

Related FCA Handbook references:

- SUP 12 Appointed Representative
- FIT The Fit and Proper test for Approved Persons and specified significant-harm functions
- SYSC Senior Management Arrangements, Systems and Controls
- TC Training and Competence
- COBS 4 Code of Business Sourcebook Chapter 4
- MLR 2017 and JMLSG guidance

The FCA defines competence as “having the skills, knowledge and expertise needed to discharge the responsibilities of an employee’s role.” This is a broad definition that includes both understanding the regulatory environment and the individual’s requirements in complying with that environment, as well as general aptness for the position the employee holds.

ShareIn has a regulatory requirement to ensure that ARs meet the fitness and propriety test, and we must also monitor their ongoing competence.

When entering into a new AR agreement, it is important for these clients to understand ShareIn’s approach to regulatory compliance, which requires clear communication of

- Expectations
- Boundaries
- Consequences

The table which follows lays out several aspects of competence in respect of our appointed representatives, including how we can measure competence and what can we do to ensure that ARs become – and remain – competent to meet their regulatory requirements, including Treating Customers Fairly.

What a Competence Is	How We Measure	How We Remediate
AR has basic business understanding.	<p>Does AR have any relevant qualifications, for example:</p> <ul style="list-style-type: none"> • CFA • Chartered accountant • Business degree/MBA • Law degree or member of the bar • Insurance qualification • Qualified financial advisor • Mortgage Broker • Qualification from the International Compliance Association <p>If no, quiz on financial basics?</p>	<p>Training that the client undertakes him/herself and is evidenced with certificate of completion.</p>

What a Competence Is	How We Measure	How We Remediate
AR understands the gravity and responsibility of working for a regulated entity.	<p>Has AR ever worked for a regulated entity or a regulator?</p> <p>Has AR ever held CF duties?</p>	<p>ShareIn Training: "Introduction to Compliance"</p> <p>Review of Client offers</p>
AR understands the regulatory environment in which we operate as well as regulatory permissions that define what they can sell, to whom and how	Interview/meetings	
AR understands TCF	<p>Has AR ever had TCF training?</p> <p>Can they speak about their TCF requirements?</p>	Review of Client Product Development Worksheet
AR understands AML/ financial crime risks and procedures	<p>When was AR's last AML/CTF training?</p> <p>Does AR know who the MLRO is, and what should be reported?</p>	<p>ShareIn Training: "Introduction to Compliance"</p> <p>Client must implement annual refresher training for all staff and log completion on Training record. ShareIn can request sight of Training records.</p>
AR understands and puts into practice procedures related to financial promotions	<p>Has AR ever prepared and submitted for approval any financial promotions, in current post or previously?</p> <p>Evidence of signed "I have read and understand FCA Handbook"</p>	<p>ShareIn Training in fin proms regulation/handbook.</p> <p>ShareIn record keeping of all received and approved financial promotions.</p> <p>Performance reported to ShareIn Board.</p>
AR understands and adheres to Code of Conduct for AR's, including provisions on personal dealing and gifts/ entertainment	Does AR keep records of and/or report personal dealing and hospitality spent/ received?	<p>ShareIn Training</p> <p>Log personal dealing</p> <p>Log gifts/entertainment</p>
AR understands need to maintain competence, and seeks out regular training related to his/her function and industry	<p>Has AR kept their training record up to date?</p> <p>Does it show evidence of maintaining and expanding technical knowledge?</p>	<p>Discuss specific training needs with AR.</p> <p>Require evidence that they have found and followed suitable training.</p>

Based on initial assessments, new AR clients cannot begin representing themselves as ShareIn ARs until ShareIn is satisfied:

- that they have a basic business/financial understanding, including of crowdfunding/online investing, and
- that they understand the gravity and responsibility of working for a regulated entity, including the regulatory framework in which we operate.

A complete compliance training deck for all new clients would include:

- The FCA regulatory framework, and relevant provisions for our business, including regulatory permissions
- Treating Customers Fairly and Compliance Culture
- Financial Crime, including AML/CTF
- Financial Promotions
- Code of Conduct (and associated registers)
- Cyber security
- Conflicts of Interest