

Compliance News – For IFAs

'We are committed to providing IFAs with a periodic free newsletter and value for money additional compliance services – Please support us!'

MARCH 2013 Edition

Regular newsletters since 2004 – see our new website www.compliancencenews.org

Welcome to Compliance News: This free bulletin is issued by Compliance News Limited to over 21,000 IFAs and compliance staff in the UK. The aim is to get the distribution up to 25,000. If this can be achieved, more free updates and assistance will be available to the readers.

Please would you ask any other IFAs you know to register for the bulletin by emailing Compliance News via compliance@ifahelpline.co.uk

Introducing the Editor: Phil Dibb has over 20 years experience in financial services. He worked at PIA / FSA from 1997 to 2002 and now runs his own Compliance Consultancy firm.

Phil spends the majority of time training IFAs on compliance and T & C issues, In addition he is Chairman to a number of regional Compliance forums held around the UK and also a member of the Association of Professional Compliance Consultants.

COMPLIANCE NEWS PREMIER SERVICE

IFAs can subscribe to the Premier Service to receive a wide range of up to date **forms, templates and procedural documents** to assist with the running of their business. All forms are issued direct to subscribers and most are in word format so that they can be made firm specific. In addition subscribers are kept up to date by e-mail on the key regulatory issues of the day with advice as to the steps your business should take to mitigate against any risks that these issues may present.

Recently designed documents include:

Product Consideration Form (for IFA's post RDR)

Structured CPD Record Sheet
General IFA – Annual Testing
RDR Progress Indicator
Data Protection Test

Post RDR Retail Client Agreement
Post RDR CIDD's
Post RDR Fee Agreement

The Premier Service is available from only £175 per firm for the year.

We believe that the Premier Service will save a typical firm at least 50 hours each year. See page 8 for full details of how to subscribe or e-mail

compliance@ifahelpline.co.uk

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Disclaimer: Compliance News is a trading style of Compliance News Limited. Compliance News cannot be held responsible for the views and interpretations shown in this publication. Authorised firms remain responsible for complying with the FSA requirements and such obligations cannot be transferred to a third party. Errors and omissions excepted.

1. FSA'S "POST RDR IMPLEMENTATION" SURVEY

A large number of IFAs have received this survey from the FSA (mainly in February 2013). This is 15 pages of questions about their post RDR client proposition and related systems.

Our "Premier Service" members received this alert on 27th February and we suggest that all IFAs are able to go through the form confidently. We are also preparing a members-only video clip on the more challenging parts of the survey.

This is very important. Did your Compliance provider update and prepare you?

2. BRAW (Business Risk Awareness Workshops) UPDATE

For many firms this is seen as a follow-up to the TCF assessments / workshops. We expect most firms will be involved with this over the next 12 to 18 months.

Invitations to the FSA's Business Risk Awareness Workshops have now been sent out to the vast majority of small to medium sized IFAs in 'South Central' region. The postcodes for this region are GU, HP, OX, PO, RG, SL, SO, BN and firms should have recently received their invites. The face to face training / awareness sessions (known as workshops) will take place during April and May 2013 and will be held in Southampton, Brighton and Heathrow (Slough). After this region, we understand the next areas in the timetable are East Midlands (July/ Aug) & London West (Nov/ Dec).

It is **imperative** that firms know what this is all about. The link below will help.

<http://www.fsa.gov.uk/smallfirms/workshops/index.shtml>

Subscribers to our Premier Service will automatically be invited to join our forthcoming BRAW telephone conference call / discussions **at no extra charge**.

3. FINANCIAL CONDUCT AUTHORITY

With effect from 1st April 2013 (Bank holiday Monday – so really the 2nd April 2013) the Regulator for IFAs will become the Financial Conduct Authority and firms must amend their "Authorised and Regulated by" statement shown on disclosure documents, letterheads, websites, e-mail footers etc. To date (25/3/13), a formal confirmation of the transitional arrangements have not been issued. **Our subscribers will receive all details in full.**

However, the below issued on 25/3/13 does provide a lot of useful information.

<http://www.fsa.gov.uk/library/communication/pr/2013/027.shtml>

Further details regarding this can be read via the links below:

http://www.fsa.gov.uk/about/what/reg_reform

<http://www.fsa.gov.uk/library/policy/cp/2012/12-24.shtml>

4. RDR – 20 MOST FREQUENTLY ASKED QUESTIONS

The FSA have issued a factsheet, which covers the most frequently asked RDR questions. This is an important read for all firms. This can be viewed on the FSA website via the following link:

<http://www.fsa.gov.uk/static/pubs/other/top-rdr-faqs.pdf>

They have also published Top Questions asked at the RDR Roadshows which can be viewed via the following link. <http://www.fsa.gov.uk/static/pubs/guidance/fg12-05.pdf>

5. STRUCTURED CPD SESSIONS – PROVIDING 7 HOURS OF CPD

As a reminder, individual advisers must undertake a minimum of 35 hours CPD (Continuing Professional Development) per year, of which at least 21 hours must be Structured.

For ease and continuity within businesses, we are generally recommending that our subscribing firms embrace the CII on-line CPD recording system. In the past, the CII operated a 'credits' based system – this has now ended. It is now just hours. The links below give you additional information.

<http://www.thepfs.org/cpd/cpd-has-changed/>
<http://www.cpd.cii.co.uk/demo/ChangesToTheCPDScheme.pdf>
http://www.cii.co.uk/media/2957765/cii_cpd_scheme_faqs_v8.pdf

Our main concern is that when an individual's CPD is checked by the CII (the CII are to check approximately 10%) – this could delay any renewal of an SPS if the CPD is not sufficiently detailed / or to the correct standards. As everyone will know ... no SPS ... means you cannot advise as a CF30 (very few exceptions exist).

During April we are running 2 full day events which will provide attendees with 7 hours of Structured CPD. The day will include technical presentations on VCTs, EIS, Investment Trusts and Structured Products. Further sessions are planned throughout the year. *Priority to attend these events will be given to Premier Service subscribers.*

Please email us for more information compliance@ifahelpline.co.uk

6. GABRIEL / REGULATORY RETURNS

This area is becoming very complex and the changes for firms throughout 2013 will mean this return will take more time to complete and will also challenge the data systems and records at firms. The key changes are:

- o Section K Adviser Charging
- o Section I changes
- o Complaints returns
- o Professional standards returns

**** NEW SERVICE ****

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As this whole area has moved on significantly since the days of the PIA annual questionnaire, we are involved in the launch of a new service – Regulatory Returns Limited. This will provide a dedicated full time service for all Regulatory Returns for directly authorised IFAs (Non MiFid). This service includes:

- o Ad-hoc queries
- o Sanity checking your 6 monthly returns
- o Ongoing help with preparation & input
- o ONA Registrations

The service from Regulatory Returns Ltd launched on 1st March 2013. To receive a summary of help available please email lisa@regulatoryreturns.co.uk or telephone 0113 2589878

7. CII EXAMINATION PASS RATES

Via the link below you are able to compare the exam result pass rates for 2011 & 2012. Looking at the J0, R0 and AF papers the annual pass rate seems to have increased slightly for 2012 in the majority of subjects but not all. The link also includes Frequently Asked Questions on this subject.

<http://www.cii.co.uk/qualifications/assessment-information/pass-rates/>

8. MORTGAGE MARKET REVIEW

If you didn't have time to attend the FSA MMR workshops recently held, we have arranged for all details to be produced for you by an experienced compliance consultant. The cost is only £30 (£20 for Premier Service subscribers); just send an email to compliancebackup@gmail.com to request this which comes as a word document plus the FSA links. This is essential knowledge for any one advising on mortgages.

9. FOS UPHOLDS NEARLY HALF OF ALL COMPLAINTS

According to their own figures, The Financial Ombudsman Service is currently upholding approx. 47% of all complaints. Their data for the last 3 months of 2012 shows that the majority of complaints relate to Payment Protection Insurance.

Further details are available by following the link below:

http://www.financial-ombudsman.org.uk/publications/ombudsman-news/107/chart_issue107.pdf

10. REMOTE FILE CHECKING SERVICE – A flexible alternative for IFA firms.

Following a number of firms having FSA visits recently, below are five key areas which are regularly focused on when client files are reviewed. In our opinion, it is very important that your own files can clearly demonstrate the following:

- Issue of Regulatory documents / client agreements / agreement of payment method & services to be provided.
- File to show full 'know your client records', linking in needs, priorities, objectives, liquid cash funds and affordability with the client's attitude to risk.
- Research: To demonstrate that non-provider led research has taken place.
- Suitability report / letter: To link the client's circumstances / ATR / objectives with the advice.
- Follow-up documentation and a clear record of 'what happens next'; including any review dates (in particular drawdown cases).

Through our sister company Just CRS Limited, we are able to provide a remote file checking service to IFA firms on a 'pay as you go' basis. The costs are: £65 + VAT per remote client file review with summary sheet (excluding multiple transaction files or higher risk cases such as drawdown, structured products or PP switching) or £95 + VAT per drawdown / PP switching (up to 3 into 1) remote file check. Please contact Katherine Horgan at katherine@justcrs.co.uk or 07815 767204.

11. IFA RESEARCH TOOL – Trial licences available

Compliance News are delighted to announce that we are now able to offer licences to the largest provider of 'IFA Research' across the UK. Up to now, this has generally only been available to their own network members, however, we have now agreed a deal for our readers. For more information, please email us with 'Research' in the subject box.

12. COMPLIANCE FORUM – WEST SUSSEX AREA – 22ND MAY 2013

We are planning a forum on Wednesday 22nd May 2013 in the Crawley area. It will be a 10am prompt start and finish at 12 noon. Cost will be in the region of £65.00 per person. To register your interest, please email compliance@ifahelpline.co.uk with "Crawley forum" in the subject box.

13. FINANCIAL EDUCATION TO BE TAUGHT IN SCHOOLS

Financial education will form a part of the compulsory national curriculum in England. It is to be a part of citizenship for 11-16 year olds and will be taught in all maintained schools. The proposals are due to be included in the curriculum from September 2014. Pupils in Key Stage 3 (ages 11-14) will be taught the functions and uses of money, the importance of personal budgeting, money management and a range of financial products and services.

Older students in Key Stage 4 (ages 14-16) will be taught about wages, taxes, credit, debt, financial risk and a range of more sophisticated financial products and services.

14. PRODUCT CONSIDERATION FORM

Are you an IFA post RDR? If so, this new form is likely to really help.

We first issued this to our subscribers back in December 2012. After plenty of feedback and ideas from IFA's using the form we issued our updated version to our subscribers on 13th March 2013.

It is very important that IFA's can properly record and document the advice process and why they believe the recommended Retail Investment Product(s) are suitable for their clients. This form, designed for use on each individual case, will help.

15. DEADLINE FOR CANCELLING AUTHORISATION OR VARYING YOUR PERMISSION

If you are looking to cancel your authorisation or vary your permission, make sure this is done via the ONA system before 31st March to avoid paying additional / full annual fees.

16. CONSUMER CREDIT LICENCE CONSULTATION

The FSA and the Treasury have both issued consultations covering the transfer of consumer credit to the FCA with effect from April 2014. Details can be found via the following links:

<http://www.fsa.gov.uk/static/pubs/cp/cp13-07.pdf>

http://www.hm-treasury.gov.uk/d/consult_transferring_consumer_credit_regulation_to_fca.pdf

Any response you wish to make to these consultations must be in by 1st May 2013.

17. PREMIER SERVICE RECENTLY ISSUED UPDATE EMAILS

In addition to the forms you have access to – we also issue regular email updates – our minimum standard is every six weeks but below is what was actually issued to all subscribers recently:

Email news update 94: Issued 13/03/13 – FCA update on “Authorised & Regulated” and FCA categories C1 to C4.

Updated Excel of all post RDR forms – Issued 12/03/13

Email news update 93: Issued 27/02/13 – FSA Post RDR Survey info / CCL update

Email news update 92: Issued 05/02/13 – Structured CPD – detailed information

Email news update 91: Issued 10/01/13 – FSA Reporting updated / GPPP's / Updated CIDDs

Email news update 90: Issued 18/12/12 – FSA Register / CF30 reminder / Platform query

Email news update 89: Issued 11/12/12 – CCL / FSA Data submission / Product Consideration

Email news update 88: Issued 30/11/12 – Youtube clip on “Restricted vs IFA / Law Society update

Email news update 87: Issued 26/11/12 – RDR update / New disclosure docs / fee agreements

Please also see the home page of www.compliancencenews.org for the current Excel list of all our documents.

18. COMPLIANCE NEWS PREMIER SERVICE – The annual costs is per firm

As mentioned, this is a service offered by Compliance News, which was prompted by several IFAs who contacted us following the first newsletter, requesting most of the forms. We believe this service will save a typical IFA firm at least 50 to 80 hours per year.

MOST DOCUMENTS ARE SENT ELECTRONICALLY ON 'WORD'

Benefit: You have access to **all the forms** we have, at no extra charge. We will send a wide range of IFA forms / guidance on a regular basis to you in 'word' document format. In addition, wherever possible we will try and assist with individual requests.

– Small IFA firms with 1 to 10 advisers - £175 p.a. PER FIRM

– IFAs with 11 to 25 advisers and up to 9 AR's - £275 p.a. PER FIRM

To register: Please complete the back page with your details, enclosing a cheque made payable to Compliance News Limited.

The following is a list of just some of the documents, which will be issued.

Generic Knowledge test for advisers
Post RDR IFA Research form
Reference Request forms
Conflicts of Interest Policy
Data Security documents
Copies of relevant FSA guidance
Anti-Money Laundering Annual test
Updated Terms of Business letters (RCA)
Compliance / Risk Mitigation plan,
Compliance Audit forms,
Updated Observation forms
Adviser Role / Job Description templates
Risk Assessment / calculator of adviser,
Fit & Proper adviser annual declarations,
Client agreements / Fee agreements,

IFA Research / Committee minutes
Customer Satisfaction Surveys,
Maintaining Competence (T & C) form,
Suitability Letter templates,
File completeness checking forms,
Blank reference request forms, diary template,
Disaster Recovery / Continuity plan,
Provider Research summary forms,
Recruitment checklists
TCF forms – Too many to list
New IDD (SCDD) documents
Mortgage advice/file checking forms
Personal account dealing declaration
Compliance Board Report templates,
BRAW help.

“Whilst the above list may appear to be comprehensive the real benefit to most subscribers is being able to email a request and receive a template. We are generally able to help with 90% of all requests”

Recent feedback from our subscribing IFA firms.....

‘Thanks Phil, an invaluable service’

‘The BRAW telephone conference call was really help’

‘.....the updated Excel spreadsheet of all the forms is a great idea – keep up the good work’

PRICES HELD UNTIL 30th April 2013

We are considering a small increase in subscription costs for NEW subscribers. The costs shown on the last page are only available for payments received by 30th April 2013.

Compliance News Premier Service – Any questions?

If you cannot decide whether this service will be of benefit, or if you have any questions as to how many documents you will get / have access to, we will be glad to call you to answer any queries. Please send a quick email to the address below with 'Premier News Enquiry' in the title box and we will call you.

compliance@ifahelpline.co.uk

Tel: 0113-2583111

19. COMPLIANCE NEWS PREMIER SERVICE – HOW TO SUBSCRIBE

SHOULD YOU WISH TO SUBSCRIBE TO THE COMPLIANCE NEWS PREMIER SERVICE OR REGISTER YOUR INTEREST FOR ANY OTHER SERVICE, PLEASE COMPLETE THIS SHEET AND POST / SCAN TO:
Compliance News Limited, 19 Henley Close, Rawdon, Leeds, LS19 6QB
compliance@ifahelpline.co.uk

Compliance News Premier Service (cost for 12 month membership): This service provides copies of all the popular documents (200+) we offer, mainly in 'word' format.

SUBSCRIBERS TO THE PREMIER SERVICE WILL AUTOMATICALLY BE ENTITLED TO ALL THE DOCUMENTS DETAILED AT NO EXTRA COST (PLUS OTHERS WE DESIGN DURING YOUR SUBSCRIPTION).

Compliance News Premier Service – Small IFA firms with 1 to 10 advisers. Firms who do not have more than 10 IFAs or 3 Appointed Rep's, do not provide Compliance/Commercial services to other IFAs and agree not to pass on the material to external firms.	Cost £175 Please tick
Compliance News Premier Service – IFAs with 11 to 25 advisers and up to 9 AR's. Firms who do not have more than 25 IFAs or 9 Appointed Representatives, do not provide Compliance / Commercial services to other IFAs and agree not to pass on the material to external firms.	Cost £275 Please tick
Compliance News Premier Service – Large IFAs, Networks and other Compliance consultancies. Please contact us, as costs vary depending on size and activity.	Please contact us

Please note that the prices quoted above are for IFA firms, which are directly authorised with the FSA. Compliance News Limited reserves the right to increase the prices for other organisations, such as networks and those who also provide compliance support, that may require copies of certain documents.

Please make cheques payable to Compliance News Limited and post to the address at the top of this form. An invoice marked as 'paid' will be issued with all orders.

Name/Contact:

Firm:

Address:

Are you an authorised firm? Yes / No

Tel:

Email:

Should you wish to receive further information on a particular topic, please complete the form below.

Compliance News – Additional Services			
	Tick (☞)		Tick (☞)
Research Tool (free trial licence)		Supervisor Refresher Course – to be fully documented as Structured CPD	
Remote file-checking by Just CRS		B.R.A.W. telephone conference call	
<u>GABRIEL</u> help / Sense check / Discussion on the <u>new 'Section K'</u> data		Annual knowledge tests & marked papers / providing feedback service.	
Annual refresher training day at your firm – To cover Anti-Money Laundering / Complaints Handling / Data Security / General IFA market post RDR talk / adviser testing / adviser training plans and if required 'Explain To Me Exercise' (T & C skills) – all run and led by Phil Dibb.			

Name:

Firm:

E-mail:

FSA Number:

Post to: Compliance News Ltd, 19 Henley Close, Rawdon, Leeds, LS19 6QB