

Guidance

to support the implementation
of the **Intermediate Standard**
for Professional Bankers

MARCH 2017

Guide

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#DrivingProfessionalism

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Implementation of the **Intermediate Standard**

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Guidance

to support the implementation of the **Intermediate Standard** for Professional Bankers

A / Introduction

The purpose of this Guidance is to help CB:PSB firms implement the Intermediate Standard. It is intended to be of particular benefit to those engaged in developing policies, procedures and systems to support the achievement of the Intermediate Standard. It may also be helpful to a wide range of stakeholders who support and value the learning and development of Professional Conduct (values, attitudes and behaviour) and Professional Expertise (knowledge and skills) in the banking industry, including:

- professional bodies;
- universities, colleges and business schools;
- training providers;
- organisational development consultancies;
- employers;
- regulators; and
- government authorities and stakeholders.

Objectives of the Intermediate Standard

Seeking to further enhance and sustain levels of professional expertise and conduct in the banking industry, the Intermediate Standard sets out the CB:PSB's expectations for banking professionals making a commitment to higher standards of expertise and conduct than those set out in the Foundation Standard for Professional Bankers ("Foundation Standard").

The Intermediate Standard is the third CB:PSB professional standard, following the publication of the Foundation Standard in 2012 and the Leadership Standard in 2014.

The Intermediate Standard is intended to provide a "next step" for individuals who have **achieved** the Foundation Standard, and support the continued professional development of banking professionals.

As the CB:PSB is a voluntary initiative, achievement of the Intermediate Standard is **not** mandatory, and it is for each CB:PSB firm to determine the "in scope" population(s) for this Standard.

One of the most important areas in which the Intermediate Standard builds on the Foundation Standard is in its expectation that professional

bankers go beyond consistently demonstrating the values, attitudes and behaviour set out in the Chartered Banker Code of Professional Conduct. Additional guidance on what this means in practice, and how this may be assessed, is set out at **IMPLEMENTATION 'Additional Guidance for Line Managers and Other Assessors'** on **Page 9**.

Please see **Diagram 1** which sets out the CB:PSB's full suite of professional standards, how these support the UK regulatory regime, and how these link to professional qualifications and membership.



A / Introduction *Continued*

The Chartered Banker Code of Professional Conduct (“The Code”)

The Code, published by the CB:PSB in 2011 underpins the CB:PSB’s professional standards and sets out the values, attitudes and behaviour expected of all professional bankers. The CB:PSB revised its Code in 2016, adopting terminology consistent with FCA/PRA Individual Conduct Rules¹ (see **Diagram 1**). The Code sets out the CB:PSB’s expectations, which exceed regulatory requirements, by outlining how individuals should follow best practice and demonstrate their personal commitment to professionalism in banking, by:

- 1 treating all customers, colleagues and counterparties with respect and acting with **integrity**;
- 2 developing and maintaining their professional knowledge and acting with **due skill, care and diligence**; considering the risks and implications of their actions and advice, and holding themselves accountable for them and their impact;
- 3 being **open** and **cooperative** with the **regulators**; complying with all current regulatory and legal requirements;
- 4 paying **due regard to the interests of customers and treating them fairly**;
- 5 **observing** and demonstrating **proper standards of market conduct** at all times;
- 6 acting in an honest and trustworthy manner, being alert to and managing potential conflicts of interest; and
- 7 treating information with appropriate confidentiality and sensitivity.

Diagram 1:
The Professional Standards Landscape²
(as at October 2016)



¹ The FCA/PRA Individual Conduct Rules (published in July 2015) wording is shown in bold.

² The 'routes' to Standards shown refer to Banking roles and Professional Qualifications. Other Professional Qualifications at a similar level may be relevant to demonstrate role-specific knowledge counting towards achievement of a Professional Standard.

B / Benchmarking

All CB:PSB firms will previously have undertaken an extensive benchmarking process of their existing systems and processes, to facilitate implementation of the Foundation Standard (see Foundation Standard Guidance document). As such, this section provides guidance to help firms with additional benchmarking of their existing mechanisms for implementing the Intermediate Standard.

The Intermediate Standard requires individuals to demonstrate a required level of Professional Conduct and Professional Expertise, building on the Professional Conduct and Expertise requirements of the Foundation Standard, and includes additional Professional Qualification³ and Continuing Professional Development (CPD)⁴ requirements.

As for the benchmarking of the Foundation Standard, the Professional Standards Team may support firms in undertaking a similar Intermediate Standard exercise. Firms are expected to revalidate individual's achievement of the Intermediate Standard annually, to ensure they continue to meet the specific Professional Conduct and Professional Expertise requirements. The Professional Knowledge and Professional Skills indicators within these requirements should also be considered in relation to role, function and organisation.

Guidance follows on the additional activities which support attainment and ongoing validation of the Intermediate Standard. It is important to note that the Standard may be achieved/evidenced through **a variety of different mechanisms**. These may include, but are not limited to:

- achievement of a relevant professional banking qualification (see **Page 6**), or other professional qualification;
- completion of an accredited training programme (see **Page 6**), demonstrating competence;
- completion of professional ethics and education activities (see below), which allow the individual to explain and demonstrate the following:
 - The diverse and changing role of banks and bankers;
 - The positive role that banks should play in economic and social life; and
 - Customer, regulator and other stakeholder expectations of banks and bankers, and how these expectations shape the required values and behaviours of individuals working in financial services.

Dependent on entry status/exit point, staff may be eligible for Student, Certificated, Associate or Member grades of membership. Experienced staff with Chartered Banker status may be eligible for Fellowship.

Members and Associates are eligible for Chartered Banker/Associate Chartered Banker status.

Dependent on entry status/exit point, staff may be eligible for Student, Certificated, Associate or Member grades of membership.

Staff eligible for Student, Certificated membership.

All staff attaining Foundation Standard eligible for Affiliate membership.

Chartered Banker Institute Membership

³ Denoted in the CB:PSB Framework for Professional Standards as a qualification gained from a professional body e.g. The Chartered Banker Institute, Chartered Institute for Securities & Investment, CFA Institute.

⁴ For individuals at an early stage in their career, these may include other professional development activities or similar.

B / Benchmarking *Continued*

Continuing Professional Development (CPD)

Where individuals have gained a relevant professional qualification, and are members of a relevant professional body, it is likely that they will have met or exceeded the knowledge and CPD requirements of the Intermediate Standard. The proviso being that individuals can demonstrate an understanding of the professional ethics and education activities to the extent detailed within **Page 5**.

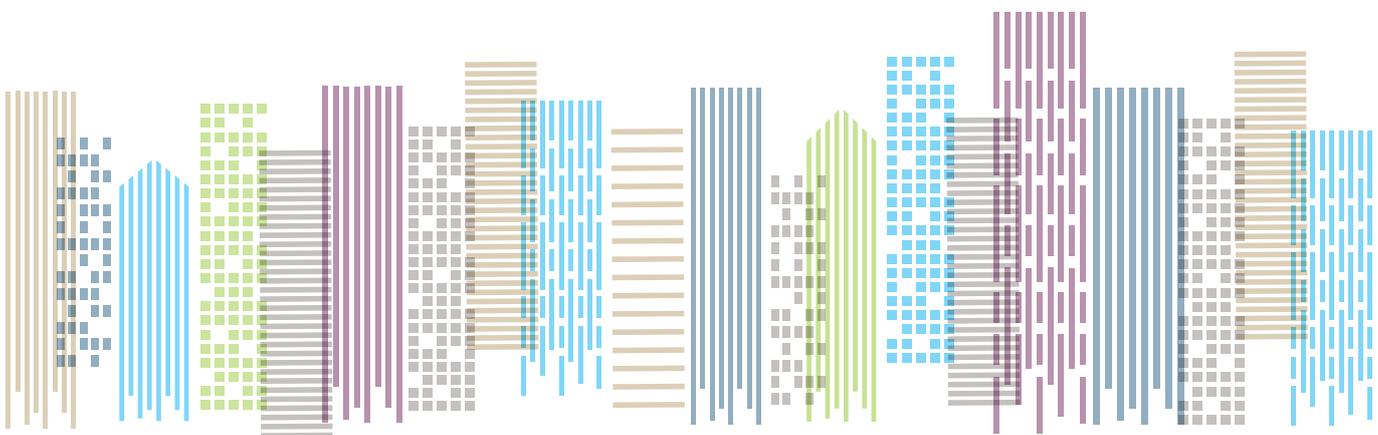
Where individuals are not members of a relevant professional body and/or do not participate in a professional body's CPD that would meet the requirements of the Intermediate Standard, firms should facilitate individuals completing, recording and evidencing, a minimum of 35 hours per year of CPD which:

- is relevant to their role, function and organisation;
- maintains and/or develops their relevant professional qualification; and
- contains a minimum of five hours of professional ethics education and development activities.

Firms should note that, where the Foundation Standard for Professional Bankers has been attained and is revalidated on an annual basis by individuals, this activity in itself will fulfil the minimum CPD requirement, and will have been recorded and evidenced via the firms' systems for evidencing Foundation Standard achievement.

Professional Qualification Guidance

- To meet the requirements of the Intermediate Standard, it is recommended that an individual's relevant professional banking qualification(s) should comprise of a minimum of 12 credits at QCF Level 3/SCQF Level 7, or equivalent. For the avoidance of doubt, this should be regarded as the minimum level expected and a higher level may be required for more senior and/or specialist roles, and where the context, function and organisation make a higher level more appropriate.
- A relevant professional qualification in a non-banking discipline directly relevant to the role being performed (e.g. Chartered Accountant, Corporate Treasurer, Chartered Internal Auditor, Lawyer) may also help an individual meet the requirements of the Intermediate Standard, but individuals should also be able to explain, review and assess, in areas relevant to their role, function and organisation, the topics set out above.
- Professional banking or other professional qualifications should be current, meaning that they should have been gained within the previous five years or, where they were gained prior to this, knowledge and skills have been maintained and developed by meeting the Continuing Professional Development requirements of the relevant professional body.



B / Benchmarking *Continued*

Guidance on Equivalence to a Relevant Professional Qualification

The CB:PSB recognises that there are a number of alternatives to a formal professional qualification through which individuals may develop and demonstrate the professional expertise needed to meet the requirements of the Intermediate Standard. These include:

- completing relevant Accredited Development/ Training Programme(s), which may enable individuals to demonstrate relevant professional knowledge, skills and competencies equivalent to those achieved through a professional qualification. These may include programmes delivered by the firm themselves, their chosen partners, or a third-party. To meet the requirements of the Intermediate Standard, and maintain consistency with individuals gaining relevant professional qualifications, it is recommended that accredited development or training programmes (or similar) should comprise a minimum of 12 credits at QCF Level 3/SCQF Level 7, or equivalent, and should have been completed within the preceding five year period. For the avoidance of doubt, this should be regarded as the minimum level expected and a higher level may be required for more senior and/or specialist roles, and where the context, function and organisation make a higher level more appropriate.
- via a period of relevant professional experience, of at least five years, where relevant professional expertise has been developed, demonstrated and assessed via a combination of on-the-job learning, internal training and development activities, and (possibly) additional certified learning and development activities.

To meet the requirements of the Intermediate Standard, and maintain consistency with individuals gaining relevant professional qualifications, the development of an individuals' relevant professional experience must be assessed by the firm to ensure that it is broadly equivalent to at least a formal qualification programme comprising a minimum of 12 credits at QCF Level 3/SCQF Level 7, or equivalent, and that the professional expertise developed remains current.



Additional Guidance for Line Managers and Other Assessors

Professional bodies may have requirements for CPD – the following concepts are central to the idea of professionalism:

- a professional has a specialist knowledge base which underpins their decision making;
- a high degree of autonomy is used; and
- a professional provides a service based on the needs of their clients.

Being a professional involves:

- applying knowledge and developing competence in relevant skills;
- using critical thought and informed ethical judgements;
- being responsible and accountable to others; and
- engaging in lifelong learning to develop yourself and the profession as a whole.⁵

⁵ Guidance Source: Chartered Banker Institute FS eLearning Module 9 'Ethics and Professionalism'.

c / Implementation

All CB:PSB firms will have previously undertaken an extensive exercise to deploy their existing systems and processes to implement the Foundation Standard (see Foundation Standard Guidance document). It is the responsibility of each firm, with the support of the Professional Standards Team, to define a flexible, sustainable and effective approach to implementing the Intermediate Standard within their organisation, consistent with the guidance set out in this document. This section provides guidance on key activities to support implementation, which includes:

- the scope and applicability of the Intermediate Standard;
- organisational alignment to the Intermediate Standard, including Learning & Development considerations and recognition of any prior learning;
- Continuing Professional Development (CPD); and
- additional guidance for Line Managers.

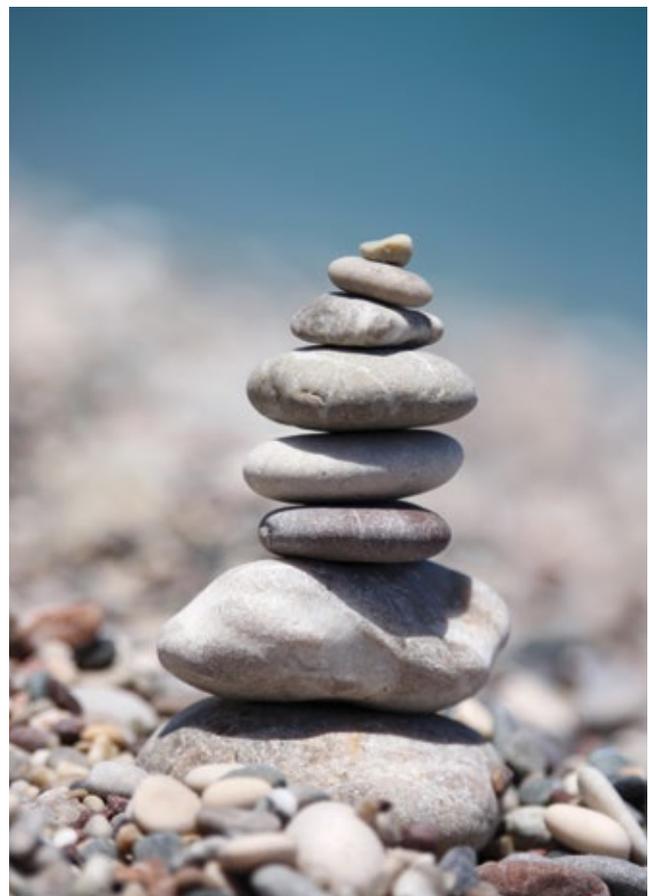
Scope and Applicability of the Intermediate Standard

The Intermediate Standard is primarily written for CB:PSB firms and their staff, and is intended to provide a “next step” for individuals who have achieved the CB:PSB’s Foundation Standard for Professional Bankers. Subject to any guidance that may be produced by the CB:PSB Board, it will be for each CB:PSB firm to determine, in line with their business needs and strategy, the target population for the Intermediate Standard. The Professional Standards Team works with organisations to ensure consistency, as far as possible, in the application of the Intermediate Standard across all firms. While those individuals to whom the Intermediate Standard applies must meet the requirements of the Standard in full, it is likely that mechanisms and evidence used by firms to assess achievement of the Intermediate Standard may differ – both between firms and colleague cohorts within firms.

Organisational Alignment

Firms and others wishing to assist individuals in achieving the requirements of the Intermediate Standard may do so in a variety of ways, building on those in place for the Foundation Standard, including, but not limited to, aligning, incorporating and/or embedding the following with the Intermediate Standard:

- recruitment and assessment centres;
- behavioural frameworks and similar;
- professional qualification and equivalent development programmes;
- balanced scorecards, competency frameworks and role profiles, as appropriate;
- initial and/or ongoing competence assessments;
- corporate cultural models, strategies and policies; and
- risk and decision-making models and frameworks.



c / Implementation *Continued*



Firms and others may align their Learning & Development activities to support professional bankers' understanding and application of the knowledge, skills, values, attitudes and behavioural requirements of the Intermediate Standard. These may include, but are not limited to:

- coaching and mentoring;
- attending seminars, workshops and similar live or online events organised by employers, leadership development organisations, professional bodies and others;
- participating in employer led, or others, classroom-based training, distance learning, e-learning and blended learning programmes;
- utilising leadership tools, e.g. leadership capability assessments, self-assessment psychometric tests;
- self-reflection on personal and professional experiences;
- using case studies/histories and similar materials;
- participating, individually or as a group, in role-plays or simulations where different decisions lead to different outcomes;
- discussing real-life ethical dilemmas and conflicts of interest with colleagues, line managers and others, including the role and use of whistle-blowing mechanisms;
- using ethical decision-making models to analyse real ethical dilemmas arising in the workplace;
- studying and discussing ethical dilemmas from other industries; and
- studying for relevant academic or professional qualifications.

Additional Guidance for Line Managers and Other Assessors

It may be helpful to Line Managers, when assessing if an individual has demonstrated an active commitment to the values, attitudes and behaviour set out in the Chartered Banker Code of Professional Conduct, to consider the following:

- **Has the individual:**
 - demonstrated behaviour*/conduct aligned to the Chartered Banker Code of Professional Conduct?
 - taken active steps to role model/encourage others to demonstrate the right behaviour?
 - set out clear expectations for immediate colleagues and others within their realm of influence?
 - actively demonstrated a high level of positive behaviour e.g. taken part in public voluntary schemes or other customer interactions/groups?
- **What practical steps has an individual taken to:**
 - improve customer service and/or customer interactions?
 - help/support colleagues?
 - ensure their activities, and those of their colleagues, comply not only with the letter of law and regulatory regime, but also with the spirit of the Chartered Banker Code of Professional Conduct?

*For example, and for illustrative purposes only, an individual may have taken active steps to⁶:

- demonstrate a positive approach to work, leading by example;
- show a consistent attitude and/or motivation to develop self and others;
- consistently demonstrate a proactive approach to supporting customers and colleagues;
- be creative and innovative to find new ways to improve self, the organisation and service to customer;
- show a willingness to 'go the extra mile' to support customers and colleagues; and
- adapt and be flexible to different types of work and/or challenges.

⁶ Research undertaken from:
<http://www.cipd.co.uk/hr-resources/research/attitudes-employability-talent.aspx>

D / Monitoring

E / Accreditation

This section provides guidance to help CB:PSB firms understand the processes involved in monitoring of the Intermediate Standard, which are in addition to those of the Foundation Standard (as detailed in the Foundation Standard Guidance document).

Evidence Sources

In order to complete CB:PSB Professional Standards Monitoring expectations⁷, including the Annual Progress Review, firms are required to supply evidence of the organisational systems and processes in place to facilitate an individual achieving the Intermediate Standard. Suggested examples of evidence sources include, but are not limited to:

- certifying that Professional Qualifications are relevant to an individual's role, function and organisation and have been obtained within the last five years;
- continuing Professional Development requirements have been met and maintained;
- accredited development programme(s) demonstrate a high level of professional standard, equivalent to those of relevant Professional Qualifications; and
- training and coaching designed for/delivered to individuals to allow them to 'role-model' appropriate behaviour.

Further, firms may wish to consider sources which evidence individuals experience outside banking, including:

- experience or knowledge gained from voluntary, community work and/or other work-related activity; and
- secondments, particularly involving secondments to customer organisations and/or to relevant regulatory and governmental authorities.

This section provides guidance on how firms' activities, relevant to the implementation of the Intermediate Standard, may be accredited. The Chartered Banker Institute is able to accredit firms' activities relevant to the implementation of the Intermediate Standard, helping firms demonstrate equivalence where required, and potentially providing pathways to professional qualifications and membership. It may also accredit relevant activities created by providers of academic and professional education.

In addition to the activities denoted within the Foundation Standard Guidance document, these may include, but are not limited to, accreditation of:

- skills development programmes;
- learning and development activities conducted by the CB:PSB firm and/or partners;
- behavioural and competency frameworks; and
- corporate cultural models.



⁷ Details of the Monitoring process can be found in Section 5 of the CB:PSB Framework for Professional Standards and also in the CB:PSB Toolkit on the website www.charteredbanker.com

F / Professional Pathways

As highlighted within the Foundation Standard Guidance document, the Chartered Banker Institute has established pathways from professional standards to its professional qualification and membership frameworks (see *Diagram 2*).

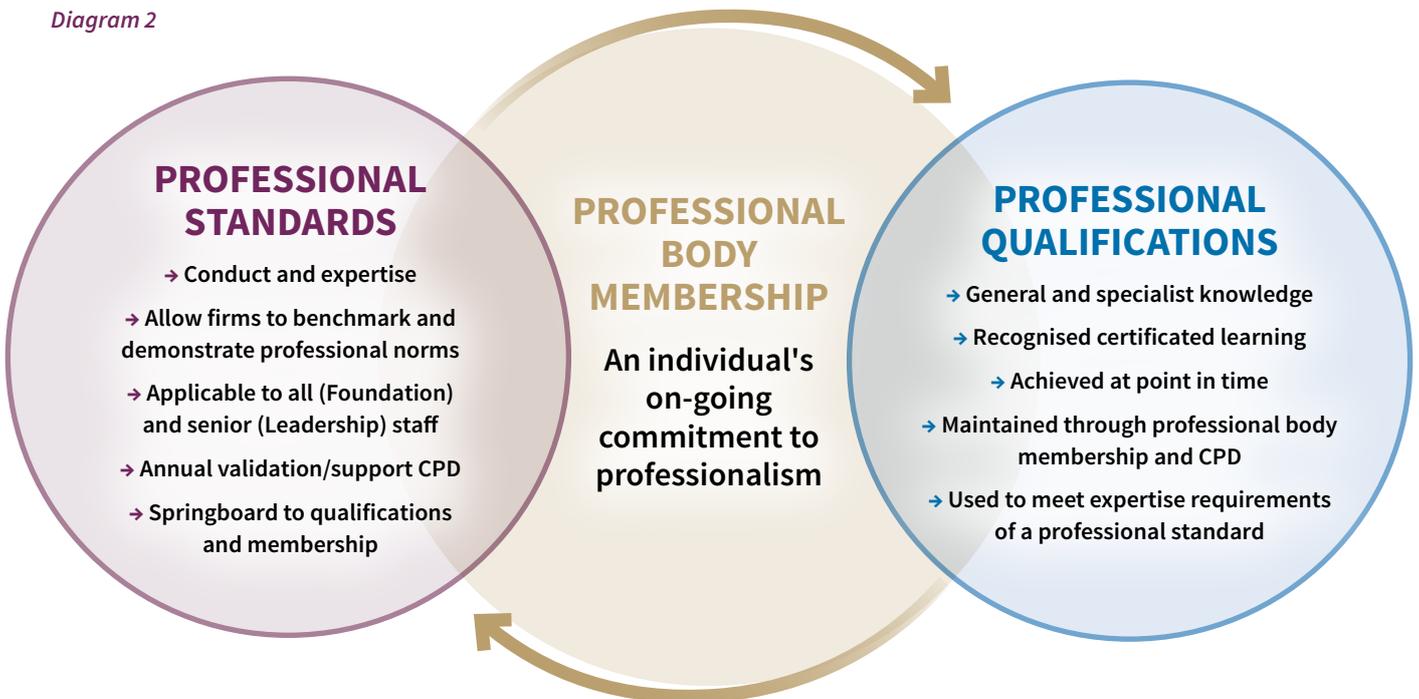
Pathways are based on firms' implementation approaches and may differ from firm to firm.

Firms with an interest in supporting colleagues to progress from the CB:PSB's professional standards to the Institute's qualifications and membership should contact the CB:PSB Head of Professional Standards at

cbpsb@charteredbanker.com



Diagram 2



Chartered Banker

Professional Standards Board

Guidance

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Effective Date

The Guidance is effective from March 2017.

Review Date

The Guidance will be reviewed in 2020.

In the CB:PSB's view, the Intermediate Standard and Guidance are consistent with the UK Regulators' 'CP15/22 Strengthening accountability in banking: Final rules.' See <https://www.fca.org.uk/publications/policy-statements/ps16-3-strengthening-accountability-banking-feedback-cp15-22-and-cp15> (Policy statements, First published: 04/02/2016, Last updated: 26/05/2016 for further details.

The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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