
Individual Accountability Regime (IAR) Training requirements

Training challenges

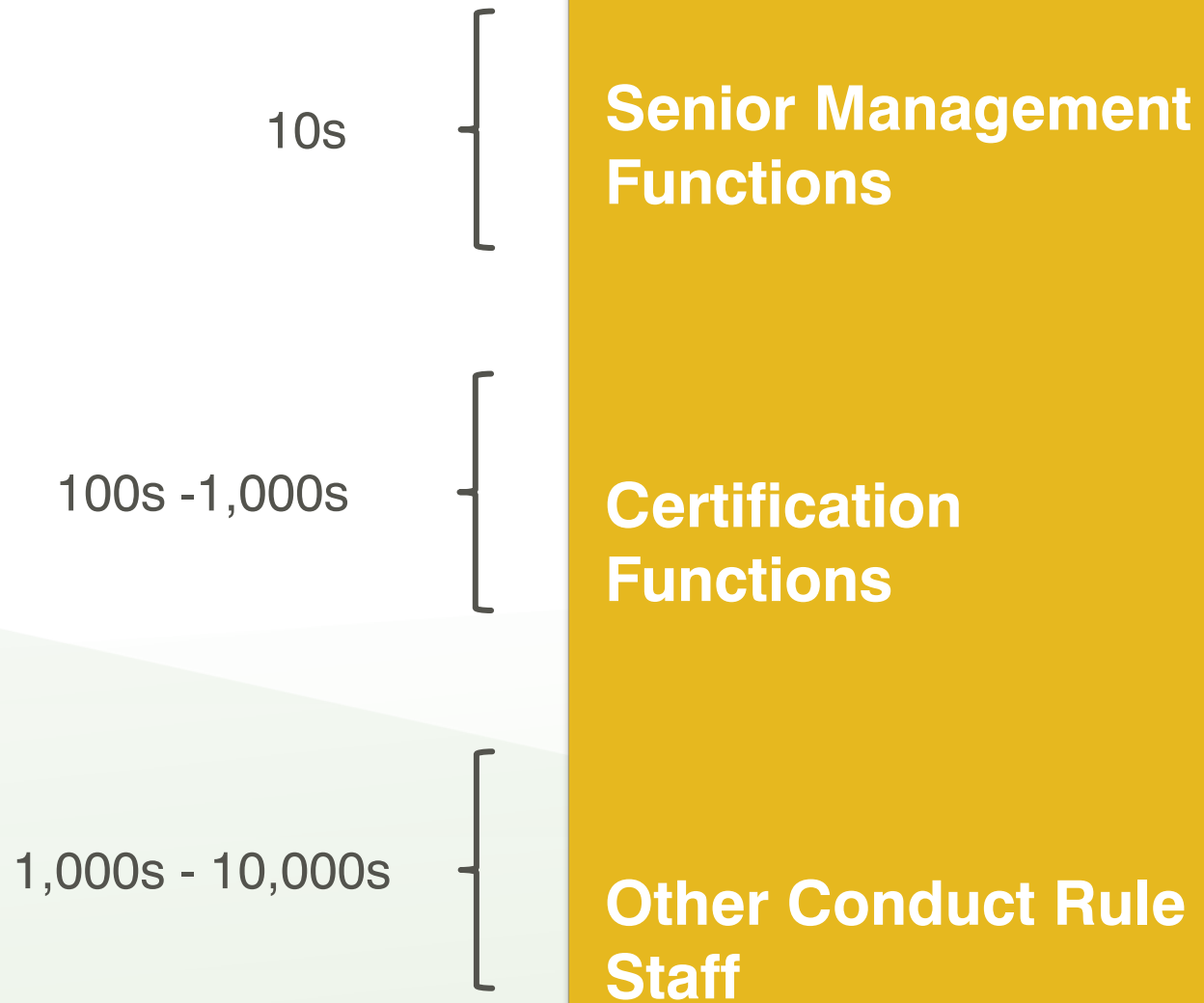
Communication and training programmes for the 3 new categories of employees

Coordination with other training messages and topics

Analysis of consequential changes to current training materials

Review of current training records and gap analysis of current training MI

3 new categories



Phased approach

**Introductory
communication
for all staff**

**Tailored SMCR
briefings for
SMs and CFs
plus other
relevant staff
e.g. HR and
Compliance**

**Conduct Rules
training**

**On-going
training
programme**

Introductory
communication
for all staff

The shape of regulation



IS CHANGING



and becoming more

PERSONAL

As a result, the current
regulatory regime for individuals
is being replaced



It is being introduced jointly
by our UK regulators



The Financial
Conduct Authority

The Prudential
Regulation Authority

The new regime focuses on

INDIVIDUALS

within the firm



AND MOST EMPLOYEES WILL BE AFFECTED IN SOME WAY

1

Reviewing and clarifying
roles and job descriptions



Tailored SMCR
briefings for
SMs and CFs
plus other
relevant staff
e.g. HR and
Compliance



- Statements of Responsibilities/Prescribed Responsibilities/Responsibilities Map
- Presumption of Responsibility and Reasonable Steps Defence
- Builds upon growing role of regulatory attestations, shifting focus from firm to individuals
- Reporting of breaches of Conduct Rules (7 business days)
- Criminal offence
- **Individual Conduct Rules and Senior Manager Conduct Rules**

Tailored SMCR
briefings for
SMs and CFs
plus other
relevant staff
e.g. HR and
Compliance



- Broadly, ‘significant harm’ and ‘material risk takers’ (to be further extended to Wholesale Markets)
- Some may not be Approved Persons
- Firms (only) to certify fit and proper status
- Annual certification process
- Monitoring and breach reporting
- **Individual Conduct Rules**

Conduct Rules
training

7 March 2016



7 March 2017



Conduct Rules
training

Individual Conduct
Rules 1-5 plus
Senior Manager
Conduct Rules 1-4



Individual
Conduct
Rules 1-5



C-Con content

- Mirrors Principles and Code of Practice for Approved Persons
- Reflects ethics, values and Conduct Risk messaging
- **What's new?**
 - Treating customers fairly and acting in the interests of customers become an individual responsibility
 - New delegation Conduct Rule for Senior Managers
 - Differences in the relationship with the regulators for Senior Managers and others

C-Con requirements

- Notified/Understand/Provision of suitable training
- **Awareness and broad understanding** of all C-CON plus a deeper understanding of the practical application in their role:
 - **Rule 4 (interests of customers/fair treatment)** additional training as applicable
 - **Rule 5 (market conduct)** additional training as applicable

E-learning



The Conduct Rules

Understanding Your Responsibilities

1

...and blended approach



As we have seen from the illustrative examples, the Senior Manager Conduct Rules are closely linked. In practice, poor management

Which Conduct Rule(s) will Kate breach if she attends the sales meeting with the client?

Use the diagram opposite to select the applicable Conduct Rules and then click Submit for feedback.



60

**On-going
training
programme**

- Leverage existing e-learning and other materials
- Individual training programmes
- Have until March 2017 to complete Certification Process