**Tab 1**



**Version Control**

| **Date** | **Version** | **Change** |
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# Template Customisation and Usage Guide [DELETE WHEN READY]

**Customising Your Policy Template**

This template is a guideline and must be customised to reflect your organisation’s operations, regulatory obligations, and internal controls. Replace all placeholder text with business-specific information to align with your processes, risk framework, and compliance structure.

**\*\*\*This guidance and footer graphic should be removed from the final saved version\*\*\***

**Using This Template**

This template provides a comprehensive framework to help your organisation develop a policy that meets regulatory requirements and industry best practices. While structured to align with FCA expectations, you must review and adjust the content to reflect your organisation’s compliance framework, sector-specific risks, and operational procedures.

If your organisation has policies related to this document, ensure that relevant cross-references are included. Some referenced policies are available separately or as part of bundled compliance toolkits.

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**Disclaimer**

This template supports regulatory compliance and governance, but does not constitute legal or professional advice. While designed for accuracy and relevance, your organisation is responsible for ensuring compliance with FCA regulations, industry standards, and legal requirements.

Customise this document to reflect your business model, risk exposure, and internal policies. If unsure of your regulatory or legal obligations, seek professional advice before finalising.

**Use of this template assumes no liability for loss, damage, or regulatory action.**

# 1. Regulatory Returns/Registration

| **Ref** | **Area of Review** | **Documents** | **Responsibility** | **Next Due Date** |
| --- | --- | --- | --- | --- |
| 1 | RegData returns | Prepare and reconcile the firm’s balance sheet to accurately report assets, liabilities, and regulatory capital.  Verify data accuracy before submission, ensuring figures align with financial statements.  Submit the FSA 029 return on time via RegData, ensuring compliance with FCA deadlines.  Maintain records of submissions and justifications for financial figures reported. | Finance Team / CFO – Prepare and reconcile financial data for FSA 029 submission.  Compliance Team – Review figures for accuracy and ensure submission compliance.  Senior Management / Board – Oversee financial reporting and approve submissions if required.  External Auditors (if applicable) – Conduct financial audits to validate reporting accuracy. |  |
| FSA 030 Profit and Loss Account |  |  |
| Capital Adequacy |  |  |
| Complaints return Complaints by Retail Investment Advisers, Complaints DISP 1 ANN 1R, Complaints data publication. |  |  |
| FIN-A Annual Reports and Accounts |  |  |
| CMAR returns (for CASS firms) |  |  |
| 2 | Companies House | Accounts |  |  |
| Confirmation Statement/ Annual Returns |  |  |
| People with Significant Control (PSC) Register  (<https://companieshouse.blog.gov.uk/2016/04/13/the-new-people-with-significant-control-register/>) |  |  |
| 3 | ICO Registration | ICO Registration |  |  |

# 2. Internal Reviews

| **Ref** | **Area of Review** | **Objective** | **Frequency** | **Last Review Date** | **Responsibility** | **Next Review Date** |
| --- | --- | --- | --- | --- | --- | --- |
|  | FCA rule changes | Monitor FCA regulatory updates (e.g., Policy Statements (PS), Consultation Papers (CP), Handbook changes).  Assess the impact of regulatory changes on products, services, and internal procedures.  Update the Compliance Manual, policies, and procedures to reflect new requirements.  Communicate changes to all relevant staff and provide training or guidance where necessary. | Monthly – Monitor and review FCA updates, update policies, and circulate changes.  As Required – Immediate action if the FCA releases urgent or material regulatory changes. |  | Compliance Team – Monitor FCA updates, assess changes, and update internal policies.  Senior Management / Risk Committees – Review regulatory developments and oversee implementation.  Department Heads – Ensure teams understand and apply regulatory updates in daily operations.  Training & HR – Deliver training on key regulatory updates when necessary. |  |
|  | Scope of Permissions | Review the firm’s FCA permissions against actual business activities to ensure compliance.  Monitor regulatory changes that may impact permissions or require amendments.  Identify new products/services requiring a Variation of Permission (VoP) application.  Ensure all staff understand the firm’s scope of permissions and restrictions. | Quarterly – Review FCA permissions against business activities.  As required, submit VoP applications for any new regulated activities that are introduced. |  | Compliance Team – Conduct periodic reviews of FCA permissions and compare them with actual activities.  Senior Management/Risk Committees – Oversee the scope of permission assessments and approve any necessary changes.  Department Heads – Ensure day-to-day operations align with the firm’s policies and procedures and escalate any concerns.  Legal & Regulatory Affairs – When required, prepare and submit Variation of Permission (VoP) applications. |  |
|  | Financial resources | Ensure the firm always has excess financial resources over its required financial resources.  Review the firm’s accounts and REGDATA returns. | Quarterly |  |  |  |
|  | Systems and Controls | **Governance arrangements**  Ensure the firm has robust governance arrangements in place.  Review organisational structure, reporting lines and control mechanisms. | Annually |  |  |  |
| **Risk Register**  Review of the firm’s risk register to ensure this is accurate and in line with the firm’s risk appetite and tolerance. | Monthly |  |  |  |
| **Breach register**  Ensure the FCA is notified of matters/events as required, including changes to the firm’s accounting reference date. Ensure that all rule breaches are reported to Compliance, and Compliance takes adequate steps to prevent the breaches from recurring.  Review with the business any significant breaches or potential breaches that may result in customer losses or financial harm to the firm, including the frequency of such breaches, their implications for systems and controls, and any delays in identifying or rectifying the breach.  Ensure senior management is kept informed. | Monthly |  |  |  |
|  | Data security/PECRs | Review the firm’s data security policies to ensure they have been updated to comply with GDPR.  Review any Subject Access Requests to ensure that they have been appropriately treated.  Verify that the firm is carrying out all electronic communications in accordance with the Privacy and Electronic Communications Regulations.  Ensure that all staff members have received adequate training | Annually |  |  |  |
|  | Recruitment | Ensure recruitment procedures are robust.  Review new joiners' files to ensure that all applications are appropriately vetted, references have been obtained, and qualifications have been verified.  Does the firm use a vetting/ HR/ recruitment company to assist its due diligence/ vetting?  Does the firm obtain credit/ criminal checks (DBS - Disclosure & Barring Checks) for the prospective new joiner?  Does the firm have a procedure, such as a checklist, for new joiners? How does the firm assess that prospective new employees have the competence (skills, knowledge and expertise) necessary to discharge the responsibilities allocated? | Annually |  |  |  |
|  | Senior Managers and Certification Staff | **Assessment of Fitness and Propriety in FIT**  Ensure the firm has assessed and documented all prospective Senior Managers and Certification Regime Staff:   * Honesty, integrity and reputation; * Competence and capability, and * Financial soundness.   and that existing Senior Managers and Certification Staff remain fit and proper and, where applicable, have had a Certification certificate issued.  Review the files of new and existing employees. | Annually |  |  |  |
| **Competence and capability in FIT 2.2 and TC**  Ensure that the initial competence assessment is undertaken for all staff members undertaking Certification Functions before they start the role. Ensure the individual has taken and passed the required exams.  Review a sample of staff member files for compliance with HR procedures and FCA requirements, and confirm that Certification Functions are relevant to the role undertaken. | Annually |  |  |  |
| **Code of Conduct (COCON):**  Ensure that all Senior Managers and Certification Staff are aware of and adhere to the COCON Rules by completing COCON training.  Review with the business. | Annually |  |  |  |
| **Form A**  Ensure all individuals are registered with the FCA in the correct Senior Manager Function(s) (“SMFs”) in accordance with SUP 10C.  Review the Financial Services Register. | Monthly |  |  |  |
|  |  | **Forms D/ E:**  Ensure all changes to Approved Persons are notified by the FCA.  Review the Financial Services Register. | Monthly |  |  |  |
| **Form C**  Ensure all Senior Managers no longer employed by the firm have been removed from the FCA register. Ensure all Form Cs have been filed within 10 business days of cessation of performance of the SMFs.  Review the Financial Services Register. | Monthly |  |  |  |
| Ensure Approved Persons do not carry out any SMFs for which they have not been approved/ are not appropriately supervised.  Review with operations/business areas and compare with the Financial Services Register. | Monthly |  |  |  |
| **FCA Directory:**  Add all Certified and assessed persons to the FCA Directory.  Includes:   * All certified staff (those holding a certification function under the SM&CR), directors who are not performing Senior Manager Functions (SMFs) – both executive and non-executive and other individuals who are ARs.   Update the Directory information held when an individual begins performing a relevant role, when their circumstances change or when they cease to perform a relevant role, no later than seven business days after the change.  Review the FCA Directory | Monthly |  |  |  |
| **Ongoing training and competence**  Ensure that ongoing competence is recorded and a formal assessment is undertaken annually, with training needs identified. Review the selection of annual appraisals to ensure training needs are identified and taken into account in the individual’s overall performance. | Annually |  |  |  |
|  | AML and Financial Crime Policy Review | To be reviewed annually or as needed.  Ensure that all rule/law changes are incorporated into the policy and that all staff are made aware of these changes.  Review changes made in the policy as a result of changes in laws. Sample test if the staff have been informed. | Annually/ad hoc |  |  |  |
| AML/Financial Crime Controls | Ensure the firm has adequate financial crime controls, including the appointment of an individual as MLRO, allocation of responsibility for anti-money laundering and sanctions controls, training, and provision of information to senior management and the Board and appropriate measures to identify money laundering/crime risk and identify new customers.  Ensure that an anti-fraud policy is in place.  Review systems and controls with compliance and business areas. | Annually |  |  |  |
| Ensure the firm has proper systems and procedures in place to identify new clients, obtain necessary documentation, and retain accurate records.  On a sample basis, check the accuracy and the adequacy of the documentation obtained against the documentation matrix. | Annually |  |  |  |
| Ensure all concerned staff are appropriately and adequately trained in identification systems and procedures.  Review the training calendar/register. | Annually |  |  |  |
| Ensure systems and procedures for identifying clients are reviewed and updated in accordance with legal changes.  Review the policy and documentation matrix. | Annually |  |  |  |
| Ensure that the firm has no clients subject to sanctions and that the firm has noted where any client is a PEP.  Checks at account opening and ongoing checks against sanctions lists and PEP searches | Continuous |  |  |  |
| Continuing Due Diligence | Ensure client dealings are regularly reviewed to identify unusual transactions/dealings. Review a sample of client files with the business area. | Quarterly |  |  |  |
| Suspicious Activities Reports | Have any SARs been made? Ensure proper procedures are followed for submitting and following up on SARs. Review a sample of SARs. Review the action taken to identify areas of particular risk and take appropriate action. | Quarterly |  |  |  |
| MLRO report to the Board | Ensure MLRO submits a comprehensive annual report to the Board.  Review the report submission. | Annually |  |  |  |
|  | New client documentation | Ensure client agreements are compliant and up to date. | Annually |  |  |  |
| Client agreements | Ensure client agreements have been obtained and are in place for all new accounts.  On a sample basis, check that client agreements have been dispatched and agreed with all clients, including professional clients. | Monthly |  |  |  |
| New Client Procedures | Ensure new clients are taken on in accordance with FCA rules and internal procedures.  Review a sample of new client files to check compliance with internal procedures. | Monthly |  |  |  |
| Client categorisation | Ensure clients are categorised correctly and notified. Ensure the records are retained for the required periods.  On a sample basis, check the accuracy of client categorisation and the adequacy of documentation to support classification against the checklist. | Monthly |  |  |  |
|  | Customer understanding of risk | Has the firm ensured that clients categorised as Retail or professional are aware of the risks of certain types of investments/transactions?  Review sample client files to check whether proper notifications/disclosures/warnings have been made to the client. | Monthly |  |  |  |
|  | Charges, remuneration and commission | Ensure costs and charges are reviewed and appropriate disclosures have been made.  Review a sample of new client files. | Six monthly |  |  |  |
|  | Suitability/Appropriateness | Ensure appropriate and adequate information is obtained from the customer to assess suitability/ appropriateness.  Review new client files to verify that the received information is sufficient and accurate. | Monthly |  |  |  |
| Ensure that investment advice or decisions to trade (in the case of investment management)/ non-advised investment services are suitable/ appropriate for the client, and that proper records are maintained and retained.  Review a sample. Ensure that all execution-only transactions have been confirmed in writing by the clients concerned. | Monthly |  |  |  |
|  | Client money | Ensure that the firm is not controlling/holding client money if it does not have the necessary permission and that a CASS categorisation notification was submitted to the FCA in good time in the previous year.  Ensure that if consent is given, a named senior person is responsible and that written procedures are in place and adhered to. Internal and external reconciliations are performed as needed.  Ensure that bank trust letters are accurate in every detail and remain valid.  Ensure suitable due diligence is carried out on all banks that hold client money and that results are reported to the Board.  Ensure that a suitable CASS resolution pack is in place. | Quarterly  Quarterly  Annual  Annual (with ad hoc updates)  Annual |  |  |  |
|  | Client custody assets | Ensure that the firm is not holding client custody assets without the necessary permission.  If it has permission, ensure that a named senior person is responsible, written procedures are in place and adhered to, and reconciliations are carried out as required. Ensure suitable due diligence is carried out on all custodians that hold client assets and that results are reported to the Board.  If a subsidiary nominee company is used, ensure that the firm has accepted responsibility for it in writing. | Quarterly  Quarterly  Annual (with ad hoc updates)  As required |  |  |  |
|  | Financial promotions/social media postings | Ensure all financial promotions and social media posts comply with FCA rules and internal procedures.  Review a sample of marketing material for compliance against a checklist of in-house procedures, standard disclosures/disclaimers, and potential problem areas. | Quarterly |  |  |  |
| Ensure all financial promotions are fair, clear and not misleading.  Review the financial promotions made/approved during the period. | Quarterly |  |  |  |
| Ensure the Compliance Officer approves all financial promotions.  Review a sample of sign-offs. | Quarterly |  |  |  |
| Ensure all financial promotions are made only to people as permitted by the FCA.  Check with Business Areas and review a sample. | Quarterly |  |  |  |
|  | Personal account dealing | Ensure all new staff have signed a PAD Declaration.  Review files/register to verify. | Annually |  |  |  |
| Ensure the Personal Account Dealing Notice is up to date and that all staff have followed PA Dealing procedures. Review a sample of notifications for compliance with dealing rules. |  |  |  |  |
|  | Restricted/Watch Lists | Ensure the Restricted/Watch Lists are up-to-date and that all staff have followed PA Dealing procedures.  Review a sample of notifications for compliance with dealing rules | Quarterly |  |  |  |
| Ensure the procedures for adding and removing securities are observed and that the inclusion of securities results in the appropriate restrictions/controls on the firm’s and staff members' activities.  Review the firm’s and relevant staff members’ transactions over a sensitive period to ensure no breach of restrictions on dealings. | Quarterly |  |  |  |
|  | Anti-Bribery and Corruption (including gifts and entertainment) | Ensure the firm and staff are aware of what constitutes bribery and have appropriate procedures in place. Verify that all staff have been notified. Review training material to ensure it is up to date. Ensure that all staff have signed the policy and made the required disclosures as outlined in the policy. | Quarterly |  |  |  |
|  | Inducements | Ensure the firm’s inducement practice meets FCA rules. Circulate the Inducements policy to staff and verify their understanding. | Six monthly  Annually |  |  |  |
|  | Outsourcing policy | To be reviewed continuously to ensure that the FCA requirements are met.  The board should consider, on an annual basis, whether any changes are required.  Review Board notes. | Continuous |  |  |  |
| If there is any material outsourcing, FCA has to be notified.  Check FCA notifications. | Annually |  |  |  |
|  | Complaints procedures | Ensure that complaint procedures are up-to-date and that all staff are aware of these procedures.  Check with the staff handling complaints. | Six monthly |  |  |  |
| Complaints handling | Ensure all complaints are recorded and handled in accordance with FCA rules and internal procedures.  Check the complaints register. | Annually |  |  |  |
| Complaints reporting | Ensure that the Complaints DISP 1 Ann 1R Return has been submitted to the FCA.  Review against GABRIEL Returns. | Six monthly |  |  |  |
|  | Controllers and Close Links | Ensure prior approval from the FCA for any changes in control. Review the existing ownership structure and ensure the FCA approves all Controllers. | Six monthly |  |  |  |
| Ensure that the REP001 Close Links Reports and REP002 Controllers Report are submitted within four months of the Accounting Reference Date.  Review the FCA submissions register (RegData). | Annually, 4 months after the end of the accounting period |  |  |  |
| **Close Link Notification**  Have any changes to Close Links been notified to the FCA within 1 month of the occurrence of the event? | Ad hoc |  |  |  |
|  | Disaster Recovery Plan | Ensure the firm has an appropriate and well-documented Business Continuity Plan.  Business areas to review the plan and test results. | Six monthly |  |  |  |
| Ensure the disaster recovery plan is tested periodically, the results are recorded, and appropriate corrective steps are taken where warranted.  Review the test results. | Annually |  |  |  |
| Ensure all staff are aware of the latest plan and its contents.  Review the newest communication to staff. | Annually |  |  |  |
|  | Market Abuse | Ensure the firm and its staff members do not engage in behaviour which amounts to market abuse.  Review sample transactions. | Annually |  |  |  |
| Ensure that the firm and its staff are aware of what constitutes insider dealing and market abuse, and that the firm has appropriate procedures in place. Verify that all staff have been notified. Review the training material to ensure it is up to date. | Quarterly |  |  |  |
| Suspicious Transaction and Order Reports | Have any STORs been made? Ensure proper procedures are followed in the submission and follow-up of STORs.  Review a sample STOR (if applicable). Review actions taken to identify areas of particular risk and take appropriate action. | Quarterly |  |  |  |
| Chinese Walls | Ensure that the Chinese walls are robust, that procedures are followed regarding the handling of confidential and price-sensitive information, and that they are adequately documented.  Review a sample of transactions involving the handling of sensitive data for compliance with Chinese Walls procedures. | Quarterly |  |  |  |
|  | Transaction Reporting | Ensure all relevant exchanges and transactions are considered when deciding whether TR needs to be conducted.  Sample check that the TR is taking place. | Quarterly |  |  |  |
| Check that there is a four-eye review process for the transaction reporting  Review the firm’s allocation of responsibility. | Annually |  |
| Ensure any failures or mistakes have been corrected, reported to senior management and documented.  Check Transaction Report Breach Register | Quarterly |  |
| Ensure internal and external reconciliation with FCA sample data is performed. Check that sample transaction reports were obtained from the FCA to check the accuracy of the firm’s data reporting. | Six monthly |  |
|  | Trade Reporting | Ensure that, where applicable, all derivatives trades, both exchange-traded and OTC, are reported to trade repositories under European Markets Infrastructure Regulations (EMIR) using the appropriate LEI. | Quarterly |  |  |  |
|  | Conflicts of Interest | Ensure the CoI policy is reviewed and circulated to staff members.  Review the Conflict of Interest log to ensure all CoIs are recorded and managed appropriately. | Quarterly |  |  |  |
|  | Whistleblowing | Ensure employment contracts permit whistleblowing.  Review the contract. | Annually |  |  |  |
| Ensure staff are aware of FCA rules on whistleblowing and that the firm has a Whistleblowing Policy in place.  Review with business areas. | Annually |  |  |  |
|  | Treating Customers Fairly | Ensure proper and adequate arrangements are in place to collect the required management information for assessing TCF. Review the procedures for collecting TCF information. | Annually |  |  |  |
| Ensure TCF reports are discussed in senior management meetings and corrective steps are taken where required. Review meeting minutes. | Monthly |  |  |  |
|  | Professional Indemnity Insurance | Ensure that the PI cover is in place and is renewed where required. | Annually |  |  |  |
|  | Investment Research | Ensure research produced meets FCA rules.  Review a sample. | Annually |  |  |  |
| Ensure it contains appropriate disclaimers.  Review a sample. | Quarterly |  |  |  |
|  | Stationery | Ensure the firm's stationery (letterheads, business cards) contains all required information—review samples. | Quarterly |  |  |  |
| Emails | Ensure emails contain adequate disclaimers and are retained in accordance with rules and internal policies.  Review emails sent and records maintained. | Annually |  |  |  |
|  | Record retention | Ensure records are maintained as required by internal procedures and FCA rules.  Sample-check records to ensure they are maintained in accordance with policy.  Verify that data backups are taken as often as needed. | Annually |  |  |  |
|  | Telephone Recording | Ensure the firm’s Phone Recording Policy is reviewed and circulated to staff members.  Review the Phone Recording Policy. | Quarterly |  |  |  |
| Ensure that relevant phone calls are being recorded in line with the policy.  Review sample | Annually |  |  |  |
|  | Remuneration Code | Ensure the firm’s Remuneration Policy is reviewed and circulated to staff members.  Review Remuneration Policy | Annually |  |  |  |
| Ensure that the firm’s business model remains unchanged and that the remuneration methods are still suitable. Review FCA’s guide to Remuneration Tiers to ensure the Firm has not moved into a new category. | Annually |  |  |  |
| 36. | Appointed representatives/Tied Agents | Ensure that the firm has a robust regime for supervising and monitoring the business of its ARs and tied agents. | Annually |  |  |  |