Chartered
Chartered Insurance Institute

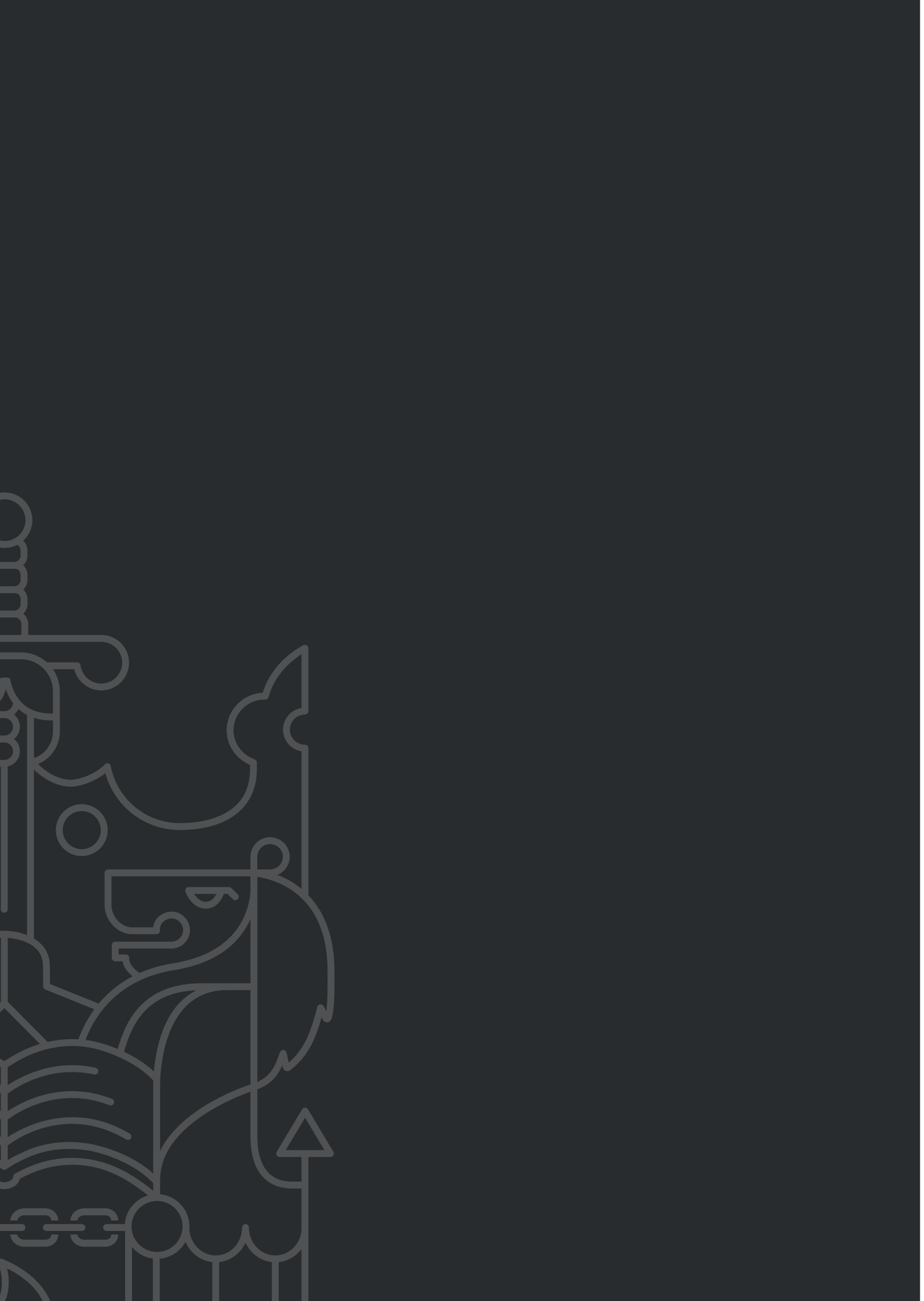
March 2021
Version 1.3

# Corporate Chartered
# A smooth journey to becoming Chartered

## Guidance for completing the application

Financial Planners
Insurers
Insurance Brokers
Insurance Underwriting Agents

Standards. Professionalism. Trust.



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## Completing the application:

This document provides a step by step guide to completing your application for corporate Chartered status (CCS).

If you need any further information or have any questions, please contact our corporate team for assistance on **0208 530 0818** or at **charteredfirm@cii.co.uk**

Submit your application online at **cii.co.uk/membership/join-us/chartered/corporate-chartered/apply-or-renew/**

If you require this information in a different format or need assistance completing the application, please contact us.

**The process consists of seven main steps:**

**Step 1**
Check your firm is eligible

**Step 2**
Complete the application form

**Step 3**
Add supporting documents

**Step 4**
Submit your application

**Step 5**
Await the outcome of your submission

**Step 6**
Make payment

**Step 7**
Use and promote your firm's Chartered status

## **Step 1:** Check your firm is eligible

**There are several fixed eligibility criteria that your firm needs to fulfil to become a corporate Chartered firm, the main ones are:**

1. The firm applying must have three years pre-application trading as an authorised and regulated business. This general condition does not apply to Lloyd's approved entities applying for the Chartered Insurance Underwriting Agents title, for which a minimum of one year trading as an authorised and regulated business is required. The CII may apply this exception to other approved entities at the CII's sole discretion.
2. The entirety of the firm's board (or where permitted, Appropriate Management Team (AMT) for divisions), together with 90% of customer-facing staff must be members of the CII/PFS.

   For Financial Planners only, a minimum of 50% of your firm's advisors must hold the individual CII Chartered Financial Planner title.
3. Firms must have in place (and be able to evidence) an appropriate Professional Development Programme, core values and business practices, a Diversity & Inclusion policy, demonstrate corporate social responsibility and contribution to the development of the profession.
4. A minimum of one of the firm's board (or where permitted, AMT) must hold either the Chartered Insurer, Chartered Insurance Broker, Chartered Financial Planner or Chartered Insurance Underwriting Agent title whichever is relevant to their application and take on the role of Responsible Member. Responsible Members of large firms can use an equivalent title where permitted by the CII.
5. Your firm must be able to provide a customer with access to a Chartered Insurer/Broker/Financial Planner available within ten days of a request being made. This general condition does not apply to firms seeking the Chartered Insurance Underwriting Agents title.

If your firm or an individual, equity partner or director in the firm has had regulatory or statutory action against them within the last five years, this needs to be declared at the point of application.

For more information on the eligibility criteria for each class and how these could apply to your firm's individual circumstances please see Appendix 1. Full corporate Chartered status terms and conditions can be found on the CII website at **cii.co.uk/membership/join-us/chartered/corporate-chartered/apply-or-renew/**. We recommend reading these documents thoroughly to ensure that you are aware of all the criteria, Terms and Conditions and Rules of being a Chartered firm before completing the application form.

**Handy tip: The application form assists you in determining if your firm meets the staff percentage criteria outlined.**

**Variable Criteria (applicable to insurance classes only)**
If you are applying for either of the insurance classes, you will also need to meet the variable criteria by achieving a minimum of 50 points. Points are achieved according to the percentage of your firm's staff CII qualified to certain levels (i.e. Certificate in Insurance, Diploma in Insurance, Advanced Diploma in Insurance etc). There is a minimum threshold at each level and essentially the greater the percentage and level of qualification, the greater the number of points awarded. Further details can be found in Appendix 2.

A list of our corporate Chartered fees can be found at the following link **cii.co.uk/membership/join-us/chartered/corporate-chartered/eligibility-criteria/eligibility-criteria-insurance/**

## **Step 2:** Complete the application form

Once you have confirmed that your firm is eligible to apply for CCS, the next stage is to complete the application form. This is split into four sections:

- **Section 1 – Your corporate details**
  This section is all about your firm. We ask for details such as name, office address and contact details as well as your firm's company registration number and FCA registration number.

  You are also asked who will be your Responsible Member. The Responsible Member's role is to be the primary contact for CCS matters between the firm and the CII. They are responsible for ensuring that the duties of the firm under the CCS contract are upheld. We also need a secondary contact and this should be someone we can contact if the Responsible Member is unavailable.

  Last of all in this section, we need you to provide the number of non-customer-facing staff within the firm. These are those who are not directly involved with customers and have a contract of employment with the firm (for example employees within finance, IT support, marketing etc). The other fields in this section will automatically be filled in when the rest of the form is completed.

**Handy tip: The calculator in this section will indicate how many more customer-facing staff need to become members if the criteria has not been met.**

- **Section 2A – Fixed eligibility criteria**
  In this section, you are required to confirm that your firm can meet all the eligibility criteria that you checked in Step 1. Please provide an acknowledgement for all required fields. If you have any queries, please contact us.

  For an equity partnership, a copy of your firm's partnership agreement is required as identification of the partners and this should be submitted with your application.

- **Section 2B – Eligibility - Corporate Social Responsibility (CSR)**
  This requirement was introduced following the recent changes to the eligibility criteria as a result of the Chartered consultation results published in May 2019. You can access a full copy of the consultation results here **cii.co.uk/media/10121262/corporate-chartered-status-the-next-10-years.pdf.** This has been introduced to aid building public trust in the profession, visibility in the community and promote Corporate Social Responsibility (CSR).

  As part of your application, you need to provide evidence of your firm's contribution to the development of the profession and CSR. Examples of the type of evidence required are shown directly on the form and should be submitted with your application.

  There will be some firms that already undertake activities that fulfil it, but we appreciate that for others this could be more difficult to demonstrate. If you are one of these firms, please complete this section with activities that you plan to undertake in the future that will fulfil this requirement.

- **Section 3A(i) – Board or Appropriate Management Team (AMT)**
  In this section please provide the details of all members of staff that make up your statutory board (as listed at Companies House), equity partners or, where applicable, your Appropriate Management Team (AMT).

  For Limited Liability Partnerships (LLP), only LLP Designated Members are required in this section.

  For each person you need to provide the qualifications they currently hold, or a comparative title. A list of the comparable third party titles, acceptable to the CII, is available on the CII website at **cii.co.uk/membership/join-us/chartered/corporate-chartered/comparable-third-party-titles/**

- **Section 3A(ii) - Corporate director/member details**
  This section only needs to be completed if you have a corporate director/member on your firm's board as registered at Companies House. If you do, all the individual directors/members of that corporate director/member firm need to have their details listed in this section and they all need to be or become CII members

  In sections 3A and 3B, for each individual, we require their full name, date of birth and membership status, and Permanent Identity Number (PIN). If these lists are incomplete the automatic employee number calculations in Section 1 will not be correct.

  For Financial Planners only, please ensure that the last column is accurate as any board members who are also advisers will contribute towards the required number of Chartered Financial Planners.

## **Step 2:** Complete the application form - continued

- **Section 3B – Customer-facing staff (applicable to Insurance classes only)**
  Please list all your firm's customer-facing staff here. We have defined customer-facing staff in the Glossary.

  **Section 3B(i) – Advisers (full Financial Planners) (applicable to Financial Planners only)**
  In this section please list of your firm's financial advisers (those formerly defined as holding the CF30 controlled function on the FCA register). Please enter all required information and ensure that their appropriate level of qualification is included in the final column.

  **Section 3B(ii) – CFS other than full Financial Planners (e.g. mortgage advisers, para-planners etc.) (applicable to Financial Planners only)**
  Please include here the details of all staff who are customer-facing but are not financial advisers (those formerly defined as holding the CF30 controlled function on the FCA register). This will include mortgage/protection-only advisors, paraplanners and any other staff that have client contact, be it person or via email or telephone.
- **Section 3C – Variable criteria (applicable to Insurance classes only)**
  All the information in this section is automatically calculated from the information provided in other sections of the application form. Here you can see how many points you have achieved. A minimum of 50 points needs to be attained in order to be eligible for CCS.

  If you have not been able to achieve the 50 points, a maximum of 5 discretionary points can be applied for with the submission of appropriate evidence. More detail on this and the full list of variable criteria can be found in Appendix 2.
- **Section 4 – Terms and conditions** Please accept the terms and conditions that are shown in this section. We recommend reading through these in step 1 so that any issues or queries can be clarified before you reach this stage.

**Handy tip: The information that you include in section 3 will automatically update section 1 and will therefore tell you whether you have the required number of Chartered title holders.**

## **Step 3:** Supporting documentation

**Alongside your completed application form, supporting documentation needs to be submitted for the following areas:**

1. Professional Development Programme
2. Core values and business practices
3. Diversity and Inclusion policy
4. Evidence of contribution to the development of the profession and Corporate Social Responsibility (CSR)

Below provides some guidance on each element.

**1. Professional development programme**

This needs to outline your employee professional development programme. The evidence should illustrate alignment to improving employees' capabilities, expertise and skillset in line with your business objectives and regulatory requirements. It should clearly define and identify:

- the programme objectives
- ways in which the objectives will be achieved
- clear timeframes for achievement
- how the achievement of the objectives will be measured and monitored
- the desired business outcomes for the professional development activities.

Your professional development programme evidence needs to show the performance development review system in operation, identify employee development needs and how these link to the business' objectives.

In the absence of an existing documented professional development programme, please provide answers to the questions in appendix 3. This will help us to determine whether or not your firm meets this requirement.

**Remember:**

- It is a CII requirement that all CII qualified members, defined as those entitled to use designations, undertake 35 hours of CPD (including a minimum of 21 hours structured).
- The CCS scheme requires that all staff enjoy the benefits of a professional development programme.
- Compilation of the professional development programme, must be consistent with the spirit and intent of the rules and purposes of CCS when read and considered as a whole.

# **Step 3:** Supporting documentation - continued

**2. Core values and business practices**

Please provide us with a copy of your firm's core values and business practices. Core values are established by a firm to help staff, customers and others to understand the purpose and objective of the entity or its business.

While a Chartered firm's values and business practices should align with the CII Code of Ethics, we are looking to see the specific values and practices considered most important to your firm. All Chartered firms agree to follow the CII Code of Ethics at the inception of CCS and all regulated firms are required to abide by the FCA's TCF (Treating Customers Fairly) requirements.

This requirement looks to get to the heart of what is important to your firm and how these values are demonstrated.

For example, one value could be "Providing first class customer service" that is demonstrated by ensuring that staff are up-to-date with their knowledge, conduct regular appraisals and share best practices at team meetings. In terms of length, typically a core values and business practices statement would contain between 5 and 10 values.

**Businesses establish a set of core values to help staff, customers and others to understand the purpose and approach of the firm to its business. Once staff are familiar with these values, they can align their business practices to support the corporate philosophy.**

Evidence suggests that maintaining a fixed value system alongside a flexible approach to business strategy can contribute to an organisation's success.

All businesses have values, whether they are conscious of them or not. The more active a business is in devising and implementing its values and beliefs, the greater control it will have over its corporate persona. Businesses in the professional advice sphere should aspire to values associated with integrity, professionalism, transparency, openness, and the pursuit of quality.

Business practices are the methods, processes and rules employed or followed to help achieve objectives. Aligned with the values, these are driven by ethical and customer-focused considerations.

Firms should examine their existing business practices to ensure they are fair, efficient, effective and responsive to change. They should seek out examples of best practice, both elsewhere in the advice sector and in the wider commercial community, and implement whatever improvements are appropriate to their own circumstances.

**3. Diversity and Inclusion policy**

Please provide us with a copy of your firm's Diversity & Inclusion Policy (sometimes referred to as an "Equality & Diversity" or "Equal Opportunities" policy). This should detail your firm's ethos, values and business practices in relation to treating people appropriately.

Diversity and inclusion policies will vary depending on the size or structure of the firm, but broadly they cover six key areas;

- The firm's ethos/ mission statement regarding Diversity & Inclusion (i.e. The company supports and encourages Diversity & Inclusion because...)
- Reference to relevant legislation (such as the Equality Act 2010) as part of a statement that confirms nobody is treated differently based on any of the protected characteristics (which should be listed).
- Between 5-10 bullet points demonstrating how the policy is put into practice.
- Confirmation of how the policy is made available to the whole firm and how it ensures that all staff are aware of the policy.
- Details of the firm's grievance procedure (i.e. how to report a breach and which person/department to approach).
- Consequences of breaching the policy (i.e. would a breach lead to a disciplinary?).

While many firms may find providing such a policy relatively straightforward, we appreciate that some (in particular, smaller) organisations, may not have a formalised policy despite living and breathing the principles.

**A Diversity & Inclusion Policy (sometimes referred to as an "Equality & Diversity" policy or "Equal Opportunities" policy) is a document that sets out your firm's ethos, values and business practices in relation to treating people equally.**

The aim is to create a culture within insurance and financial services that accepts people for who they are. In doing so, we can foster an atmosphere of inclusion and understanding that encourages everyone to participate. Insurance and financial services as professions are diverse and so it makes sense to embrace such an approach.

Drawing on a broad spectrum of views and experiences delivers great benefit to firms and helps to improve planning and decision-making processes. Not only that, but the removal of barriers, real or perceived, supports improved recruitment and retention of talent. Therefore, as a profession, we should strive to go beyond the minimum – we should not settle for simply meeting minimum requirements.

As a Chartered professional body, the CII has the public interest at the heart of everything we do.

Central to this is ensuring members and Chartered firms act in a professional manner – and just as important is making sure that we attract, retain and develop the best possible talent from a diverse range of backgrounds. After all, many of you will have a diverse customer base and so it makes sense to have a workforce that draws upon diverse talents. It is therefore important that Chartered firms are able to demonstrate their commitment to this ethos and how they manage diversity and inclusion.

**4. Evidencing contribution to the development of the profession and Corporate Social Responsibility**

While we are asking Chartered firms to provide us with evidence of what they currently do and /or plan to do, the CII is committed to creating additional opportunities for Chartered firms to contribute to the development of the profession and we will be investing in a programme for this over the next five years.

To evidence your contribution to the development of the profession, there are many examples you could provide, such as:

- Support of local CII Institute activities.
- Participation in other specialist practice groups relevant to the insurance/personal finance sector.
- Participations in forums organised by the CII or other relevant bodies producing good-practice guidance.

To evidence your Corporate Social Responsibility commitment, examples you could provide are;

- Participation in community/charitable activities.
- Raising awareness among your firm's staff of the importance of public trust as measured with the CII's Public Trust Index.
- Appearances in the local media to answer consumer questions.
- Additional activities that promote community and social responsibility.

These lists are not exhaustive, and you may be undertaking other value adding activities which you can evidence.

There will be some firms that already undertake activities that fulfil it, but for others this could be more difficult to demonstrate. If you are one of these firms, please complete this section with activities that you plan to undertake in the future that will fulfil this requirement.

## **Step 4:** Submit your application

When you have answered 'yes' to all the questions in the box below, you can submit your application form online with the supporting evidence using this submission link: **cii.co.uk/membership/join-us/chartered/corporate-chartered/apply-or-renew/**

- ☐ Does your firm meet all the criteria outlined for the class you are applying for?
- ☐ Are you happy with the terms, conditions and rules? and
- ☐ Have you completed the application form fully and have all the supporting evidence required for each area?

The submission will need to be made by the existing/proposed Responsible Member, they will need to log into their CII account to access the submission page and make their declaration. If the existing/proposed Responsible Member has not got an online account, they can sign up for one online at **cii.co.uk/login**

Please read all the statements in the declaration carefully. They include the duties that the Responsible Member agrees to undertake/uphold and some of these statements involve confirming the compliance of others (for example, that all staff who are qualified CII members have complied with their CPD obligations) and therefore you may need to verify such matters prior to finalising your application.

For more information on the duties of the Responsible Member, please read our Responsible Member guidance document.

## **Step 5:** Await the outcome of your submission

We will usually review all applications within ten working days of submission (this can vary during peak periods). Once we have reviewed your application, if we have any questions or queries, we will contact your firm's Responsible Member.

## **Step 6:** Make payment

Once your application has been reviewed, if successful, we will email the Responsible Member with an Invoicing Agreement for a signature. Once a signed copy has been returned to us, we will send an invoice (which will require payment within 60 days of issue), confirmation of your corporate Chartered status and the appropriate Chartered logos.

If you are a new firm we will send your corporate Chartered certificate.

A list of our corporate Chartered fees can be found using the following links:

Insurance Brokers/Insurers:
**cii.co.uk/membership/join-us/chartered/corporate-chartered/eligibility-criteria/eligibility-criteria-insurance/**

Financial Planners:
**cii.co.uk/membership/join-us/chartered/corporate-chartered/eligibility-criteria/eligibility-criteria-financial-planning/**

Insurance Underwriting Agents:
**cii.co.uk/ciua-eligibility**

## **Step 7:** Use and promote your corporate Chartered status

There is a range of resources available to help you promote your corporate Chartered status, including the corporate Chartered toolkit. The toolkit is a hub of resources designed to help you promote your firm's Chartered status to your business, your clients, and other stakeholders.

It gives guidance for embedding the Chartered ethos, as well as materials and ideas for how to make your commitment to professional standards more public.

The toolkit provides a range of assets to help you get the most out of your Chartered status.

Once you have achieved Chartered status, please read our 'Conduct Guidance' in Appendix 4.

Appendix 5, 'Supplementary Information', contains important information on partnerships, the appropriate use of the Chartered trademarks and disciplinary procedures. For guidelines on the use of the Chartered mark please see **cii.co.uk/media/7637867/chartered_mark_usage_guidelines.pdf**

# Glossary

**Appropriate Management Team (AMT)** – For incorporated entities solely carrying on the business of a financial planning, insurance or insurance broking company, normally this will be the Board of directors, as registered at Companies House.

In recognition of the diverse business models that exist however, the CII will consider applications from incorporated entities, where the CII at its sole discretion, deems an AMT to be more appropriate body than the Board of directors relating to the functional control and oversight of the entity and the practice of insurance or financial planning (typically containing people who hold an appropriate regulatory role under the Senior Manager Certification Regime) and, the eligibility criteria otherwise applicable to the Board, are fulfilled.

AMTs of specialist Divisions of limited liability entities will be considered in the same way, providing they are able to demonstrate to the CII's satisfaction, a functional distinction specialism, which is separate from the wider incorporated entity.

The CII may request such evidence as it sees fit, when considering an application for consideration of an AMT within an incorporated entity of from a Division of an incorporated entity, including for example (but without limitation), divisional profit and loss accounts, product or brand documentation, management structures, organograms, undertakings, etc, in order to evaluate the representations made in the course of the application. The CII's decision in such matters shall be at its sole discretion and shall be final and binding.

**Appointed representative (AR)** – A firm or an individual that carries on regulated activities under the supervision of another firm that the FCA directly authorises. Please be aware that the FCA's relationship is with the Principal firm, not the AR. The Principal firm takes full responsibility for ensuring that the AR complies with the FCA's rules. Furthermore AR firms need to apply for CCS in their own right, as they are separate legal entities and cannot assume the status if held by their Principal firm.

**Audit** – The annual renewal is the primary tool used by the CII to audit information provided by the CCS Entity and verify compliance with the CCS criteria. Its purpose is to ensure that CCS Entities have fulfilled their obligations, and have maintained their eligibility throughout the relevant period. The CII retains the right to change the frequency, scope and proportion of entities subject to audits and/or renewal where it deems it appropriate.

**Board** – Subject to paragraph 1 of the Eligibility Criteria (within this Guidance - Appendix 1) – those who are wholly responsible for the control and governance of an Entity.

In a limited liability Company, 'Board' means the directors registered at Companies House.

In a partnership, 'Board' means the equity partners of the Firm.

In a limited liability partnership, 'Board' means the designated members registered at Companies House.

**Board Member** – will be:

- a director of a limited liability Company as registered at Companies House, whether executive or not; or
- an equity partner in a partnership as evidenced by the partnership agreement, whether executive or not; or
- a designated member of a limited liability partnership as registered at Companies House, whether executive or not.

**CCS** – Corporate Chartered status. This is a contractual agreement and non exclusive licence granted to an Entity meeting and maintaining the relevant eligibility, competence, conduct and culture criteria, more particularly defined in the rules and The Guidance.

**CCS Sponsor** – A CCS Sponsor will be appointed by the Board in circumstances where the Responsible Member is part of the Appropriate Management Team and is not otherwise a member of the statutory Board or is not an equity partner in a partnership. In all other cases the Responsible Member will undertake the duties of the CCS Sponsor.

The CCS Sponsor is the person responsible on the Board of the Company or Firm having the CCS and ensuring that the Board is aware of the CCS Contract and its obligations. The CCS Sponsor must be a member of the CII.

The CCS Sponsor need not be a CII Chartered Financial Planner, Insurer or Broker (but in such circumstances cannot also be the Responsible Member, who must be a holder of the relevant CII Chartered tile) but shall be an executive Board Member currently undertaking the role of either an Approved Person, as defined by the Financial Conduct Authority (FCA) or a Senior Insurance Manager (as defined by the Prudential Regulation Authority (PRA) which includes any regulatory requirements, superseding the appropriate persons regime. Specifically the CCS Sponsor ensures that an annual report relating to compliance with the requirements of CCS in the prescribed format (see below) is discussed and minuted at a quorate meeting of the Board on an annual basis and prior to submission of any renewal application.

*"I confirm that having made due enquiry in support of XYZ Ltd's [application for]* [renewal of CCS]*, the requirements of CCS are met in full and that there are no factors adversely affecting the CII's consideration of [the application]* [the renewal]*. *Please delete as appropriate.*

**CII** – The Chartered Insurance Institute.

**Company** – A body incorporated with limited liability, including a limited liability partnership.

**Comparative titles** - To recognise Chartered titles from other awarding bodies as being comparable to the CII's individual Chartered titles, providing the title held is directly relevant to the individual's principal area of work and the awarding body has a code of ethics comparable to that of the CII. The CII may at it's sole discretion allow a Responsible Member of a larger firm (see Glossary definition) to hold a comparative Chartered title. In all cases, the Responsible Member must be a CII member.

**Customer-facing staff - Financial Planners**
Any member of staff having customer contact or preparing input specifically relating to financial planning such as advisers including self employed and contracted, paraplanners, call centre staff who regularly liaise with clients. Typically customer-facing staff would not include, for example, accountancy, credit control, web designers and IT support, facilities personnel, receptionists and the like, though it remains at the entity's discretion as to whether to include them.

**Customer-facing staff - Insurance Brokers**
Any member of staff having customer contact or preparing input specifically relating to insurance broking advice, such as account handlers who regularly liaise with clients. Typically customer-facing staff would not include, for example, accountancy, credit control, web designers and IT support, facilities personnel, receptionists and the like, though it remains at the entity's discretion as to whether to include them.

**Customer-facing staff - Insurers**
Any member of staff having customer contact or preparing input specifically relating to the transaction of insurance, such as underwriters, claims staff, and sales staff who regularly liaise with clients. Typically customer-facing staff would not include, for example, accountancy, credit control, web designers and IT support, facilities personnel, receptionists and the like, though it remains at the entity's discretion as to whether to include them.

**Customer-Facing staff - Insurance Underwriting Agents**
***People involved in the 'underwriting' function:***
Those who are directly involved with the underwriting process (i.e., underwriters, assistant underwriters, underwriting assistants, management of the underwriting team etc.). This would not include any separate functions that indirectly support the underwriting function.

***Other staff with an impact on the end customer experience,*** including but not restricted to any staff that have contact with the end customer (e.g. Claims handlers). This would exclude anyone who performs a supporting function but does not have any contact with the end customer themselves.

**Division** – Means a business unit that has demonstrated to the satisfaction of the CII, its oversight, control and responsibility for a particular range of services or product line(s) identifiable to the end consumer.

Limited liability Companies or limited liability partnerships are not eligible for consideration as Divisions for this purpose, howsoever described by the entity applying for CCS. Limited liability Companies or limited liability partnerships must apply for CCS in their own right.

**Entity** – A Company or Firm.

**Financial Adviser** – Financial Advisers are defined as all retail investment advisers holding a Statement of Professional Standing registered to the Entity (this includes self employed and contracted advisers).

**Financial Planning Firm** – An organisation carrying on business as providers of financial planning services.

**Firm** – An unincorporated business, i.e. a partnership, where the partners have joint and several liabilities.

**Full Financial Planning Service** – This is the provision of advice across the spectrum of financial planning (including Pensions, Protection, Savings and Investment [Onshore and Offshore], Estate Planning and Tax Planning).

**Insurance Broker –** Organisations who are carrying on business as an insurance broker (defined as an independent intermediary who acts for clients in respect of any non-investment insurance contract, offering or selling the products of more than one insurer).

**Insurance Underwriting Agent** - Firms that underwrite on behalf of the risk carrier or taker, but this is not limited to MGAs and coverholders.

**Insurer** – An organisation whose main regulated business is one of effecting and/or carrying out contracts of insurance, non-investment and/or investment.

**Larger Firm** – The definition of Larger Firm will generally be consistent with the UK Government definition i.e. a firm with 250+ employees.

**Local Institute** – A CII Local Institute is a local hub run by a dedicated group of sector professionals, providing a programme of services. The CII has a network of 56 institutes across the UK, The Channel Islands and the Isle of Man.

**Managing General Agent** – An MGA is an organisation that underwrites insurance risks. Its primary duties are to its principals, who are providers of insurance capacity (including Lloyd's syndicates or other insurance companies).

**PFS** – The Personal Finance Society.

**Non-customer-facing staff** - Typically these are all staff who are not directly involved with customers and have a contract of employment with the firm (for example employees within finance, IT support, marketing etc).

**Responsible Member** – An executive member of the Board (or where permitted by the CII, for those entities with 250 employees or more, a member of the Appropriate Management Team), being a current holder of the relevant CII Chartered Financial Planner, Insurer or Insurance Broker title, and agreeing to be responsible for the duties more particularly described in the CCS Contract.

**Trading Names and Trading Styles** – A business name which is not the legal or registered name of an Entity, commonly designated by the abbreviation 't/a' or 'T/A' and frequently used to differentiate Divisions or service groups within an Entity.

# Appendix 1.1: Eligibility criteria Chartered Financial Planners

***The following criteria applies only to applications for corporate Chartered Financial Planner status.***
***Those applying for the corporate Chartered Insurance Brokers title should refer to criteria on page 20.***
***Those applying for the corporate Chartered Insurers title should refer to criteria on page 23.***
***Those applying for the corporate Chartered Insurance Underwriting Agents title should refer to criteria on page 26.***

## Refer to Section 2 of the application form

Applications for CCS will only be accepted from Entities operating and authorised in a regulated environment, from which full details of the application may be independently verified by Public Register, Notary Public, etc. and which in the sole opinion of the CII may be adequately audited from the UK.

### 1. General conditions

1.1 Evidence of three years pre-application trading as an authorised Entity is required and may be verified by such means as the CII shall decide, e.g. unqualified accounts filed at Companies House, i.e. not late or with any significant Audit qualification. For partnerships, an accountant's certificate to the above effect (at the applicant's expense) may be required. Separate consideration will be given to the position of currently Chartered Entities, where in the case of a corporate re-structure, a transfer of title to a newly formed Entity must not be considered as automatic. If CCS is to be preserved, advice should be sought from the CII Professional Standards Department before finalising re-structuring plans.

1.2 For partnerships a declaration confirming the identity of the equity partners the subject of the partnership agreement at the time of the application, certified by an independent practising Notary Public, Solicitor, Barrister, Chartered Legal Executive, Chartered Secretary, Chartered Accountant or Chartered Certified Accountant is required.

1.3 Declaration of no FSA/FCA/PRA or other regulatory action, including action by overseas regulators, against the Entity in the last five years and of no corporate criminal offences in the last five years, such declaration to be unrestricted by any territorial limitation (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 12(a)iv of the Rules).

1.4 For each director, equity partner or, where applicable, member of an Appropriate Management Team of specialist practitioners, a declaration of no FSA/FCA/PRA or other personal regulatory action in last five years and no personal criminal convictions considered as unspent in accordance with the Rehabilitation of Offenders Act 1974 (ROA) as amended by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (POA) (in each case, as amended, extended or re-enacted from time to time), such declaration to be unrestricted by any territorial limitation, in the last five years. Offences overseas will be spent or unspent by reference to the requirements of the ROA and POA such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 12(a)iv of the Rules).

1.5 Applications for CCS will not be accepted from applicants who fall within the following categories:

- sole traders;
- limited liability companies which have one director only

In the event that an existing CCS Entity falls within one of the above categories, it must promptly notify the CII of this in writing.

Applications from firms which have one or more corporate directors or members on their board at Companies House will be eligible to apply for CCS, provided that all individuals making up the board of the corporate director/member firm are or become members of the CII.

### 2. Competence

**2.1 A minimum of 50% of the entity's advisers must hold the Chartered Financial Planner title.**

As of 1st January 2020, all new Financial Planning firms are required to have a minimum of 50% of their advisers holding the individual Chartered Financial Planner title. For renewals by existing CCS entities this requirement will be effective from their respective 2020 renewal date. The following concessions can be applied for and may be granted at the CII's sole discretion.

**For existing CCS entities:**
Entities who can demonstrate to the satisfaction of the CII that they have a plan to meet the 50% requirement as soon as reasonably possible will be allowed a transitional period to meet the requirement. The transitional period will be set by the CII at its sole discretion.

**For all CCS Entities (existing or new applicants):**
A temporary waiver of the 50% threshold in order not to penalise entities that are recruiting and training new advisers as a result of business growth.

By exception, the CII can at its sole discretion give concessions to entities which are temporarily unable to meet the criteria at the relevant time due to unforeseen events over which they have no control – for example, the retirement or departure of Chartered advisers; or through mergers, acquisitions or a major restructure on a case by case basis. Generally, the CII would expect to see the entity once again meeting the criteria within no more than 12 months of the unforeseen event.

In the event that 50% does not calculate to a whole number, you should round up or down to the nearest whole number. Where 50% is exactly half way between two whole numbers (1.5, 2.5 etc) you need to round up to (2, 3 etc).

**2.2 A minimum of one of your Entity's Board Members (or, where eligible in an unincorporated Division, a member of the Appropriate Management Team) must personally hold the CII 'Chartered Financial Planner' title.**

In this instance, 'Board Member' is restricted to an executive Board Member of a limited liability Company, a partner within a partnership or designated member in a limited liability partnership (LLP).

Except where allowed in the CCS Rules in Schedule 1 of the Terms and Conditions where the principal business of an Entity is not financial planning and a specialist division has been created for the purpose of managing this part of the business, the CII may at its sole discretion, recognise a suitably qualified member of the Appropriate Management Team as complying with this provision.

Full details on the eligibility criteria for individual Chartered Financial Planner status can be found at **cii.co.uk/chartered-individual**

**2.3 One of your Entity's Board or, where permitted by the CII, the Appropriate Management Team (who, as an individual, holds the Chartered Financial Planner title), must take on the role of Responsible Member.**

The Responsible Member is the nominated executive director/partner or designated member of a limited liability partnership or, where permitted, member of the Appropriate Management Team of a specialist unincorporated financial planning Division, who amongst other things:

- completes and signs, whether in manuscript or electronically the initial application and any subsequent renewal applications;
- certifies that the statements in an initial application or a renewal application are true, accurate and complete to the best of their knowledge after all due enquiry and having fully considered the intent, spirit and purposes of such statements;
- is responsible for ensuring the Entity's compliance with all of the requirements of CCS on a day to day basis in accordance with the Rules; and
- within 14 days notifies the CII Professional Standards Department in writing of any material changes affecting CCS, such as where the Entity is aware of regulatory or court action or no longer meets the Competence criteria;
- is the ongoing point of contact for CCS purposes;
- where a member of an Appropriate Management Team and not themselves a Board Member, reports annually to the CCS Sponsor confirming, after due enquiry, (i) compliance with the Rules of CCS and (ii) that there are no issues (current or anticipated) expected to affect the Entity's continued eligibility or the reputation of the Entity itself, the CII, the PFS, their members or Chartered Financial Planners generally;
- may be subject to personal disciplinary proceedings if in default of these obligations. The Responsible Member must hold the Chartered title being sought.

**Note:** To maintain the consent to use the Chartered title granted, the Entity or unincorporated Division must replace an outgoing Responsible Member without delay. Any such change or required change in Responsible Member or CCS Sponsor must be notified to the CII Professional Standards Department in writing within 14 days of such change taking place or, if earlier, the requirement for such change arising. A newly-appointed Responsible Member will be required to sign a declaration in similar form to that included on the application form.

A copy can be found at **cii.co.uk/charteredcomms**

The Professional Standards Department may be contacted at:

Chartered Insurance Institute
3rd Floor
20 Fenchurch Street
London
EC3M 3BY

Email: charteredfirm@cii.co.uk

# Appendix 1.1: Eligibility criteria
# Chartered Financial Planners - continued

**2.4 A CCS Sponsor will be appointed by the Board in circumstances where the Responsible Member is part of the Appropriate Management Team and is not otherwise a member of the statutory Board or is not an equity partner in a partnership.**

In all other cases the Responsible Member will undertake the duties of the CCS Sponsor.

## 3. Conduct

**3.1 The entire Board or, where permitted by the CII, the Appropriate Management Team, together with a minimum of 90% of customer-facing staff, must be members of the CII/Personal Finance Society and, hence, be bound by the CII/PFS Code of Ethics.**

In this instance, the 'Board' includes, where present, both executive and non-executive members.

Ideally the CII would require 100% of customer-facing staff to be members. However, the 90% rule is a pragmatic solution. By requiring, as a minimum, only 90% of customer-facing staff to be members it provides a degree of flexibility in respect of natural fluctuations in staff numbers, which could otherwise lead to an inadvertent contravention of the membership requirement.

**3.2 The Entity must at all times deal with the regulator and the CII in an open, clear and co-operative manner**

The regulatory conduct rules set out by the FCA (and the requirements of the Prudential Regulation Authority (PRA) for how Entities should operate) provide the minimum basis of how Entities should operate in their chosen markets. However, the CII's expectation is that Chartered Entities should aspire to exceed these compliance standards. This is consistent with the FCA's requirements that Entities should seek to improve their culture and senior personnel should take responsibility for achieving this. The CII's criteria are not prescriptive in how Entities achieve this, but we would expect them to be able to reasonably evidence this, on request by the CII.

For guidance on the FCA's conduct rules please see **www.handbook.fca.org.uk/handbook/COCON.pdf**

**3.3 A Full Financial Planning Service must be offered and access to a Chartered Financial Planner must be available.**

Where a specialist Entity is applying for CCS, e.g. an annuity/retirement income specialist, acceptance will be subject to the Entity demonstrating to the satisfaction of the CII, a referral procedure to another Entity of Chartered Financial Planners or other suitably qualified professionals, e.g. Chartered Tax Advisers. In exceptional circumstances it may be appropriate to make a referral to an individual Chartered Financial Planner with the relevant expertise, practising as a sole practitioner. Full disclosure of the advice offering available must be made.

Within ten days of the request Chartered Entities are required to provide customers with access to an individually-qualified Chartered Financial Planner and must:

- communicate availability to customers during discussions, both face-to-face and over the phone;
- make details of individual Chartered Financial Planners publicly available (including geographical location and coverage), typically on the Entity's website and/or customer literature.

## 4. Culture

**4.1 The Entity must have in place core values and business practices that align with the CII/PFS Code of Ethics.**

To view the CII/PFS Code of Ethics visit **cii.co.uk/code**

For guidance on embedding, measuring and managing ethical standards within your organisation please go to **cii.co.uk/charteredethics**. There you will find an ethics toolkit and case studies.

For an outline guide to the typical composition of core values and business practices, please see page 10.

**4.2 The Entity must have a Diversity and Inclusion (or Equality or Inclusion) policy (D&I policy) in operation to demonstrate that it actively promotes equal opportunities.**

This policy should be published and available to all of the CCS Entity's staff, and all those with responsibility for implementing decisions and actions that could lead to inequality should be aware of the policy and how it applies to their role.

Each CCS entity should provide the CII with a copy of its policy and demonstrate how the policy is implemented within the CCS entity, for example through having a board sponsor for the Diversity & Inclusion (D&I policy, a D&I staff forum, and/or D&I training for managers).

**4.3 The Entity must have an appropriate professional development programme in place for all staff, whether qualified or not, and whether or not customer-facing.**

For guidance on the typical elements that could be found within a professional development programme, please see page 9.

**4.4 The Entity must contribute to the development of the profession and building of public trust.**

Each CCS Entity is expected to contribute to building public trust in the profession through community visibility and active CSR, for example through:

- Participation in community/charitable activities
- Raising awareness among its staff of the importance of public trust as measured with the CII's Public Trust Index
- Appearances in the local media to answer consumer questions
- Additional activities that promote community and social responsibility.

# Appendix 1.2: Eligibility Criteria Chartered Insurance Brokers

***The following criteria applies only to applications for corporate Chartered Insurance Broker status.***
***Those applying for the corporate Chartered Financial Planner title should refer to criteria on page 16.***
***Those applying for the corporate Chartered Insurers title should refer to criteria on page 23.***
***Those applying for the corporate Chartered Insurance Underwriting Agents title should refer to criteria on page 26.***

## Fixed criteria

### Refer to Section 2 of the application form

Applications for CCS will only be accepted from Entities operating in a regulated environment, from which full details of the application may be independently verified by Public Register, Notary Public, etc. and which in the sole opinion of the CII may be adequately audited from the UK.

### 1. General conditions

1.1 Evidence of three years pre-application trading is required and may be verified by such means as the CII shall decide, e.g. unqualified accounts filed at Companies House, i.e. not late or with any significant Audit qualification. For partnerships, an accountant's certificate to the above effect (at the applicant's expense) may be required. Separate consideration will be given to the position of currently Chartered Entities, where in the case of a corporate re-structure, a transfer of title to a newly formed Entity must not be considered as automatic. If CCS is to be preserved, advice should be sought from the CII Professional Standards Department before finalising re-structuring plans.

1.2 For partnerships a declaration confirming the identity of the equity partners the subject of the partnership agreement at the time of the application, certified by an independent practising Notary Public, Solicitor, Barrister, Chartered Legal Executive, Chartered Secretary, Chartered Accountant or Chartered Certified Accountant is required.

1.3 Declaration of no FSA/FCA or other regulatory action, including action by overseas regulators, against the Entity in the last five years and of no corporate criminal offences in the last five years, such declaration to be unrestricted by any territorial limitation (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 11(a)iv of the Rules).

1.4 For each director, equity partner or, where applicable, member of an Appropriate Management Team of specialist practitioners, a declaration of no FSA/FCA or other personal regulatory action in the last five years and no personal criminal convictions considered as unspent in accordance with the Rehabilitation of Offenders Act 1974 (ROA) as amended by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (POA) (in each case, as amended, extended or re-enacted from time to time), such declaration to be unrestricted by any territorial limitation, in the last five years. Offences overseas will be considered as spent or unspent by reference to the requirements of the ROA and POA (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 10(a)iv of the Rules).

1.5 Applications for CCS will not be accepted from applicants who fall within the following categories.

- sole traders;
- limited liability companies which have one director only

In the event that an existing CCS Entity falls within one of the above categories, it must promptly notify the CII of this in writing.

Applications from firms which have one or more corporate directors or members on their board at Companies House will be eligible to apply for CCS, provided that all individuals making up the board of the corporate director/member firm are or become members of the CII.

### 2. Competence

**2.1 A minimum of one of your Entity's Board Members (or, where eligible in an unincorporated Division, a member of the Appropriate Management Team) must personally hold the CII 'Chartered Insurance Broker' or 'Chartered Insurance Risk Manager' title.**

In this instance, 'Board Member' is restricted to an executive Board Member of a limited liability Company, a partner within a partnership or designated member in a limited liability partnership (LLP).

Where the principal business of an Entity is not insurance and an unincorporated specialist Division has been created for the purpose of managing this part of the business, the CII may at its sole discretion, recognise a suitably qualified member of the Appropriate Management Team as complying with this provision.

Full details on the eligibility criteria for individual Chartered Insurance Broker status can be found at **cii.co.uk/charteredindividual**

**2.2 One of your Entity's Board Members or, where permitted by the CII, the Appropriate Management Team (who, as an individual, holds the Chartered Insurance Broker or Chartered Insurance Risk Manager title), must take on the role of Responsible Member.**

The Responsible Member is the nominated executive director/partner or designated member of a limited liability partnership or, where permitted, member of the Appropriate Management Team of a specialist unincorporated Insurance Broking Division, who amongst other things:

- completes and signs, whether in manuscript or electronically the initial application and any subsequent renewal applications;
- certifies that the statements in an initial application or a renewal application are true, accurate and complete to the best of their knowledge after all due enquiry and having fully considered the intent, spirit and purposes of such statements;
- is responsible for ensuring the Entity's compliance with all of the requirements of CCS on a day to day basis;
- within 14 days notifies the CII Professional Standards Department in writing of any material changes affecting CCS, such as where the Entity is aware of regulatory or court action or no longer meets the Competence criteria;
- is the ongoing point of contact for CCS purposes;
- where a member of an Appropriate Management Team and not themselves a Board Member, reports annually to the CCS Sponsor confirming, after due enquiry, (i) compliance with the rules of CCS and (ii) that there are no issues (current or anticipated) expected to affect the Entity's continued eligibility or the reputation of the Entity itself, the CII or Chartered Insurance Brokers generally;
- may be subject to personal disciplinary proceedings if in default of these obligations. The Responsible Member must hold the Chartered title being sought.

**Note:** To maintain the consent to use the Chartered title granted, the Entity or unincorporated Division must replace an outgoing Responsible Member without delay. Any such change or required change in Responsible Member or CCS Sponsor must be notified to the CII Professional Standards Department in writing within 14 days of such change taking place or, if earlier, the requirement for such change arising. A newly-appointed Responsible Member will be required to sign a declaration in similar form to that included on the application form. A copy can be found at **cii.co.uk/charteredcomms**

The CII Professional Standards department may be contacted at:

Chartered Insurance Institute
3rd Floor
20 Fenchurch Street
London
EC3M 3BY

Email: charteredfirm@cii.co.uk

**2.3 A CCS Sponsor will be appointed by the Board in circumstances where the Responsible Member is part of the Appropriate Management Team and is not otherwise a member of the statutory Board or is not an equity partner in a partnership.**

In all other cases the Responsible Member will undertake the duties of the CCS Sponsor.

**Note:** Further competence related criteria can be found within Appendix 2: Variable criteria.

# Appendix 1.2: Eligibility Criteria Chartered Insurance Brokers - continued

## 3. Conduct

**3.1 The entire Board or, where permitted by the CII, the Appropriate Management Team, together with a minimum of 90% of customer-facing staff, must be members of the CII and, hence, be bound by the CII Code of Ethics.**

In this instance, the 'Board' includes, where present, both executive and non-executive members.

Ideally the CII would require 100% of customer-facing staff to be members. However, the 90% rule is a pragmatic solution. By requiring, as a minimum, only 90% of customer-facing staff to be members it provides a degree of flexibility in respect of natural fluctuations in staff numbers, which could otherwise lead to an inadvertent contravention of the membership requirement.

**3.2 The Entity must at all times deal with the regulator and the CII in an open, clear and co-operative manner.**

The regulatory conduct rules set out by the FCA (and the requirement by the Prudential Regulation Authority (PRA) for how Entities should operate) provide the minimum basis of how Entities should operate in their chosen markets. However, the CII's expectation is that Chartered Entities should aspire to exceed these compliance standards. This is consistent with the FCA's requirements that Entities should seek to improve their culture and senior personnel should take responsibility for achieving this. The CII's criteria are not prescriptive in how Entities achieve this, but we would expect them to be able to reasonably evidence this, on request by the CII.

For guidance on the FCA's conduct rules please see **www.handbook.fca.org.uk/handbook/COCON.pdf**

**3.3 Access to a Chartered Insurance Broker must be available.**

Within ten days of the request Chartered Entities are required to provide customers with access to an individually-qualified Chartered Insurance Broker and must:

- communicate availability to customers during discussions, both face-to-face and over the phone;
- make details of individual Chartered Insurance Brokers publicly available (including geographical location and coverage), typically on the Entity's website and/or customer literature.

## 4. Culture

**4.1 The Entity must have in place core values and business practices that align with the CII Code of Ethics.**

To view the CII Code of Ethics visit **cii.co.uk/code**

For guidance on embedding, measuring and managing ethical standards within your organisation please go to **cii.co.uk/charteredethics**

There you will find an ethics toolkit and case studies. For an outline guide to the typical composition of core values and business practices, please see page 10.

**4.2 The Entity must have a Diversity and Inclusion (or Equality or Inclusion) policy (D&I policy) in operation to demonstrate that it actively promotes equal opportunities.**

This policy should be published and available to all of the CCS Entity's staff, and all those with responsibility for implementing decisions and actions that could lead to inequality should be aware of the policy and how it applies to their role.

Each CCS entity should provide the CII with a copy of its policy and demonstrate how the policy is implemented within the CCS entity, for example through having a board sponsor for the Diversity & Inclusion (D&I policy, a D&I staff forum, and/or D&I training for managers).

**4.3 The Entity must have an appropriate professional development programme in place for all staff, whether qualified or not, and whether or not customer-facing.**

For guidance on the typical elements that could be found within a professional development programme, please see page 9.

**4.4 The Entity must contribute to the development of the profession and building of public trust.**

Each CCS Entity is expected to contribute to building public trust in the profession through community visibility and active CSR, for example through:

- Participation in community/charitable activities
- Raising awareness among its staff of the importance of public trust as measured with the CII's Public Trust Index
- Appearances in the local media to answer consumer questions
- Additional activities that promote community and social responsibility.

## 5. Variable criteria
### Refer to Section 3 of the application form

Having met the fixed criteria you also need to satisfy enough of the following variable criteria to achieve a minimum of 50 points.

Appendix 2 provides the detail to the variable criteria. Option 1.1 satisfies this requirement outright.

Alternatively, you can satisfy this requirement through a combination of the criteria offered under options 1.2 to 6.

**Note:** within criteria 2 to 5, points can only be awarded for one of the given options, i.e. 2.1 or 2.2.



# Appendix 1.3: Eligibility Criteria Chartered Insurers

***The following criteria applies only to applications for corporate Chartered Insurers status. Those applying for the corporate Chartered Financial Planner title should refer to criteria on page 16.***
***Those applying for the corporate Chartered Insurance Brokers title should refer to criteria on page 20.***
***Those applying for the corporate Chartered Insurance Underwriting Agents title should refer to criteria on page 26.***

## Fixed criteria
### Refer to Section 2 of the application form

Applications for CCS will only be accepted from Entities operating in a regulated environment, from which full details of the application may be independently verified by Public Register, Notary Public, etc. and which in the sole opinion of the CII may be adequately audited from the UK.

## 1. General conditions

1.1 Evidence of three years pre-application trading is required and may be verified by such means as the CII shall decide, e.g. unqualified accounts filed at Companies House, i.e. not late or with any significant Audit qualification. For partnerships, an accountant's certificate to the above effect (at the applicant's expense) may be required. Separate consideration will be given to the position of currently Chartered Entities, where in the case of a corporate re-structure, a transfer of title to a newly formed Entity must not be considered as automatic. If CCS is to be preserved, advice should be sought from the CII Professional Standards Department before finalising re-structuring plans.

1.2 For partnerships a declaration confirming the identity of the equity partners the subject of the partnership agreement at the time of the application, certified by an independent practising Notary Public, Solicitor, Barrister, Chartered Legal Executive, Chartered Secretary, Chartered Accountant or Chartered Certified Accountant is required.

1.3 Declaration of no FSA/FCA/PRA or other regulatory action, including action by overseas regulators, against the Entity in the last five years and of no corporate criminal offences in the last five years, such declaration to be unrestricted by any territorial limitation (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 10(a) iv of the Rules) (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 11(a)iv of the Rules).

1.4 For each director, equity partner or, where applicable, member of an Appropriate Management Team of specialist practitioners, a declaration of no FSA/FCA/PRA or other personal regulatory action in the last five years and no personal criminal convictions considered as unspent in accordance with the Rehabilitation of Offenders Act 1974 (ROA) as amended by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (POA) (in each case, as amended, extended or re-enacted from time to time), such declaration to be unrestricted by any territorial limitation, in the last five years. Offences overseas will be considered as spent or unspent by reference to the requirements of the ROA and POA (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 11(a)iv of the Rules).

1.5 Applications for CCS will not be accepted from applicants who fall within the following categories.

- sole traders;
- limited liability companies which have one director only

In the event that an existing CCS Entity falls within one of the above categories, it must promptly notify the CII of this in writing.

Applications from firms which have one or more corporate directors or members on their board at Companies House will be eligible to apply for CCS, provided that all individuals making up the board of the corporate director/member firm are or become members of the CII.

## 2. Competence

**2.1 A minimum of one of your Entity's Board Members (or, where eligible in an unincorporated Division, a member of the Appropriate Management Team) must personally hold the CII 'Chartered Insurer' or 'Chartered Insurance Risk Manager' title.**

In this instance, 'Board Member' is restricted to an executive Board Member of a limited liability Company, a partner within a partnership or designated member in a limited liability partnership (LLP).

Where the principal business of an Entity is not insurance and an unincorporated specialist Division has been created for the purpose of managing this part of the business, the CII may at its sole discretion, recognise a suitably qualified member of the Appropriate Management Team as complying with this provision.

Full details on the eligibility criteria for individual Chartered Insurer status can be found at **cii.co.uk/chartered-individual**

# Appendix 1.3: Eligibility Criteria
# Chartered Insurers - continued

**2.2 One of your Entity's Board Members or, where permitted by the CII, the Appropriate Management Team (who, as an individual, holds the Chartered Insurer or Chartered Insurance Risk Manager title), must take on the role of Responsible Member.**

The Responsible Member is the nominated executive director/partner or designated member of a limited liability partnership or, where permitted, member of the Appropriate Management Team of a specialist unincorporated insurer Division, who amongst other things:

- completes and signs, whether in manuscript or electronically the initial application and any subsequent renewal applications;
- certifies that the statements in an initial application or a renewal application are true, accurate and complete to the best of their knowledge after all due enquiry and having fully considered the intent, spirit and purposes of such statements;
- is responsible for ensuring the Entity's compliance with all of the requirements of CCS on a day to day basis;
- within 14 days notifies the CII Professional Standards Department in writing of any material changes affecting CCS, such as where the Entity is aware of regulatory or court action or no longer meets the Competence criteria;
- is the ongoing point of contact for CCS purposes;
- where a member of an Appropriate Management Team and not themselves a Board Member, reports annually to the CCS Sponsor confirming, after due enquiry, (i) compliance with the rules of CCS and (ii) that there are no issues (current or anticipated) expected to affect the Entity's continued eligibility or the reputation of the Entity itself, the CII, their members or Chartered Insurers generally;
- may be subject to personal disciplinary proceedings if in default of these obligations. The Responsible Member must hold the Chartered title being sought.

**Note:** To maintain the consent to use the Chartered title granted, the Entity or unincorporated Division must replace an outgoing Responsible Member without delay. Any such change or required change in Responsible Member or CCS Sponsor must be notified to the CII Professional Standards Department in writing within 14 days of such change taking place or, if earlier, the requirement for such change arising. A newly-appointed Responsible Member will be required to sign a declaration in similar form to that included on the application form. A copy can be found at **cii.co.uk/charteredcomms**

The Professional Standards department may be contacted at:

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3rd Floor
20 Fenchurch Street
London
EC3M 3BY

Email: charteredfirm@cii.co.uk

**2.3 A CCS Sponsor will be appointed by the Board in circumstances where the Responsible Member is part of the Appropriate Management Team and is not otherwise a member of the statutory Board or is not an equity partner in a partnership.**

In all other cases the Responsible Member will undertake the duties of the CCS Sponsor.

**Note:** Further competence related criteria can be found within Appendix 2: Variable criteria.

## 3. Conduct

**3.1 The entire Board or, where permitted by the CII, the Appropriate Management Team, together with a minimum of 90% of customer-facing staff, must be members of the CII and, hence, be bound by the CII Code of Ethics.**

In this instance, the 'Board' includes, where present, both executive and non-executive members.

Ideally the CII would require 100% of customer-facing staff to be members. However, the 90% rule is a pragmatic solution. By requiring, as a minimum, only 90% of customer-facing staff to be members it provides a degree of flexibility in respect of natural fluctuations in staff numbers, which could otherwise lead to an inadvertent contravention of the membership requirement.

**3.2 The Entity must at all times deal with the regulator and the CII in an open, clear and co-operative manner.**

The regulatory conduct rules set out by the FCA (and the requirements of the Prudential Regulation Authority (PRA) for how Entities should operate) provide the minimum basis of how Entities should operate in their chosen markets. However, the CII's expectation is that Chartered Entities should aspire to exceed these compliance standards. This is consistent with the FCA's requirements that Entities should seek to improve their culture and senior personnel should take responsibility for achieving this. The CII's criteria are not prescriptive in how Entities achieve this, but we would expect Entities to be able to reasonably evidence this, on request by the CII.

For guidance on the FCA's conduct rules please see **www.handbook.fca.org.uk/handbook/COCON.pdf**

**3.3 Access to a Chartered Insurer must be available.**

Within ten days of the request Chartered Entities are required to provide customers with access to an individually-qualified Chartered Insurer and must:

- communicate availability to customers during discussions, both face-to-face and over the phone;
- make details of individual Chartered Insurers publicly available (including geographical location and coverage), typically on the Entity's website and/or customer literature.

## 4. Culture

**4.1 The Entity must have in place core values and business practices that align with the CII Code of Ethics.**

To view the CII Code of Ethics visit **cii.co.uk/code**

For guidance on embedding, measuring and managing ethical standards within your organisation please go to **cii.co.uk/charteredethics**

There you will find an ethics toolkit and case studies. For an outline guide to the typical composition of core values and business practices, please see page 10.

**4.2 The Entity must have a Diversity and Inclusion (or Equality or Inclusion) policy (D&I policy) in operation to demonstrate that it actively promotes equal opportunities.**

This policy should be published and available to all of the CCS Entity's staff, and all those with responsibility for implementing decisions and actions that could lead to inequality should be aware of the policy and how it applies to their role.

Each CCS entity should provide the CII with a copy of its policy and demonstrate how the policy is implemented within the CCS entity, for example through having a board sponsor for the Diversity & Inclusion (D&I policy, a D&I staff forum, and/or D&I training for managers).

**4.3 The Entity must have an appropriate professional development programme in place for all staff, whether qualified or not, and whether or not customer-facing.**

For guidance on the typical elements that could be found within a professional development programme, please see page 9.

**4.4 The Entity must contribute to the development of the profession and building of public trust.**

Each CCS Entity is expected to contribute to building public trust in the profession through community visibility and active CSR, for example through:

- Participation in community/charitable activities
- Raising awareness among its staff of the importance of public trust as measured with the CII's Public Trust Index
- Appearances in the local media to answer consumer questions
- Additional activities that promote community and social responsibility.

## 5. Variable criteria
## Refer to Section 3 of the application form

Having met the fixed criteria you now need to satisfy enough of the following variable criteria to acquire a minimum of 50 points.

Appendix 2 provides the detail to the variable criteria. Option 1.1 satisfies this requirement outright.

Alternatively, you can satisfy this requirement through a combination of the criteria offered under options 1.2 to 6.

**Note:** within criteria 2 to 5, points can only be awarded for one of the given options, i.e. 2.1 or 2.2.

# Appendix 1.4 Eligibility Criteria
# Chartered Insurance Underwriting Agents

***The following criteria applies only to applications for corporate Chartered Insurance Underwriting status.***
***Those applying for the corporate Chartered Financial Planner title should refer to criteria on page 16.***
***Those applying for the corporate Chartered Insurance Brokers title should refer to criteria on page 20.***
***Those applying for the corporate Chartered Insurers title should refer to criteria on page 23.***

## Fixed criteria
### Refer to Section 2 of the application form

Applications for CCS will only be accepted from Entities operating in a regulated environment, from which full details of the application may be independently verified by Public Register, Notary Public, etc. and which in the sole opinion of the CII may be adequately audited from the UK.

### 1. General conditions

1.1 Evidence of three years pre-application trading is required and may be verified by such means as the CII shall decide, e.g. unqualified accounts filed at Companies House, i.e. not late or with any significant Audit qualification. This general condition does not apply to Lloyd's approved entities applying for the Chartered Insurance Underwriting Agents title, for which a minimum of one year trading as an authorised and regulated business is required. The CII may apply this exception to other approved entities at the CII's sole discretion. For partnerships, an accountant's certificate to the above effect (at the applicant's expense) may be required. Separate consideration will be given to the position of currently Chartered Entities, where in the case of a corporate re-structure, a transfer of title to a newly formed Entity must not be considered as automatic. If CCS is to be preserved, advice should be sought from the CII Professional Standards Department before finalising re-structuring plans.

1.2 For partnerships a declaration confirming the identity of the equity partners the subject of the partnership agreement at the time of the application, certified by an independent practising Notary Public, Solicitor, Barrister, Chartered Legal Executive, Chartered Secretary, Chartered Accountant or Chartered Certified Accountant is required.

1.3 Declaration of no FSA/FCA/PRA or other regulatory action, including action by overseas regulators, against the Entity in the last five years and of no corporate criminal offences in the last five years, such declaration to be unrestricted by any territorial limitation (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 10(a) iv of the Rules) (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 11(a)iv of the Rules).

1.4 For each director, equity partner or, where applicable, member of an Appropriate Management Team of specialist practitioners, a declaration of no FSA/FCA/PRA or other personal regulatory action in the last five years and no personal criminal convictions considered as unspent in accordance with the Rehabilitation of Offenders Act 1974 (ROA) as amended by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (POA) (in each case, as amended, extended or re-enacted from time to time), such declaration to be unrestricted by any territorial limitation, in the last five years. Offences overseas will be considered as spent or unspent by reference to the requirements of the ROA and POA (such declaration to be given as part of an Entity's acceptance of the Terms and Conditions applicable to CCS, subject always to the CII's right to require further or separate supporting information and/or evidence (including signed declarations) in accordance with paragraph 11(a)iv of the Rules).

1.5 Applications for CCS will not be accepted from applicants who fall within the following categories.

- sole traders;
- limited liability companies which have one director only

In the event that an existing CCS Entity falls within one of the above categories, it must promptly notify the CII of this in writing.

Applications from firms which have one or more corporate directors or members on their board at Companies House will be eligible to apply for CCS, provided that all individuals making up the board of the corporate director/member firm are or become members of the CII.

### 2. Competence

**2.1 A minimum of one of your Entity's Board Members (or, where eligible in an unincorporated Division, a member of the Appropriate Management Team) must personally hold the CII "Chartered Insurance Underwriting Agent" or "Chartered Insurance Risk Manager" title.**

In this instance, 'Board Member' is restricted to an executive Board Member of a limited liability Company, a partner within a partnership or designated member in a limited liability partnership (LLP).

Where the principal business of an Entity is not insurance and an unincorporated specialist Division has been created for the purpose of managing this part of the business, the CII may at its sole discretion, recognise a suitably qualified member of the Appropriate Management Team as complying with this provision.

Full details on the eligibility criteria for individual Chartered Insurer status can be found at **cii.co.uk/chartered-individual**

**2.2 One of your Entity's Board Members or, where permitted by the CII, the Appropriate Management Team (who, as an individual, holds the Chartered Insurance Underwriting Agent or Chartered Insurance Risk Manager title.**

The Responsible Member is the nominated executive director/partner or designated member of a limited liability partnership or, where permitted, member of the Appropriate Management Team of a specialist unincorporated insurer Division, who amongst other things:

- completes and signs, whether in manuscript or electronically the initial application and any subsequent renewal applications;
- certifies that the statements in an initial application or a renewal application are true, accurate and complete to the best of their knowledge after all due enquiry and having fully considered the intent, spirit and purposes of such statements;
- is responsible for ensuring the Entity's compliance with all of the requirements of CCS on a day to day basis;
- within 14 days notifies the CII Professional Standards Department in writing of any material changes affecting CCS, such as where the Entity is aware of regulatory or court action or no longer meets the Competence criteria;
- is the ongoing point of contact for CCS purposes;
- where a member of an Appropriate Management Team and not themselves a Board Member, reports annually to the CCS Sponsor confirming, after due enquiry, (i) compliance with the rules of CCS and (ii) that there are no issues (current or anticipated) expected to affect the Entity's continued eligibility or the reputation of the Entity itself, the CII, their members or Chartered Insurance Underwriting Agents generally;
- may be subject to personal disciplinary proceedings if in default of these obligations. The Responsible Member must hold the Chartered title being sought.

**Note:** To maintain the consent to use the Chartered title granted, the Entity or unincorporated Division must replace an outgoing Responsible Member without delay. Any such change or required change in Responsible Member or CCS Sponsor must be notified to the CII Professional Standards Department in writing within 14 days of such change taking place or, if earlier, the requirement for such change arising. A newly-appointed Responsible Member will be required to sign a declaration in similar form to that included on the application form. A copy can be found at **cii.co.uk/charteredcomms**

The Professional Standards department may be contacted at:

Chartered Insurance Institute
3rd Floor
20 Fenchurch Street
London
EC3M 3BY

Email: charteredfirm@cii.co.uk

**2.3 A CCS Sponsor will be appointed by the Board in circumstances where the Responsible Member is part of the Appropriate Management Team and is not otherwise a member of the statutory Board or is not an equity partner in a partnership.**

In all other cases the Responsible Member will undertake the duties of the CCS Sponsor.

**Note:** Further competence related criteria can be found within Appendix 2: Variable criteria.

# Appendix 1.4 Eligibility Criteria
# Chartered Insurance Underwriting Agents - continued

## 3. Conduct

**3.1 The entire Board or, where permitted by the CII, the Appropriate Management Team, together with a minimum of 90% of customer-facing staff, must be members of the CII and, hence, be bound by the CII Code of Ethics.**

In this instance, the 'Board' includes, where present, both executive and non-executive members.

Ideally the CII would require 100% of customer-facing staff to be members. However, the 90% rule is a pragmatic solution. By requiring, as a minimum, only 90% of customer-facing staff to be members it provides a degree of flexibility in respect of natural fluctuations in staff numbers, which could otherwise lead to an inadvertent contravention of the membership requirement.

**3.2 The Entity must at all times deal with the regulator and the CII in an open, clear and co-operative manner.**

The regulatory conduct rules set out by the FCA (and the requirements of the Prudential Regulation Authority (PRA) for how Entities should operate) provide the minimum basis of how Entities should operate in their chosen markets. However, the CII's expectation is that Chartered Entities should aspire to exceed these compliance standards. This is consistent with the FCA's requirements that Entities should seek to improve their culture and senior personnel should take responsibility for achieving this. The CII's criteria are not prescriptive in how Entities achieve this, but we would expect Entities to be able to reasonably evidence this, on request by the CII.

For guidance on the FCA's conduct rules please see **www.handbook.fca.org.uk/handbook/COCON.pdf**

## 4. Culture

**4.1 The Entity must have in place core values and business practices that align with the CII Code of Ethics.**

To view the CII Code of Ethics visit **cii.co.uk/code**

For guidance on embedding, measuring and managing ethical standards within your organisation please go to **cii.co.uk/charteredethics**

There you will find an ethics toolkit and case studies. For an outline guide to the typical composition of core values and business practices, please see page 10.

**4.2 The Entity must have a Diversity and Inclusion (or Equality or Inclusion) policy (D&I policy) in operation to demonstrate that it actively promotes equal opportunities.**

This policy should be published and available to all of the CCS Entity's staff, and all those with responsibility for implementing decisions and actions that could lead to inequality should be aware of the policy and how it applies to their role.

Each CCS entity should provide the CII with a copy of its policy and demonstrate how the policy is implemented within the CCS entity, for example through having a board sponsor for the Diversity & Inclusion (D&I policy, a D&I staff forum, and/or D&I training for managers).

**4.3 The Entity must have an appropriate professional development programme in place for all staff, whether qualified or not, and whether or not customer-facing.**

For guidance on the typical elements that could be found within a professional development programme, please see page 9.

**4.4 The Entity must contribute to the development of the profession and building of public trust.**

Each CCS Entity is expected to contribute to building public trust in the profession through community visibility and active CSR, for example through:

- Participation in community/charitable activities
- Raising awareness among its staff of the importance of public trust as measured with the CII's Public Trust Index
- Appearances in the local media to answer consumer questions
- Additional activities that promote community and social responsibility.

## 5. Variable criteria
## Refer to Section 3 of the application form

Having met the fixed criteria you now need to satisfy enough of the following variable criteria to acquire a minimum of 50 points.

Appendix 2 provides the detail to the variable criteria. Option 1.1 satisfies this requirement outright.

Alternatively, you can satisfy this requirement through a combination of the criteria offered under options 1.2 to 6.

**Note:** within criteria 2 to 5, points can only be awarded for one of the given options, i.e. 2.1 or 2.2.

# Appendix 2: Variable criteria

## Applicable to all applications except corporate Chartered Financial Planners

**The following criteria applies only to applications for corporate Chartered Insurance Brokers and Insurers.**

**Those applying for the corporate Chartered Financial Planners title can disregard the information contained within this appendix.**

| 1 | Board Members (or Appropriate Management Team where appropriate) holding the CII Chartered Insurance Broker, Chartered Insurance Practitioner, Chartered Insurer, Chartered Insurance Risk Manager or Chartered Insurance Underwriting Agent title. | Points |
|---|---|---|
| 1.1 | **50% and over of the entire Board or Appropriate Management Team are holders of the Chartered Insurance Broker or Chartered Insurance Risk Manager titles in their own right. In this instance, the 'Board' includes both executive and non-executive members.**<br>The CII will recognise Chartered titles from other awarding bodies as comparable to the appropriate CII individual title providing:<br>• the title held is directly relevant to the individual's principal area of work (for example the ICAEW Chartered Accountant title being held by the Finance Director); and<br>• the awarding Chartered body concerned has a Code of Ethics (or Code of Conduct) comparable to that of the CII. A listing of the Chartered titles which the CII will automatically recognise as equivalent can be found at **cii.co.uk/membership/join-us/chartered/corporate-chartered/comparable-third-party-titles/**<br>Other organisations will be considered on application. | 50 |
| 1.2 | **25–49% over of the entire Board or Appropriate Management Team are holders of the Chartered Insurance Broker, Chartered Insurance Practitioner, Chartered Insurer, Chartered Insurance Risk Manager or Chartered Insurance Underwriting Agent titles in their own right. In this instance, the 'Board' includes both executive and non-executive members.**<br>As outlined in point 1.1 above, recognition can be given to Chartered titles from awarding bodies other than the CII. | 25 |

| 2 | Board Members (or Appropriate Management Team where appropriate) holding the CII Diploma in Insurance (excluding any Board Members in respect of whom credits have been applied for under criteria 1.) | Points |
|---|---|---|
| 2.1 | **50-74% of the entire Board or Appropriate Management Team hold the CII Diploma in Insurance. In this instance, the 'Board' includes both executive and non-executive members.** | 10 |
| 2.2 | **75% and over of the entire Board or Appropriate Management Team hold the CII Diploma in Insurance. In this instance, the 'Board' includes both executive and non-executive members.** | 15 |

| 3 | Customer-facing staff holding the CII Chartered Insurance Broker or Chartered Insurance Practitioner, Chartered Insurer, Chartered Insurance Risk Manager or Chartered Insurance Underwriting Agent title (excluding any customer-facing staff included under the category 'Board Members' above) | Points |
|---|---|---|
| 3.1 | **1-4% of customer-facing staff who are not members of the Board or Appropriate Management Team are Chartered Insurance Brokers, Chartered Insurance Practitioners, Chartered Insurers, Chartered Insurance Risk Managers or Chartered Insurance Underwriting Agents.** | 10 |
| 3.2 | **5-9% of customer-facing staff who are not members of the Board or Appropriate Management Team are Chartered Insurance Brokers, Chartered Insurance Practitioners, Chartered Insurers, Chartered Insurance Risk Managers or Chartered Insurance Underwriting Agents.** | 15 |
| 3.3 | **10-19% of customer-facing staff who are not members of the Board or Appropriate Management Team are Chartered Insurance Brokers, Chartered Insurance Practitioners, Chartered Insurers, Chartered Insurance Risk Managers or Chartered Insurance Underwriting Agents.** | 20 |
| 3.4 | **20% and over of customer-facing staff who are not members of the Board or Appropriate Management Team are Chartered Insurance Brokers, Chartered Insurance Practitioners, Chartered Insurers, Chartered Insurance Risk Managers or Chartered Insurance Underwriting Agents.** | 30 |

| 4 | Customer-facing staff holding the CII Diploma in Insurance (excluding any staff in respect of whom credits have been applied for under any of the criteria above) | Points |
|---|---|---|
| 4.1 | **25-49% of all customer-facing staff hold the CII Diploma in Insurance.** | 10 |
| 4.2 | **50-74% of all customer-facing staff hold the CII Diploma in Insurance.** | 20 |
| 4.3 | **75% and over of all customer-facing staff hold the CII Diploma in Insurance.** | 30 |

| 5 | Customer-facing staff holding the CII Certificate in Insurance | Points |
|---|---|---|
| 5.1 | **25-49% of all customer-facing staff hold the CII Certificate in Insurance.** | 5 |
| 5.2 | **50-74% and over of all customer-facing staff hold the CII Certificate in Insurance.** | 10 |
| 5.3 | **75% and over of all customer-facing staff hold the CII Certificate in Insurance.** | 15 |

| 6 | Discretionary points | Points |
|---|---|---|
| | **Discretionary points awarded for submission of additional rationale to support the CCS application detailing relevant processes which are not already included in the criteria set out above. Typically this would include the attainment of objectively assessed awards such as Investors in People or appropriate ISO or BSI certification or the operation of a government approved apprenticeship programme. The provision of these discretionary points is subject to such awards or certification being current when applying for or renewing CCS.**<br>This criterion enables Entities to explain any processes they have in place which demonstrate their commitment to professionalism, ethical conduct, best business practice and consumer protection and which reflect the essence of CCS, but which they have not had the opportunity to present as they do not fall within the above criteria.<br>A written submission needs to be included with the application for Chartered Insurance Brokers, Chartered Insurers or Chartered Insurance Underwriting Agents status.<br>Note: The CII will provide a final yes or no decision on the award of points relating to discretionary submissions. It will not be possible to enter into correspondence on the relative merits or otherwise of any individual submission. | 5 |

# Appendix 3: Professional development programme

**In the absence of an existing documented professional development programme, please provide answers to the questions below. This will help us to determine whether or not your firm meets this requirement.**

| | |
|---|---|
| **1.** | **Professional development activities and support** |
| a) | Information on the type of professional development activities that are undertaken within the organisation by employees at all levels and non-executive directors. |
| b) | Information on the support both formal and informal to facilitate employee development in addition to professional qualification support, e.g. on-the-job coaching, mentoring. |
| **2.** | **Examples of professional development/qualification development pathways** |
| a) | Structure chart with any minimum qualification or exam unit requirement. |
| b) | Copy of any information provided to employees about career or professional development opportunities. |
| c) | Details of any management training provided to employees in management or supervisory roles. |
| d) | Details of other qualification support provided, for example, non-CII professional qualifications, NVQs, academic qualifications. |
| **3.** | **Study support** |
| | Information on the support provided to employees studying for qualifications, e.g. study time, financial exam support, training. |
| **4.** | **CPD activities** |
| a) | A summary of recent CPD activities undertaken by qualified CII members within the organisation, e.g. training courses, seminars, technical updates. |
| b) | Information on what the benefit of this CPD activity was both to the individual and to the organisation. |
| **5.** | **Performance review system** |
| a) | Details of the performance review system in place. |
| b) | Details of the training required this year to support the business objectives. |
| c) | What are the timeframes? |
| d) | Information on the process for identifying whether the training objectives have been met. |
| **6.** | **Training & Competence (T&C) scheme** |
| a) | Do you have a T&C scheme in place? |
| b) | Can you confirm that your T&C scheme complies with FCA guidelines, including the requirement for all staff to reach a minimum level of competence? |



# Appendix 4: Conduct Guidance

## Conduct guidance

**Note:** reference in this section to 'firms' applies equally to both Companies and Firms

The regulatory conduct rules set out by the FCA (and the requirement by the PRA for how firms should operate) should provide the basis of how Entities should operate in their chosen markets.

However, as part of an Entity's commitment to CCS the CII expects that it should aspire to exceed these compliance standards. This is consistent with the FCA's requirements that businesses should seek to improve their culture and senior personnel should take responsibility for achieving this. The CII's criteria are not prescriptive in how Entities achieve this, but we would expect them to be able to reasonably evidence this, on request by the CII.

The following guidance has been developed to assist Entities in determining how they might approach this by clarifying what the FCA's regulatory approach involves and providing additional information to aid them as they embark on the journey to higher standards of conduct.

### 1. FCA conduct rules and CCS Entities

The FCA has set out its aspiration for Entities in terms of conduct:

"Both the industry and the regulator are on a journey working out respectively how to operate in this new environment and how to achieve the outcomes we all want. This is complex and challenging for all of us and will involve the industry changing its culture and, in some cases, its business models. Likewise, we as the regulator, have had to fundamentally change the way we supervise the industry. To achieve long-term success, progress must be made in better aligning firms and their executives and boards with the interests of customers."

"This means at the firm level, particularly for the large firms that have the biggest consumer and market footprint, we are looking at how the interests of the customer and market integrity are at the heart of how the business is run. This means our focus is on the firm's business model, its culture and front-line activities such as product governance and less on second-line controls. This focus on how the business is run, rather than how it is controlled, is a fundamental change and is directly linked to our outcome-focused philosophy."

### 2. Regulators' statutory objectives

For an overview of what the FCA and PRA focus on when considering and/or assessing compliance with the conduct rules, we strongly recommend reading their strategic objectives, although for the purposes of conduct risk this material mostly focuses on the FCA.

The Financial Conduct Authority's statutory objectives can be found at **fca.org.uk/about/what**

The Prudential Regulatory Authority's statutory objectives can be found at **bankofengland.co.uk/prudential-regulation**

### 3. FCA conduct risk requirements

The FCA requires firms (this extends to both Companies and Firms) to follow 11 broad principles of business for regulated firms:

1. Integrity – A firm must conduct its business with integrity.
2. Skill, care and diligence – A firm must conduct its business with due skill, care and diligence.
3. Management and control – A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
4. Financial prudence – A firm must maintain adequate financial resources.
5. Market conduct – A firm must observe proper standards of market conduct.
6. Customers' interests – A firm must pay due regard to the interests of its customers and treat them fairly.
7. Communications with clients – A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.
8. Conflicts of interest – A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.
9. Customers: relationships of trust – A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.
10. Clients' assets – A firm must arrange adequate protection for clients' assets when it is responsible for them.

11. Relations with regulators – A firm must deal with its regulators in an open and cooperative way and must disclose to the appropriate regulator appropriately anything relating to the firm of which that regulator would reasonably expect notice.

**Note:** The PRA applies Principles 1 to 4, 8 and 11 only.

**For more details see the FCA Handbook: fca.org.uk/handbook**

## 4. Links between conduct risk and a more ethical culture

"Our principles and rules help to shape culture and represent a minimum standard for the behavior of financial services staff. We are interested in promoting healthy cultures where the driving purpose leads people to take personal responsibility for consumer and market outcomes, to do the right thing competently and to speak up and to listen to others. We want firms to have the leadership capability to create and maintain healthy cultures. We believe that a healthy culture is good for business as well as for consumers and for markets as a whole." *Extract from FCA 2018-19 business plan.*

There is no doubt that attempting to achieve the outcomes referred to by the FCA goes well beyond a straight-forward compliance culture. The CII has developed some informal guidance to help develop individual and corporate thinking beyond the compliance space. This requires the application of professional judgement with the context of a number of competing priorities for a normal business.

We strongly recommend reading "Ethical culture: Securing an ethical culture in a regulated environment" which has been revised to take into account the new Senior Managers and Certification Regime (SMCR) introduced in 2016 for banks and (Solvency II) insurers, and which has been rolled out to financial services firms in 2018.

"Ethical culture: Securing an ethical culture in a regulated environment" considers the Financial Conduct Authority's increased focus on culture and attitudes within firms. The guidance also considers how financial services regulation, in particular the new Senior Managers and Certification Regime, impact on the development of an ethical culture and highlights pointers within the regulation which can assist in securing ethical behaviour.

To find our guidance materials, please visit:
**cii.co.uk/learning/knowledge-services/reference-resources/subject-gateways/ethics/**

In particular the guidance covers:

### Ethics and regulations

- What is meant by ethical culture in a regulatory context?
- The style and focus of conduct regulation
- The implications of a risk-based and judgement-based regulatory environment
- FCA principles for business, PRA Fundamental Rules and Approved persons Statements of Principle.

### Culture, ethics and regulating the firm

- Using the Principles and Fundamentals Rules to support the development of an ethical environment.
- Corporate and internal governance
- Ethics, fairness and conduct risk
- Regulation of business models
- Regulation, culture and internal controls
- Regulation and enforcement

### Behaviour, ethics and regulating individuals

- Role of individuals in delivering regulatory objectives and the broader public interest.
- Expectations of those who manage teams
- Making new appointments
- Governance maps

### Checklist

- Summary of the individual accountability regimes

## 5. Sources and resources

You can keep up to date with news on conduct developments and evolving thinking on professionalism through your Society:

Society of Insurance Brokers: **sib.org.uk**

Society of Claims Professionals: **socp.org.uk**

Society of Underwriting: **socup.org.uk**

Society of Mortgage Professionals: **smp.org.uk**

You can gain a consumer insight into the impact of industry culture on their experiences of buying and claiming insurance through our Trust Index: **cii.co.uk/news-items/2018/july/an-introduction-to-the-public-trust-index/**

We also publish detailed guides on ethical culture: see the CII's guidance on ethical culture at **cii.co.uk/learning/knowledge-services/reference-resources/subject-gateways/ethics/**

### Speeches and other relevant material

Andrew Bailey on regulation, culture and diversity: **fca.org.uk/news/speeches/importance-diversity**

## 6. International guidance

The Financial Stability Board (FSB) has produced a framework for assessing risk culture and a progress report on enhanced supervision, which describes the changes in supervisory practices since the financial crisis and identifies areas where more work is needed.

The FSB has been established to coordinate at an international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

The FSB is an international body that monitors and makes recommendations about the global financial system. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

This follows their analysis that weaknesses in risk culture were a root cause of the global financial crisis, as they led to failures in compliance. The Guidance on Supervisory Interaction with Financial Institutions on Risk Culture sets out a framework to assist supervisors in their assessment of risk culture and has been revised in light of the comments received during the public consultation. The guidance forms a basis for supervisors and firms to promote and develop a shared understanding of the firm's risk culture and have informed conversations with the board and senior management who set the tone on culture from the top.

**www.fsb.org/2014/04/140407/?page_moved=1**

# Appendix 5: Supplementary information

## 1. Prohibited use of the words 'Charter' and 'Chartered'

Entities with the words (or intending to apply for the words) 'Charter' or 'Chartered' in their names, will not be eligible for CCS. This will be the case even if unusually the name has been permitted by Companies House and irrespective of the length of time the Entity may have been using the name.

For Entities the only permitted stylistic representations of CCS are:

- 'XYZ, PLC [or plc] Chartered Financial Planners'.
- 'XYZ, LTD [or Ltd] Chartered Financial Planners'.
- 'XYZ, LLP Chartered Financial Planners'.

For unincorporated partnerships
'[Name of partnership], Chartered Financial Planners'.

Under no circumstances are Chartered titles to be shortened, e.g. 'Chartered Financial Planners' must always be written in full as 'Chartered Financial Planners' never as 'CFP'.

**Notes:**

- Shortening the Chartered title to initials risks infringing the rights of other trademark holders.
- Under the Company, Limited Liability Partnership and Business Names (Sensitive Words and Expressions) Regulations 2009, the words 'Charter' and 'Chartered', when included in a Company or business name, are considered 'sensitive' words. The approval of the Secretary of State is now required for the use of the words 'Charter' or 'Chartered' although the Secretary of State may also require an applicant to seek the view of the professional body concerned (in this instance the CII) before a name is approved. The CII will not give such approval. It may be a criminal offence for a Company to use a sensitive word in its Company or business name where approval is required but is not obtained.
- Full details relating to the use of a Chartered title and corresponding logo can be viewed online at **cii.co.uk/charteredcomms**

## 2. Trading Names and Trading Styles

At its sole discretion the CII may permit the phrase 'Chartered Financial Planners' to be used in conjunction with a Trading Name of an Entity granted CCS. Its subsequent use is then available only to the Entity to which CCS has been granted. Any permission to use the phrase 'Chartered Financial Planners' in conjunction with a Trading Name is not transferable, not even within groups or between associated or affiliated Entities, including Appointed Representatives or between Entities with relationships analogous to these arrangements and specifically within groupings described as or undertaking the functions commonly associated with networks or service providers, howsoever described.

Multiple Trading Names or Trading Styles will not be permitted.

Members of a group, network or any analogous structure are not permitted to describe themselves, for example, as 'ABC Ltd part of XYZ Ltd, Chartered Financial Planners' or 'ABC Ltd part of the XYZ Ltd, Chartered Financial Planners, Group' unless both Entities concerned have each been granted and have paid the requisite fee or fees for CCS.

An Entity which has been granted CCS will not be permitted to use, and an Entity applying for CCS will not be granted CCS if it uses, a Trading Name which is the legal or registered name of another entity (since both entities have separate legal personality and liabilities). This will be the case even where a regulator has permitted the relevant Entity to use (or has not objected to the relevant Entity using) such a Trading Name.

For example:

- for Companies, 'ABC Ltd' cannot describe itself as 'ABC Ltd, Chartered Financial Planners, is a Trading Name of XYZ Ltd, Chartered Financial Planners'; and
- for Firms, 'The XYZ Partnership' cannot have the Trading Name 'XYZ Ltd'. Where a permitted Trading Name is being used by an Entity, the legal name under which the CCS was granted must also be shown on all official documentation, including letterhead and invoices.

For materials produced by a Company where it is using a Trading Name, it is under an obligation to always state additionally the legal or registered name under which it was granted CCS, including where applicable (for Companies in the UK), the Companies House registration number where in the UK it is registered and the registered office address.

This must be printed on all its business communications (hard copy and electronic) e.g. letterhead, emails and brochures, etc and its websites.

**Note:** Where an Entity applying for CCS has provided a Trading Name in their application and where the CII find the Trading Name not to be the same or similar to another already granted, the certificate granting CCS will be made out in their Trading Name, alongside their legal name.

## 3. Partnerships where 100% of partners hold the same CII Chartered title

Where 100% of the equity partners in a partnership are Chartered title holders, holding the same Chartered title as used by the Firm to describe itself (i.e. all the equity partners in a Firm of Chartered Financial Planners must individually hold the Chartered Financial Planner title), then whilst the composition of that partnership remains unchanged, the Firm may describe itself as a Firm of 'Chartered Financial Planners' without being required to submit a formal application to join the CCS scheme or otherwise comply with the relevant criteria.

However, the partnership must not hold itself out to be members of the CCS scheme and neither is it permitted to use any of the intellectual property associated with the scheme such as logos and other marks. The CII is the registered trademark owner of the Chartered Financial Planners mark.

If at any time the number of equity partners of such a Firm who are Chartered Financial Planners falls below 100% then the Firm must cease to use the description Chartered Financial Planners immediately.

Notwithstanding the above, applications from partnership Firms for CCS are welcomed at any time.

## 4. Monitoring and disciplinary procedures

The grant of CCS is intended to convey to clients and the general public, that the CCS Entity is highly competent, ethical and always puts the needs of its clients before its own. Potentially the grant of CCS gives an Entity a sales and marketing advantage over others who chose not to, or who are otherwise unable to, achieve the criteria. This is a position of privilege and must be respected. Any behaviour which tends to lower (or is capable of lowering) the reputation of CCS, the CII, the PFS, their members or otherwise brings the profession into disrepute or which represents a breach of the CCS rules may result in the CII's withdrawal or suspension of CCS or refusal to grant a new application for CCS. Further sanctions are available to the CII in accordance with the current CCS rules.

To this end the CII will undertake such due diligence as it deems necessary and monitor on-going compliance with both the letter and spirit of the rules and intent of CCS.

The disciplinary procedures for individual members are contained in the Laws of the CII (defined as the Charter, Bye-laws, Regulations and Codes or other requirements of the CII from time to time published). The Code of Ethics and the terms and conditions relating to membership of the CII/PFS are especially relevant in this context. These may be viewed at **cii.co.uk/code**

## 5. Corporate Chartered status publication

On applying for the grant or renewal of CCS, the Entity is unconditionally agreeing to the CII publishing such details of the status, including entry in any applicable directory, in such form and at such time as the CII in its sole discretion sees fit.

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