

## How do Financial Promotion Breaches Occur?

Breaches occur when financial promotions are issued without sign off by ShareIn Compliance. Often these materials are also non-compliant under the financial promotion requirements and not suitable for distribution.

Most breaches are identified internally by a ShareIn colleague but on occasion the FCA has spotted non-compliant financial promotions. When this happens the FCA write to ShareIn to inform us of the breach and request further information to re-assure them we acknowledge how this has occurred and that any necessary remediation has taken place.

It is important to identify breaches as quickly as possible so that we may rectify these in a timely manner to minimise impact on potential investors, our client and ShareIn. If you identify a possible breach it is important to report this on your compliance board to inform us.

## How Does ShareIn Deal with Financial Promotion Breaches?

- Breach identified
- Card raised on Compliance board to inform client
- Immediate action taken by client – e.g. this would normally involve pulling any non-compliant/unreviewed material from use
- ShareIn will record this on our Breach Log
- ShareIn will review the breach and establish what further action needs to be taken – e.g. further training, review of internal process, changes to material to make them compliant
- ShareIn will issue a letter to our client detailing the breach and the agreed remedial action
- If the FCA has reported this, we will respond to them in writing and address any specific concerns raised
- Once the remedial action has been completed – including additional training or process changes – the cards will be closed off and, if approved, the financial promotion can be distributed again
- All information of the breach will be record-kept

ShareIn takes all breaches very seriously and will work to improve our communications and internal processes to prevent future issues. This means that our requirements may change from what they were on previous financial promotions you have issued.

**It is your responsibility to ensure all communications are submitted to ShareIn Compliance for approval prior to distribution.**

If you have any questions on this or any suggestions on how we can assist you in better understanding compliance, please raise a card on your Compliance Trello board.