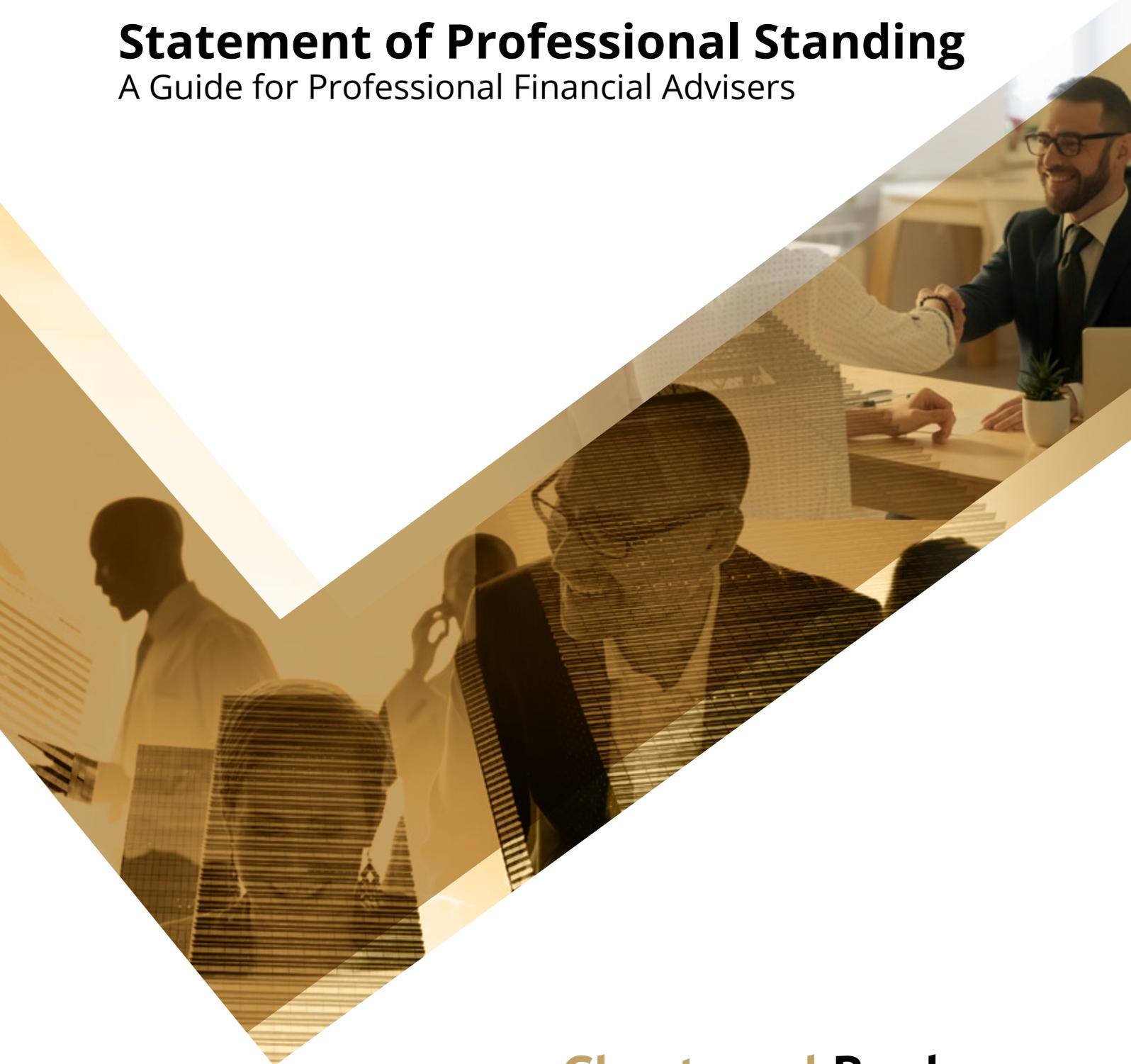


Statement of Professional Standing

A Guide for Professional Financial Advisers



Chartered Banker

Professional Financial Adviser

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Adviser Competence

Introduction

The UK has a high-quality financial advice market. Standards and professionalism in the sector have increased following various reviews and updates to the applicable regulations. These have focused on helping to rebuild trust in the retail investment sector whilst ensuring greater protection and better outcomes for consumers.

Most recently, the Financial Conduct Authority introduced the Senior Manager and Certification Regime (SMCR). This means that the majority of retail investment advisers now fall under this regime, including those employed in banks, product providers, independent financial advisers, wealth managers and stockbrokers. Since the Certification Regime applies to those considered 'employed' by a regulated firm, most Appointed Representatives are outside the regime, but remain subject to the FCA's Statement of Principles for Approved Persons (APER).

The rules for obtaining a Statement of Professional Standing (SPS) remain the same for all, but the process of verification varies for different groups:

- Senior Managers (i.e. those holding a Senior Management Function or SMF) are directly approved by the FCA. This means that their fitness and propriety is assessed and directly approved by the FCA. We can verify your status using the FCA Register and your Firm Reference Number (FRN) and your Individual Reference Number (IRN).
- If you are self-employed for an FCA solo regulated firm, then you will not be asked for employer confirmation of your fitness and propriety when applying for your SPS. We will verify your regulatory status using the FCA Register.
- Advisers that fall under the Certification Regime are those that are employed by the firm and do not hold a SMF. If this is you, then we require confirmation from your employer of your fitness and propriety.
- Appointed representatives currently sit outside the SMCR but must adhere to the principles set out under APER. For clarity, an appointed representative (AR) is a firm or person who runs regulated activities and acts as an agent for a firm (the 'principal') directly authorised by the FCA. As such, we will use your FRN and IRN to verify your regulatory status.



Standards and professionalism in the sector have increased...

The Advisers' Role

Retail Investment Advisers must:

- hold an appropriate qualification and any gap-fill;
- comply with the FCA's Code of Conduct (COCON), or, if an appointed representative, the FCA's Statements of Principle and Code of Practice for Approved Person [APER];
- have an individual FCA registration number and active status, or, for PFA's subject to Certification, provide confirmation of your fit and proper status from your employer;
- follow a professional code of conduct, such as the Institute's;
- hold a Statement of Professional Standing (SPS) from an FCA accredited body, such as the Chartered Banker Institute;
- undertake a minimum of 35 hours CPD each year, 21 of which needs to be structured; maintain a full record throughout the year and share this record, if requested to do so.

Firms' Role

- regularly assess the fitness and propriety of their advisers and have effective systems and controls in place to monitor them;
- ensure their advisers are trained and competent and hold an SPS;
- be responsible for the quality of advice, notify the FCA and us in the event of serious competence and ethics issues, disciplinary procedures, and dismissal of an adviser.



Statement of Professional Standing (SPS)

As a retail investment adviser, you must hold a Statement of Professional Standing (SPS) issued by an accredited body such as the Chartered Banker Institute.

The SPS confirms that you have:

- adhered to the FCA's ethical standards;
- achieved the required qualifications including gap-fill; and
- completed appropriate CPD.

SPS Applications

Once you have met the FCA's professional and ethical standards required of a retail investment adviser, you can apply for your SPS.

You may only hold an SPS Certificate from one accredited body, such as the Chartered Banker Institute. If you apply to us having previously held an SPS from another accredited body, you will follow the same application process as those of a 'new adviser'.

Your SPS is valid for one year and you need to renew it annually. It is your responsibility to make sure you have a valid certificate. You are not able to work as a retail investment adviser without an SPS.

We only issue an SPS Certificate to members that meet the FCA's requirements. Included in the Professional Financial Adviser (PFA) membership package is your SPS Certificate, access to relevant technical CPD and a range of online services to support your career and personal development.

Please see Appendix 1 for more details

Code of Conduct

Advisers must exhibit fair, ethical and professional behaviour at all times and adhere to the following:

- The Institute's Code of Professional Conduct, which sets out the ethical and professional attitudes and behaviour expected of members;
- The FCA's Code of Conduct (COCON) for advisers subject to Senior Management and Certification Regime (SMCR) or, if an Appointed Representative, the FCA's Statements of Principle and Code of Practice for Approved Persons (APER).

Breach of Membership

The Institute reserves the right to refuse an application for PFA membership, including issuing an SPS Certificate, if the adviser breaches any of these codes. Please see the Institute's Royal Charter, Rules, Regulations and Codes for details of the code of conduct, disciplinary and appeals procedures.

The document can be viewed by visiting:

<https://www.charteredbanker.com/the-institute/corporate-governance.html>

Appeals Process

To appeal you should apply in writing within 30 working days of the decision to:

Head of Quality Assurance and Standards
Chartered Banker Institute
38b Drumsheugh Gardens
Edinburgh
EH3 7SW

SPS Renewals

For existing PFA members, the Institute will contact you before your SPS is due to expire. You must declare on the renewal form that you:

- agree to the Institute's rules and regulations, including the Code of Professional Conduct;
- comply with the FCA's Code of Conduct (COCON) or, if an appointed representative, the FCA's Statements of Principle and Code of Practice for Approved Persons (APER),
- have completed 35 hours appropriate continuing professional development (CPD);
- provide confirmation of your fit and proper status from your employer (if applicable);
- agree to share the information about your application with your employer, network, other accredited bodies and the regulators;
- understand that if you do not comply with the required professional standards, we will withdraw your SPS;
- agree to pay the appropriate subscription and that you understand that you will not receive your SPS Certificate until you have done so;
- confirm the information you have provided is true to the best of your knowledge and belief;
- agree to return your SPS Certificate if requested or you leave the profession (see next section).

When to return your SPS Certificate

You need to return your SPS Certificate to the Institute if:

- you are no longer working as a retail investment adviser;
- you are between roles and do not hold active status or, if subject to Certification, have no employer to confirm your fit and proper status;
- you are asked to do so;
- we have not received confirmation from your employer of your ongoing fit and proper status.

Continuing Professional Development (CPD) Requirements

Existing advisers wishing to maintain their SPS must complete 35 hours annual CPD.

The following criteria apply:

- 21 of those 35 hours must be structured development, with at least 30 minutes spent on any one activity, structured CPD is designed to achieve a learning outcome and includes seminars, lectures, conferences, courses, qualifications, e-learning, and assessment tests;
- all CPD must be related to retail investment advice;
- CPD records must be robust and capable of being independently verified.

Pension Transfer Specialists are required to complete a minimum of 15 hours CPD each year, focused specifically on pension transfer advice. Of this requirement, 9 hours must be structured professional development activities; and at least 5 hours provided by an external independent provider. This is in addition to any other existing CPD requirements that you may need to meet for other types of advice.

Structured v Unstructured CPD

To help you plan and record your CPD, here is a list of common activities along with their structured or unstructured status.

ACTIVITY	CLASSIFICATION
EXAM-RELATED	
Exam training courses	Structured
Exam self-study	Structured
Exam revision	Structured
Sitting exams	Structured
Exam setting and marking	Structured
Exam moderation	Structured
PARTICIPATING IN TRAINING COURSES/SEMINARS/WEBINARS	
Training courses, including assessed distance learning	Structured
Seminars, workshops, lectures	Structured
Conferences and forums	Structured
Accredited body events	Structured
Company briefings/meetings with specific learning purpose	Structured
Informal meetings with no explicit pre-determined learning purpose	Unstructured
On-the-job training with pre-defined learning outcomes	Structured
Informal on-the-job training	Unstructured
Verifiable e-learning, webinars, podcasts, etc.	Structured
Unverifiable e-learning, webinars, podcasts, etc.	Unstructured
AUTHORING OR DELIVERING TRAINING OR PRESENTATIONS	
Authoring or preparing for training or presentations	Structured
Contributing towards learning materials	Structured
Delivering training or presentations	Structured
Formal coaching, mentoring, training staff on relevant topics, with specified learning outcomes	Structured
Informal coaching, mentoring	Unstructured
READING AND VIEWING	
Reading or viewing materials, with specified learning outcomes and test or reflective statement	Structured
Reading workbooks e.g. learning manuals	Unstructured
Reading trade press (incl. journals)	Unstructured
Reading accredited body updates, regulatory briefings, etc.	Unstructured
Viewing TV programmes on relevant subjects	Unstructured
AUTHORING ARTICLES	
Industry articles and white papers	Structured
Writing/researching a report	Structured
OTHER	
Technical research	Unstructured
Product/Fund/Service Research	Not Applicable (Business as usual)
Work based observations and assessments	Structured
Member of board, panel or committee	Structured
Professional interest group meetings with specified learning outcomes	Structured
Professional interest group meetings without specified learning outcomes, e.g. professional networking	Unstructured
Social events	Not Applicable
Activities that are part of job rather than learning activity	Not Applicable
Appraisals/one-to-ones/performance reviews	Not Applicable

CPD Planning

To meet FCA requirements and ours, you need to keep good CPD records.

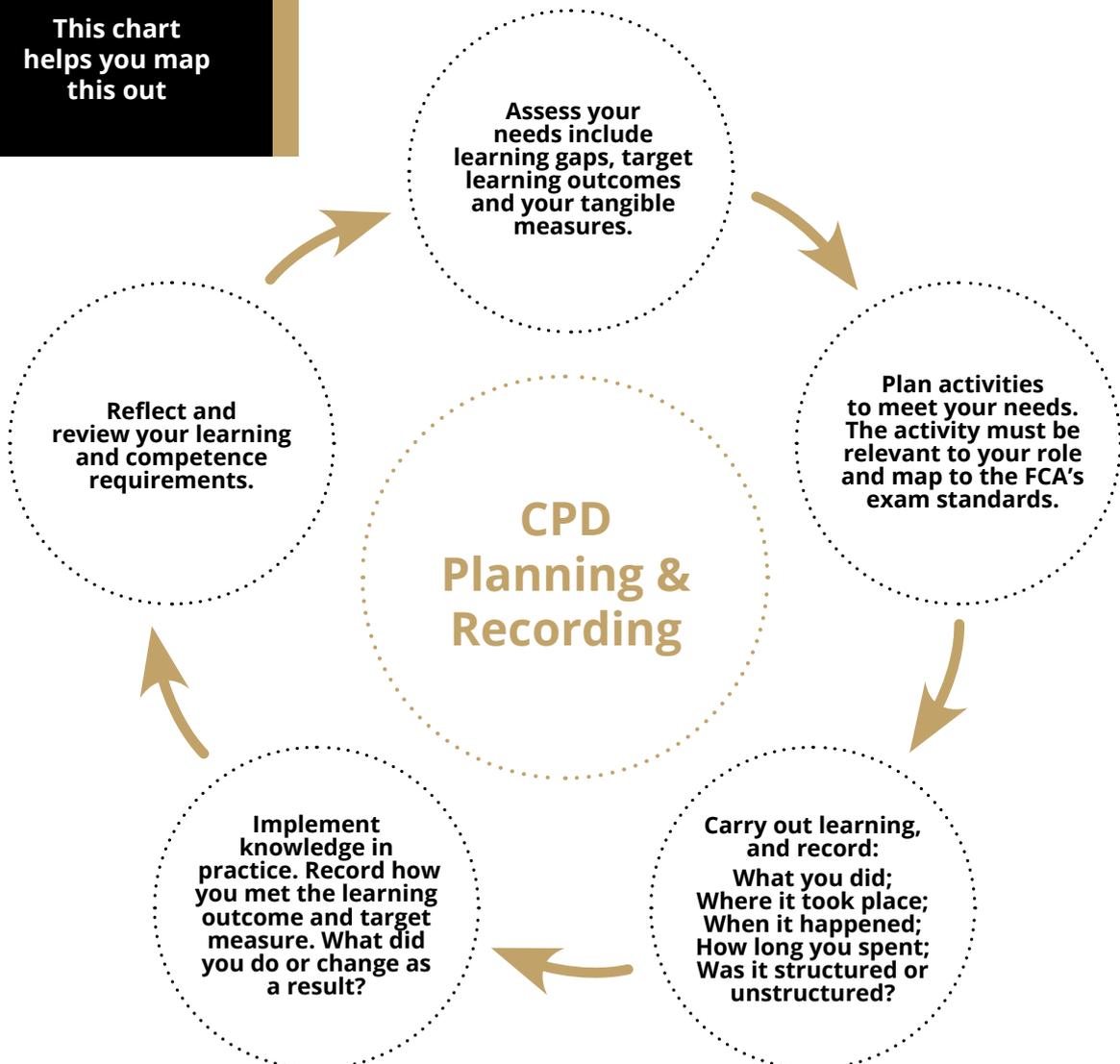
Ideally your CPD should include areas such as:

- technical knowledge and how to apply it;
- skills and expertise;
- changes to products, legislation and regulation;
- addressing any learning gaps.

Thinking about this you should:

- consider how the learning you undertake addresses your needs – knowledge gaps and your target outcome of the learning;
- consider how you will meet your needs – a description of the activity you are going to do or have done, including number of hours;
- confirm how you met your needs (once carried out) – how the activity has met the target learning outcome, and if tested, the test result.

This chart helps you map this out



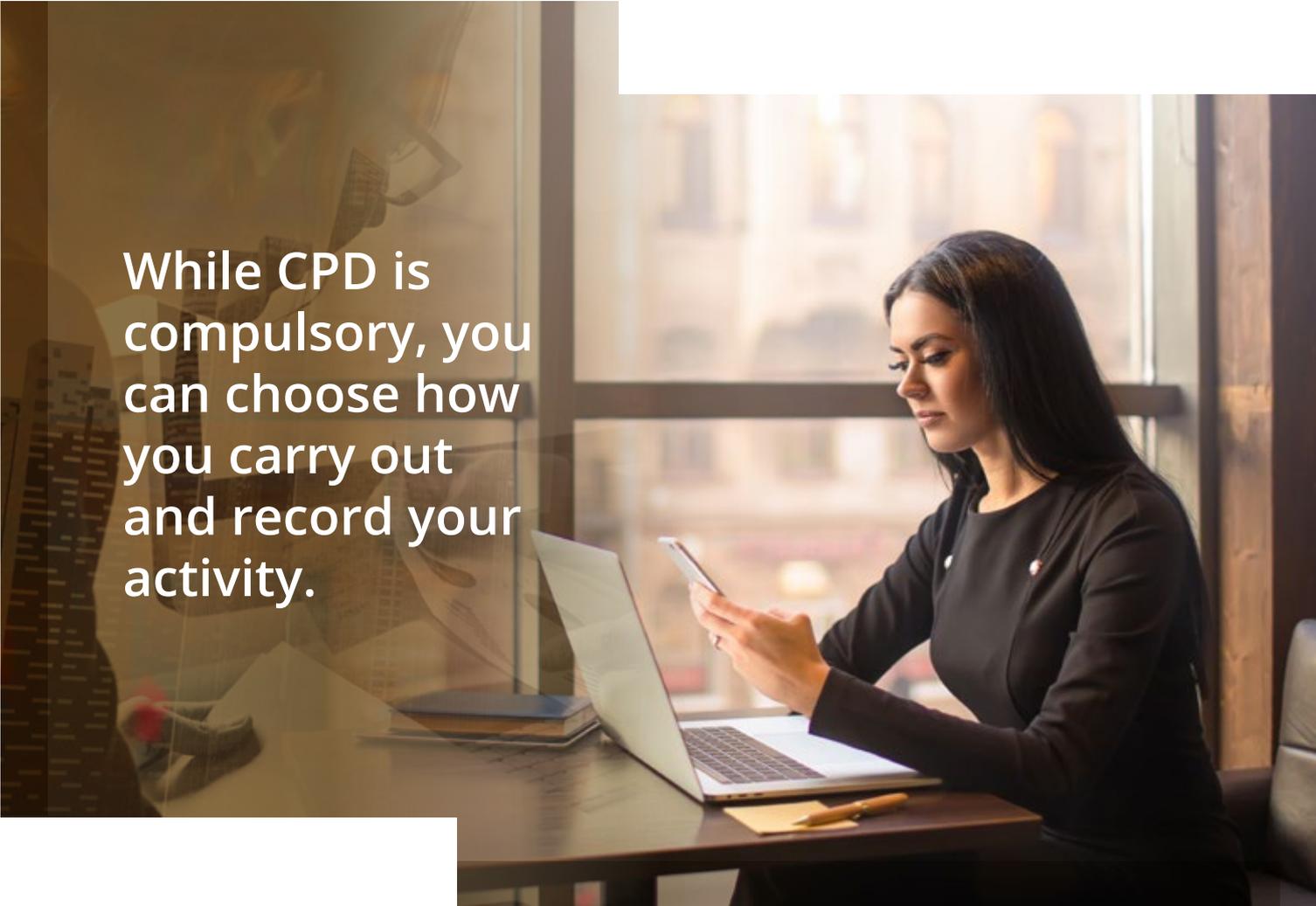
Recording your CPD

The Institute acknowledges that many advisers already complete structured CPD from various routes including their network or employer.

Please see Appendix 4 for more details

While CPD is compulsory, you can choose how you carry out and record your activity. However, you must make sure your log contains a robust audit trail of CPD evidence including:

- a description of the development activity you completed, for example e-learning, course or seminar and relevance to your role;
- the target learning outcome and evidence. We recommend you keep copies of documents and transcripts;
- how the learning outcome was met and, if assessed, the result of the assessment, name of the provider; supply a web link if available;
- what your “follow-up activity” was and what you will do or change as a result;
- how you will incorporate your learning into your “business as usual” practice, date completed and time taken to undertake the activity;
- if the activity was structured or unstructured.



While CPD is compulsory, you can choose how you carry out and record your activity.

CPD Sampling and Verifying

“All CPD should be measurable and capable of being independently verified by an accredited body. Areas that could be covered in CPD include:

- technical knowledge and how to apply it;
- skills and expertise;
- changes to products, legislation and regulation;
- addressing any learning gaps.

Accredited bodies will also carry out checks on at least 10% of advisers to ensure advisers are meeting the minimum requirements. You might be asked to submit your CPD records to the accredited body for review. If an accredited body has concerns about an adviser, it may refer the matter to us. ”

Excerpt from the FCA's Professional Standards: advisers web page

If your record is selected as part of our sample, you will need to evidence a full year's CPD activity. We will carry out the following checks to make sure:

- you have met your 35-hour requirement, 21 of which are structured;
- your activities are relevant to your role and it is clear how they benefit you;
- you have supporting evidence to show you completed the activity with a learning outcome for structured CPD;
- you have clearly recorded when you completed the activity and who the provider was;
- your activity maps to the FCA exam standards.

We can ask you to send in your CPD log up to three months after you have received your latest SPS. You have 30 calendar days to send us your log with supporting evidence. We will contact you if your log is insufficient and make recommendations where appropriate for re-submission. We can also ask for your log during renewal stage.

If you fail to send us your log, or sufficient evidence after recommendations and requests from us, we have a duty to withdraw your SPS Certificate and inform your employer and the FCA.

Under no circumstances should you claim CPD hours for activities that you did not undertake or attend. This is a breach of our Code of Professional Conduct and is subject to disciplinary action. We are also obliged to notify your employer and the FCA.

How to apply for your SPS



Checklist:

Before submitting your application, ensure you have:

- read carefully and sign and date the Professional Declaration
- selected the relevant employment status
- if applicable, included employer confirmation or contact details
- included attested copy of qualification certificate (if not achieved through the Institute)
- included confirmation of payment method

Read the guidance and complete the Professional Financial Adviser (PFA) Application Form



Did you complete your Diploma with Calibrand, which was awarded by the Chartered Banker Institute?



No



Also attach an attested copy of your Level 4 Certificate/Diploma or evidence of gap-fill

Yes



Return your completed application to:
info@charteredbanker.com
Or post to:
Chartered Banker Institute
38b Drumsheugh Gardens
Edinburgh
EH3 7SW



On receipt the Institute will verify your:

- Regulatory status
- Qualifications
- Confirmation of Competence
- If applicable, your CPD Log



The Institute registers you as a PFA member, issues your SPS and online access to CPD resources



Each document must be attested by an individual of good standing.

To attest (certify) a copy, the individual should:

1. state on the document: 'I have seen the original document and certify that this is a complete and accurate copy'
2. write their name, position and/or capacity, e.g. solicitor, employer, etc. and a contact address and an official stamp wherever possible
3. add their signature and the date



If you completed your qualification more than 12 months before you apply, we may ask you for evidence of your CPD



Please allow **6 weeks** for us to process your application

Renewing your SPS

Renewal Process – Advisers who already hold an SPS with the Chartered Banker Institute



Checklist:

Before submitting your application, ensure you have:

- read carefully and sign and date the Professional Declaration
- updated any change to your employment/ selected the relevant employment status
- if applicable, included employer confirmation or contact details
- included confirmation of payment method

You will be invited to renew your SPS and membership before your SPS expires



Read the guidance and complete the Professional Financial Adviser (PFA) Renewal Form



Return your completed application to:
info@charteredbanker.com
Or post to:
Chartered Banker Institute
38b Drumsheugh Gardens
Edinburgh
EH3 7SW



On receipt the Institute will verify your:

- FCA status
- Membership details
- Confirmation of Competence
- CPD declaration



We will re-register you as a PFA member, and will issue your SPS Certificate



If we receive your application 60 days after the expiry date, we must contact the FCA for a decision

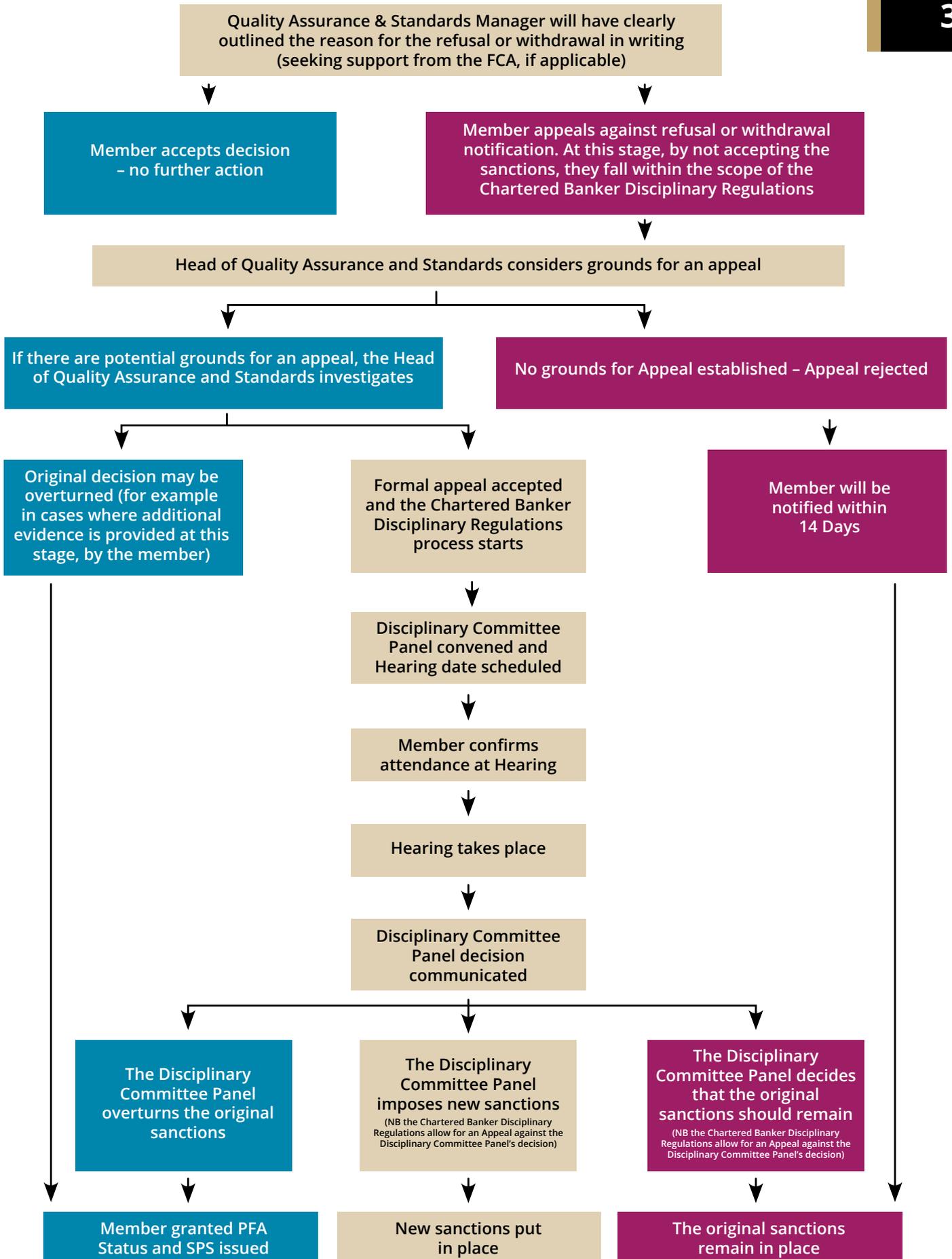


If you are not paying by direct debit you should pay your renewal online



Please allow **6 weeks** for us to process your application

SPS refused or withdrawn appeals process



Supporting you with a CPD tool

The Institute acknowledges that many advisers already complete structured CPD from various sources including their own network or employer. While CPD is compulsory, you can choose how you carry out and record your activity. In addition to your network or employer CPD resources, you may use:

- Competent Adviser CPD system to source CPD activities and record your progress. You will receive a welcome email from Competent Adviser, with instructions on how to log in to access their CPD resources, when your application for professional membership with the Institute is processed;
- the resources on the Chartered Banker Institute website. To do this, 'Login' to our website and click 'My Member Area' which is located at the top right-hand of the screen. You will then be presented with a drop-down menu;

Please select 'My CPD' or click on this link:

www.charteredbanker.com/member-homepage/cpd/cpd-log.html

- the e-CPD Toolkit lets you choose the method, subject and the type of learning that matches your needs. You'll find a range of subjects to help you - whatever career level you're at.

To access this resource visit: www.charteredbanker.com



If you require any further information or assistance, please contact us at:
info@charteredbanker.com

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