



## **MEMBERSHIP REGULATIONS - INTERPRETATION**

### **1. Regulations**

These Regulations were made by the Board of the Institute on 25th May 2000 and subsequently amended on 13<sup>th</sup> December 2001, 3<sup>rd</sup> June 2004, 14<sup>th</sup> August 2006 and 30<sup>th</sup> October 2009 pursuant to the powers set out in the Institute's Royal Charter & Bye-Laws and shall come into force on the Commencement Date

### **2. Definitions**

#### **2.1 In these Regulations:**

“Administrative Offence” means

- (a) failure to pay a membership subscription when due
- (b) failure to undertake and record the required hours of Continuing Professional Development

“Annex” means an annex to these Regulations

“Appeals Panel” means a panel appointed from time to time by the Board of Directors constituted as set out in Annex 1

“Board of Directors” means the Institute's Board of Directors from time to time

“Code of Conduct” shall mean the code of conduct of the Institute as may be amended from time to time.

Commencement Date” means 1<sup>st</sup> November 2009

Complaints Review Panel means a panel appointed from time to time by the Board of Directors constituted as set out in Annex 1

“Disciplinary Panel” means a panel appointed from time to time by the Board of Directors constituted as set out in Annex 1,

“Disciplinary Secretary” means an individual who acts as the initial point of contact for the purposes of receiving complaints and notification of all matters which might give rise to potential disciplinary action

“Membership Committee” means a committee of the Board of Directors established under Bye Law 7.2 of the Institute’s Bye-Laws Article 10 of the Institute’s Articles of Association

“Recognised Qualifications” has the meaning assigned by paragraph 6 of Annex 2

“Regulatory Body” means any person whether in the United Kingdom or in any other state whose purposes or functions include promotion and maintenance of standards within a profession or trade or market or industry. The expression includes, without limitation, the Financial Services Authority, any self regulatory organisation, any professional body (whether recognised under the Financial Services and Markets Act 2000 or not), any investment exchange and Lloyds of London.

“Relevant Experience” shall be determined as provided in paragraph 7 of these Regulations

“Secretary” means the secretary of the Institute from time to time or such other person as the Board from time to time nominates

- 2.2 Words importing the singular include the plural and vice versa, words importing a gender include every gender.
- 2.3 Words and expressions defined in the Institute’s Articles of Association shall, unless the context otherwise requires, bear the same meaning in these Regulations.
- 2.4 References to the Board of Directors shall include any person or committee to whom the Board has delegated the exercise of powers under these Regulations.
- 2.5 In these Regulations the expression “Continuing Professional Development ” shall have the meaning set out in Annex 3.
- 2.6 Reference to the Regulations includes any Annex thereto.
- 2.7 References to any statute or other enactment include a reference to that statute or enactment as from time to time amended, extended or re-enacted.

### **3. Code of Conduct**

1. To act honestly and fairly at all times when dealing with clients, customers and counterparties and to be a good steward of their interests, taking into account the nature of the business relationship with each of them, the nature of the service to be provided to them and the individual mandates given by them.
2. To act with integrity in fulfilling the responsibilities of your appointment and to seek to avoid any acts, omissions or business practices which damage the reputation of your organisation or the financial services industry.
3. To observe applicable law, regulations and professional conduct standards when carrying out financial service activities, and to interpret and apply them to the best of your ability according to principles rooted in trust, honesty and integrity.
4. To observe the standards of market integrity, good practice and conduct required or expected of participants in markets when engaging in any form of market dealings.
5. To be alert to and manage fairly and effectively and to the best of your ability any relevant conflict of interest.
6. To attain and actively manage a level of professional competence appropriate to your responsibilities, to commit to continuing learning to ensure the currency of your knowledge, skills and expertise and to promote the development of others.
7. To decline to act in any matter about which you are not competent unless you have access to such advice and assistance as will enable you to carry out the work in a professional manner.
8. To strive to uphold the highest personal and professional standards.

## **MEMBERSHIP**

### **4. Classes of membership**

4.1 The Members of the Institute shall consist of the following classes:

- (a) Chartered Members comprising:
  - (i) Chartered Fellows
  - (ii) Chartered Members
  
- (b) Non Chartered Members comprising:
  - (i) Honorary Fellows
  - (ii) Fellows
  - (iii) Members
  - (iv) Associates
  
- (c) Attached classes comprising:
  - (i) Affiliates
  - (ii) Students

4.2 Unless the context otherwise requires, references to “members” and “membership” in these Regulations shall be to all of the above classes.

4.3 Subject to any procedures stated in these Regulations, the Board may in respect of any Member other than a Chartered Member:

- (a) change the name or title of any class of membership
- (b) change the criteria or terms of any class of membership
- (c) introduce new classes of membership.

### **5. Application for membership**

5.1 Applications for membership shall be made in writing using such application form as the Board of Directors from time to time determines.

#### **5.2 Chartered Member or Non-Chartered Member**

5.2.1 To be eligible for admission as a Chartered Fellow, Chartered Member or a Non-Chartered Fellow, Member or Associate, a person:

- (a) shall demonstrate the attainment and maintenance of an appropriate level of Professional Competence, and
- (b) comply with any other requirements made by the Board and published from time to time.

5.2.2. The conditions for admission as a Chartered Fellow, Chartered Member, Member, Associate, Affiliate and Student are set out in Annex 2.

### 5.3 **Honorary Fellow**

5.3.1 To be eligible for admission as an Honorary Fellow a person shall:

- (a) in the opinion of the Board be able to assist in the promotion of the Objects by reason of his experience, position or eminence, and
- (b) comply with any requirements made by the Board and published from time to time.

5.3.2 Admission of Honorary Fellows is in the absolute discretion of the Board of Directors.

### 5.4 **Attached Classes**

The conditions for admission as a member of an Attached Class, are set out in Annex 2.

5.5 For the purposes of paragraph 5.2 in deciding whether or not the Board is satisfied that an applicant for membership is suitable (and without limiting the Board's discretion in any way) regard may be had to whether or not:

- (a) the applicant (whether in the course of their work or personal life or otherwise) has committed an act or default likely to bring discredit to himself/herself, the Institute (if admitted as a member) or the securities and investment industry;
- (b) the applicant has performed their work incompetently to such an extent or on such number of occasions as to bring discredit to themselves, the Institute (if admitted as a member) or the securities and investment industry;
- (c) the applicant has been convicted of committing any criminal offence (other than a minor motoring offence); (non payment of council tax?)
- (d) the applicant has failed to satisfy a debt as ordered by a court or tribunal, has made an assignment for the benefit of creditors, has had a bankruptcy order or an interim order made against them or has entered into a voluntary arrangement within the meaning of the Insolvency Act 1986.

## **5.6 Dispensation**

The Board may make regulations granting dispensation in whole or in part from any eligibility requirements.

## **5.7 Undertaking on Admission**

Any person admitted to any class of membership of the Institute shall give an undertaking on admission in writing in such terms as Regulations may prescribe. Such undertaking on admission will include that:

- (a) he will abide by the Charter, Bye-Laws, Regulations and Code of Conduct (as amended from time to time);
- (b) he will not at any time after ceasing to be a Member of the Institute use or permit to be used in conjunction with:
  - (i) his name; or
  - (ii) the name of any organisation with which he may be associated;any Designation, Designatory Initials or expression denoting or suggesting any past or present membership of or connection with the Institute that he or the organisation is not otherwise entitled to use;
- (c) he will be liable whilst a Member and will remain liable after ceasing to be a Member to pay to the Institute promptly on demand any monies payable by him to the Institute, including but not limited to any fee, subscription, levy, fine or other penalty, or reimbursement in accordance with any scheme of compensation; and
- (d) he will comply with such other requirements as the Board shall reasonably determine.

## **6. References**

- 6.1 Unless the Board of Directors determines otherwise or an applicant is an FSA Approved Person, applicants for Associate, Member and Fellow must provide satisfactory references.
- 6.2 A reference must be provided from one referee who is an executive director, a non-executive director or partner in the applicant's firm, or an MCSI member or a Fellow, or a professionally qualified lawyer or professionally qualified accountant.
- 6.3 If an applicant for membership is unable to provide a reference as set out in paragraph 6.2, the Board of Directors may accept a reference from a senior executive of a former or current employer of the applicant or from such other person as appears appropriate.

6.4 A reference shall not be treated as satisfactory unless the referee has known the applicant in a professional capacity for at least two years.

## **7. Relevant Experience**

7.1 In determining whether an applicant for membership has relevant experience the Institute takes a broad view of what experience is relevant, reflecting the diverse nature of the securities and investment industry.

7.2 Practitioners in stockbroking, market making, fund management, personal financial advice, investment analysis, corporate finance, commodity and financial futures and options, markets administration, technology, regulation, compliance, risk, operations, clearing and settlement are likely to have relevant experience. Practitioners in other related areas of investment business may be treated as having relevant experience.

7.3 Where a number of years relevant experience is required, the aggregate period rather than the continuous period will be taken into account.

7.4 Relevant experience may be gained in any country in the world.

## **8 Use of titles and designatory letters**

8.1.1 Chartered Fellows and Members shall be entitled to use the Designations and Designatory Initials as follows:

- (a) Chartered Fellow: the Designatory Initials “Chartered FCSI” and the Designation “Chartered Fellow of the Chartered Institute for Securities & Investment”;
- (b) Chartered Member: the Designatory Initials “Chartered MCSI” and the Designation “Chartered Member of the Chartered Institute for Securities & Investment”;

8.1.2 Non Chartered Members shall be entitled to use the Designations and Designatory Initials as follows:

- (a) Honorary Fellow: the Designatory Initials FCSI(Hon) and Designation “Honorary Fellow of the Chartered Institute for Securities and Investment”
- (b) Fellow: the Designatory Initials FCSI and Designation “Fellow of the Chartered Institute for Securities and Investment”
- (c) Member: the Designatory Initials MCSI and Designation “Member of the Chartered Institute for Securities and Investment”
- (d) Associate: the Designatory Initials ACSI and Designation “Associate of the Chartered Institute for Securities and Investment”

- 8.1.3 Affiliates and Students will not be entitled to use Designatory Initials or Designations.
- 8.1.4 The Designatory Initials or Designations of Chartered Members may only be changed by Special Resolution at a General Meeting

## **8.2 Alternative Designations**

- 8.2.1 The Institute may make regulations to permit:
- (a) Corporate Members to use the Corporate Member logo.
  - (b) the Board to issue Designations and logos to organisations or individuals who provide services to the Institute which further the Objects provided that no such Designation or logo should infer that the organisation or individual has Chartered or Member status.

## **8.3 Other designations**

- 8.3.1 The Board may issue guidance from time to time about the use of Designations and Designatory Initials by Members.
- 8.3.2 Members shall not use any other designations so as to imply that such other designation is also a designation given by the Institute.
- 8.3.3 A person who has ceased to be a member (whether on expulsion, lapsing of membership, resignation or otherwise) shall immediately cease to use any titles or designatory letters associated with membership.
- 8.3.4 A person who has ceased to be a member (whether on expulsion, lapsing of membership, resignation or otherwise) is no longer entitled to refer to themselves as a member either verbally or in writing.

## **9. Age and retirement**

- 9.1 No person may become a member of the Institute unless aged 18 or over.
- 9.2 A member (other than a Student Member) who retires from active business may remain a member of the Institute.

## **10. Refusal of application for membership**

- 10.1 The Board of Directors shall refuse an application for membership unless satisfied as provided in paragraph 5.2 above.
- 10.2 An applicant whose application for membership is refused shall be given brief reasons for the refusal.

- 10.3 An applicant whose application is refused may not re-apply for the same class of membership within one year of the date of refusal, except at the discretion of the Board.
- 10.4 An applicant who has been refused admission as a member (or to a class of membership) may appeal, in writing, to the Membership Committee. Any such appeal must be made within 21 days of the date of refusal (or of the date on which reasons for refusal is given if later) and shall set out in full the grounds for appeal.
- 10.5 The applicant shall be informed of the date on which the appeal will be considered but may not attend personally unless requested by the Membership Committee. S/he may make written representations to be considered by the Membership Committee and, if s/he does, must deliver them to the Secretary at least 7 days before the date of the appeal.
- 10.6 If the appeal is rejected, the Membership Committee shall give brief reasons.
- 10.7 Paragraph 10 shall not apply to Student Members or Honorary Fellows

## **11. Student members**

- 11.1 Admission to be a Student member is at the discretion of the directors but is mandatory for any person who applies and indicates s/he intends to sit the CISI Masters, the CISI Diploma, Diploma in Investment Operations, Diploma in Investment Compliance or an Advanced Certificate.
- 11.2 Without limiting the discretion granted to the Board of Directors under paragraph 11.1, student membership will be refused to someone who has been expelled from membership in a non-student category.
- 11.3 The Institute may end the membership of a Student member at any time by giving written notice of 1 month prior to expiring taking place. Without limiting this power, the Institute will normally end the membership of a Student member who does not sit a CISI examination within 12 months of their last examination.
- 11.4 Student members who obtain a full CISI qualification will automatically cease to be Student members of the Institute at the end of their 12 months from the last exam sat. (but may apply to a different class of membership subject to these Regulations).

## **CONTINUING MEMBERSHIP RIGHTS AND OBLIGATIONS**

### **12. Members bound by constitution**

Every person becoming a member of the Institute shall undertake to be bound by the Charter, Bye Laws and Regulations of the Institute (as varied from time to time) and the Code of Conduct.

### **13. Voting**

The only Members who shall be entitled to vote at General Meetings of the Institute are

- (a) Chartered Fellows;
- (b) Chartered Members;
- (c) Honorary Fellows;
- (d) Fellows; and
- (e) Members.

### **14. Fees**

14.1 Each applicant for admission as a member (other than as a Honorary Fellow) shall pay such joining fee (if any) as the Board of Directors determines from time to time.

14.2 Each member (other than an Honorary Fellow) shall pay such annual subscription (if any) as the Board of Directors determines from time to time. The Board of Directors may determine that annual subscriptions be paid only by direct debit from a bank or similar account in the name of the member or by some equivalent means.

14.3 No application for admission as a member shall be considered by the Board of Directors unless the applicant has paid any joining fee and the annual subscription payable in respect of the year in which s/he seeks admission.

14.4 The Board of Directors may determine different joining fees and annual subscriptions for different classes of members and may reduce such fees and subscriptions for members who are unemployed, on maternity leave or retired and aged over 60 years or working abroad (for limited time periods only) and can provide proof of this status at the beginning of the billing year from when concessionary rates are applicable.

14.5 Annual subscriptions payable shall be payable by such date as the Board of Directors from time to time determines. The annual subscription due from persons who are admitted to membership after that date may be reduced as determined by the Board of Directors.

- 14.6 If any member fails to pay an annual subscription applicable to him/her within two months of the date on which it has become payable, s/he shall pay in addition to the annual subscription such late payment fee (not exceeding the annual subscription due) as the Board of Directors may from time to time determine.
- 14.7 If within two months of the date on which an annual subscription has become payable a member has not paid such annual subscription and any late payment fee for which s/he is liable, the Board of Directors may lapse him/her from membership provided that the Board of Directors is satisfied:
- (a) that at a date after the annual subscription became payable, the member was sent a written notice which:
    - (i) required him to pay the annual subscription; and
    - (ii) if the Board of Directors had at the date such notice was sent determined a late payment fee informed him/her of such late payment fee (whether or not such late payment fee was then due);
  - (b) that the written notice was sent to the member to the address last notified under either paragraph 15.1(a) or 15.1(b);
  - (c) that a period of at least four weeks has elapsed since the date on which such notice was sent to the member;
  - (d) that at a date four weeks after the date on which the notice was sent to the member, there remained outstanding from the member the annual subscription or any late payment fee.
- 14.8 A person who is lapsed from membership as provided in paragraph 14.7 is subject to the disciplinary Regulations and procedures as may be in force from time to time.
- 14.9 Unless the Board of Directors otherwise determines, a person who has ceased to be a member only for failure to pay the annual subscription (or any late payment fee) may be re-admitted upon payment of a membership fee and rejoining fee as specified by and according to timescales set out by the board and upon completion of a new application as appropriate.
- 14.10 Unless the Board of Directors otherwise determines a member may apply to upgrade his membership subject to eligibility under Annex 2 of these Regulations. In such cases the subscription already paid in the year of transfer to a higher category will be credited against fees due in respect of the membership category in to which the member is transferring.

## **15. Information**

15.1 Each member shall notify the Institute of:

- (a) his full name and home address;
- (b) his place of business or employment and the address at which s/he carries on business or is employed (or, if more than one, the principal address);
- (c) his e-mail address (if any).

and shall notify the Secretary of any change in (a), (b) or (c) above.

15.2 Any notices or other communications to be given or sent by the Institute to a member under these Regulations may be sent to either of the addresses notified by the member under paragraph 15.1(a) or (b) above. Such notices or communications may be sent by hand delivery or by pre-paid post or by e-mail.

Notices or other communications will be deemed to have been received:

- (a) if sent by hand delivery - at the time of delivery;
- (b) if sent by second class pre-paid post - 48 hours after the date of posting;
- (c) if sent by e-mail – two working days after sending provided that a delivery receipt or other acknowledgement is received by the Institute.

15.3 Notices or other communications may be given or sent by the Institute to a member by publication in the Institute's journal or, but only in relation to the annual general meeting, on its website. If so published, the notice or other communications will be deemed to have been received one month after the date on which the journal was sent to the member or if published on the Institute's website one month after the date on which it was so published. For these purposes the Institute's website shall be such site as is specified from time to time in the Institute's journal.

15.4 Each member shall notify the Institute of any matter which may affect his suitability to remain a member of the Institute and of any other matters of which the Institute may reasonably require information.

15.5 A non-exhaustive list of matters which may affect suitability to remain a member of the Institute includes:

- (a) arrest of the member or the issue of a warrant for the member's arrest;

- (b) receipt by the member of a summons (or equivalent legal document) to attend a court or tribunal (excluding a summons or document in respect of a minor (non-imprisonable) traffic offence and as a witness);
  - (c) conviction of the member of any criminal offence (other than a minor (non-imprisonable) traffic offence);
  - (d) receipt by the member of notice of investigation by a Regulatory Body;
  - (e) commencement of disciplinary proceedings against the member by a Regulatory Body;
  - (f) imposition on the member of any penalty (including a reprimand) by a Regulatory Body;
  - (g) failure by the member to pay a debt as ordered by a court or tribunal.
  - (h) material breach of the code of conduct
- 15.6 Failure to notify a matter which may affect a member's suitability to remain a member of the Institute will be regarded as a serious breach of Regulations and could lead to the expulsion of the member.
- 15.7 The information to be notified to the Institute under this paragraph 16 must be given in writing and promptly.
- 15.8 The Institute may inform an appropriate Regulatory Body of any information (including any document) it receives from a member or other source in connection with these Regulations and may report the outcome of any proceedings before it relating to membership, disciplinary matters and appeals.

## **DISCIPLINARY MATTERS**

### **16. Disciplinary offences**

16.1 The following are disciplinary offences:

- (a) if, whether in the course of work (within the securities and investment industry or other industries) or in the course of his personal life or otherwise, a member has committed any act or default likely to bring discredit to himself/herself, the Institute or the securities and investment industry;

- (b) if a member has performed his work incompetently to such an extent or on such number of occasions as to bring discredit to himself/herself, the Institute or the securities and investment industry;
- (c) if a member has failed to satisfy a judgement debt or individually or as a partner has made an assignment for the benefit of creditors or if s/he has had a bankruptcy order or an interim order made against him/her or if s/he has entered into a voluntary arrangement as defined in the Insolvency Act 1986;
- (d) if a member has committed any breach of these Regulations (including the Regulations of professional conduct at paragraph 3 of the Regulations) or of any provision of the Institute's Memorandum and Articles of Association or any other Regulations made thereunder;
- (e) if a member has failed to pay his/her annual membership subscription as required under the terms of paragraph 14,
- (f) if a member has failed to perform and record any Continuing Professional Development requirements that may be in force from time.
- (g) if a member has failed to comply with an order of the Disciplinary Panel.

Subject to paragraphs 16 to 22, a member of the Institute shall be guilty of a disciplinary offence in any of the circumstances set out above in this paragraph (whether or not the member was a member of the Institute at the time of the offence).

16.2 Without limiting paragraph 16.1(a), the following circumstances shall constitute disciplinary offences under paragraph 16.1(a):

- (a) if a member has pleaded guilty or been found guilty by a court of a criminal offence punishable on conviction by a maximum prison sentence of not less than 3 months (or in a court outside the United Kingdom has pleaded guilty to or been found guilty of a comparable offence); or
- (b) if a penalty (including a reprimand) has been imposed on a member by a Regulatory Body.

A certificate of conviction or statement by a Regulatory Body shall be conclusive evidence of the facts referred to in this paragraph 16.2.

16.3 A member shall not be considered guilty of a disciplinary offence by virtue of any act, omission or failure occurring at a time before s/he became a member of the

Institute provided that s/he made a full and frank written disclosure of the act, omission or failure in connection with his application for membership.

## **17. Initiation of disciplinary procedures**

- 17.1 Where any fact or matter comes to the attention of the Disciplinary Secretary indicating that a member may be in breach of the Regulations the Disciplinary Secretary shall inform the Complaints Review Panel
- 17.2 The Complaints Review Panel shall conduct a preliminary investigation and decide whether or not it appears that there is a case to answer.
- 17.3 The steps taken in the preliminary investigation will be determined by the Complaints Review Panel in its discretion. The investigation may include the questioning of potential witnesses and the taking of statements.

Where the Complaints Review Panel determines that the offence is an Administrative Offence, the Complaints Review panel may determine the remedial actions required to be taken by an offending member, in order to become compliant with the Regulations.

A continued failure to comply will result in the members breach of the Regulations being referred to the Disciplinary Panel.

- 17.4 Before making a decision as to whether or not there is a case to answer, where such case is not an Administrative Offence the Complaints Review Panel shall:
- (a) inform the member concerned of the fact or matter under investigation; and
  - (b) give him/her an opportunity of making written representations within such period (not being less than 14 days) as the Complaints Review Panel shall determine.
- 17.5 If the Complaints Review Panel decides that there appears to be a case to answer, it may:
- (a) refer the matter to the Disciplinary Panel; or
  - (b) if the offence is an administrative offence, impose a disciplinary sanction;  
or
  - (c) decide to take no further action.
- 17.6 If the Complaints Review Panel, refers the matter to the Disciplinary Panel, it shall send a report to the Disciplinary Panel comprising:
- (a) details of the allegation(s);

- (b) a summary of the facts and matters considered by it;
  - (c) any statements of witnesses taken; and
  - (d) a copy of any written representations made by the member.
- 17.7 If any fact or matter comes to the attention of the Disciplinary Secretary indicating that a member may be guilty of a disciplinary offence as provided in paragraph 17.1, the Complaints Review Panel may suspend the member from membership without prejudice until the conclusion of the disciplinary process (and any appeal).
- 17.8 The Complaints Review Panel may delegate any of its powers under paragraph 17 other than the decision as to whether or not it appears that there is a case to answer and the powers under paragraph 17.5.

## **18. Hearing by Disciplinary Panel**

- 18.1 On receipt of a reference from the Complaints Review Panel, the Disciplinary Secretary shall:
- (a) notify the member concerned;
  - (b) send a copy of the report received from the Membership Committee to the member; and
  - (c) inform the member of the date, time and place fixed for the hearing.
- 18.2 The member concerned shall be given at least 14 days notice of the date of the hearing and a reasonable opportunity of being heard in person (or through a representative) before the Disciplinary Panel or to make written representations.
- 18.3 If the member does not attend the hearing, provided the Disciplinary Panel is satisfied s/he has been notified of the date, time and place fixed for the hearing, it may proceed to hear the allegations in the absence of the member concerned. If no good reason is given for non appearance, an adverse inference may be drawn by the panel.
- a) a member may attend by telephone, subject to having given at least 7 days notice to the Disciplinary Secretary of their intention to do so.
- 18.4 The Complaints Review Panel will instruct the Disciplinary Secretary to present the allegations against the member or may instruct a solicitor or barrister to present the allegations at the hearing.
- 18.5 The member concerned may be represented at the Disciplinary Panel by a person of their choice

- 18.6 The Disciplinary Panel will be governed by the procedures contained in Annex 4 and in particular:
- (a) may adjourn proceedings for a defined period of time, giving brief reasons;
  - (b) may, if it considers it appropriate, suspend the member from membership pending the conclusion of the disciplinary process (and any appeal).

**19. Decision of Disciplinary Panel**

- 19.1 If the Disciplinary Panel is of the opinion that the member concerned has committed a disciplinary offence:
- (a) it shall make a finding to that effect; and
  - (b) will then consider whether or not in all the circumstances it is appropriate to impose a disciplinary sanction and, if so, what that sanction should be.
  - (c) may decide notwithstanding that a member has committed an offence under paragraphs 16.1 and 16.2, that no further action be taken.
- 19.2 Disciplinary sanctions which may be imposed under paragraph 19.1 are one or more of:
- (a) Completion, within a specified period, of additional hours of CPD as determined by the Disciplinary Panel
  - (b) Completion of the Institute's IntegrityMatters test as determined by the Disciplinary Panel
  - (c) denial of some or all of the Institute's facilities for a specified period of time,
  - (d) reprimand;
  - (e) severe reprimand;
  - (f) a fine;
  - (g) suspension from membership for a specified period;
  - (h) permanent expulsion from membership.
- 19.3 For the purpose of this paragraph the Institute's facilities include (but are not limited to) entry to or use of the Institute's premises, participation in social and

training events and examinations and receipt of the journal or other publications, which are distributed as part of a member's benefits..

19.4 Unless the Disciplinary Panel determines otherwise, a member who is suspended under paragraph 19.2(e) may not during the suspension:

- (a) represent himself/herself as a member; or
- (b) use any titles or designatory letters associated with membership; or
- (c) use any of the Institute's facilities; or
- (d) vote at or attend a general meeting of the Institute.

A suspended member must continue to pay the annual subscription during the period of suspension.

19.5 A decision of the Disciplinary Panel shall have immediate effect unless:

- (a) the member concerned enters a notice of appeal within the period referred to at paragraph 21.2; or
- (b) the Disciplinary Panel otherwise directs.

19.6 The decision of the Disciplinary Panel will be sent to the member concerned (whether or not it is also given orally) setting out brief reasons.

## **20. Resignation and re-admission**

20.1 The following provisions of paragraph 20 shall have effect subject to (and not prejudice) the Board of Directors' general discretion in Article 2.11 of the Institute's Articles of Association to refuse to accept a notice of resignation given by a member.

20.2 A member who has been informed of a preliminary investigation into a disciplinary offence may not resign from the Institute until final determination of the matter under these Regulations unless the Board of Directors accepts the resignation. If the member is permitted to resign in such circumstances, the resignation shall be treated as a "Disciplinary Resignation".

20.3 A member who is expelled or whose resignation is treated as a Disciplinary Resignation will only be readmitted to membership of the Institute in exceptional circumstances. The re-application will be treated as a new application and must be supported by not less than two MCSI members or Fellows. Notwithstanding other provisions of these Regulations re-admission shall be in the absolute discretion of the Board of Directors and there shall be no appeal from refusal of re-admission.

- 20.4 A member who resigns from membership for any reason other than a Disciplinary Resignation may submit an application for re-admission. This will be dealt with as a new application for membership but any circumstances relevant to the member resigning may be taken into account by the Membership Committee when considering the application. The Membership Committee may impose conditions for re-admission which may include payment of arrears of annual subscription and other sums.

## **APPEAL AGAINST DECISION OF DISCIPLINARY PANEL**

### **21. Making an appeal**

- 21.1 A member who is not in agreement with the finding of a Disciplinary Panel or a disciplinary sanction imposed may appeal to an Appeals Panel as provided in paragraph 21.2.
- 21.2 A member appealing must give notice of appeal to the Disciplinary Secretary of the Institute within 28 days of the date on which the decision of the Disciplinary Panel was sent to the member concerned under paragraph 19.6. The notice of appeal must set out the matter appealed against and the grounds of appeal.

### **22. Hearing of appeal**

- 22.1 As soon as practicable after receipt of an appeal, the Appeals Panel shall notify the member concerned of the date, time and place fixed for the appeal hearing.
- 22.2 The member concerned shall be given at least 14 days notice of the date of the appeal hearing and, if he so desires, a reasonable opportunity to be heard in person (or through a representative) or to make written representations.
- 22.3 If the member does not attend the hearing, provided the Appeals Panel is satisfied he has been notified of the date, time and place fixed for the hearing, it may proceed to consider the appeal in the absence of the member concerned.
- 22.4 The Membership Committee may appoint a member of the Institute or an officer of the Institute or a solicitor or barrister to act as an advisor to the Appeals Panel ..
- 22.5 The member concerned may be represented at the Appeals Panel by a person of their choice.
- 22.6 The Appeals Panel will be governed by the procedures set out in Annex 4
- 22.7 On an appeal (and without limiting paragraph 22.6) the Appeals Panel may:

- (a) take into consideration the record of the proceedings before the Disciplinary Panel including evidence given before and the documents produced to the Disciplinary Panel;
  - (b) re-hear any witness called before the Disciplinary Panel; and
  - (c) hear fresh evidence.
- 22.8 On appeal, the Appeals Panel may affirm, vary or rescind any finding or order of the Disciplinary Panel and may substitute any other finding or order that the Disciplinary Panel might have made only if fresh information is available which was not available at the original hearing
- 22.9 The decision of the Appeals Panel will be sent to the member concerned (whether or not it is also given orally) setting out brief reasons.

### **23. Costs**

- 23.1 If the Disciplinary Panel makes a finding that it is of the opinion that the member concerned has committed a disciplinary offence, it may order the member to pay to the Institute such costs as it may in its absolute discretion determine. Costs so ordered must be paid within 21 days of the date of the Disciplinary Panel's order (or such longer period as the Disciplinary Panel determines).
- 23.2 If a member who has appealed to an Appeals Panel as provided in paragraph 21.1 fails to pay costs as ordered by the Disciplinary Panel, the Appeals Panel may (whether or not the order to pay costs is subject to appeal) dismiss the appeal.
- 23.3 The Appeals Panel may confirm, dismiss or vary the costs as they may judge appropriate. Costs so ordered must be paid within 21 days.

### **24. Publication and disclosure**

- 24.1 If the Disciplinary Panel determines that a member is in breach of the membership regulations the name of the member, the brief facts, the decision and any disciplinary penalty:
- (a) shall (unless the Disciplinary Panel determines otherwise) be published in the Institute's journal and may also be otherwise publicly announced; and
  - (b) may be notified to the member's employer (if any).
- 24.2 The information referred to in paragraph 24.1 shall not be published or notified until the time for appealing under paragraph 21.2 has expired or any appeal made has been allowed.

- 24.3 The Appeals Panel may make like notifications to the Disciplinary Panel if it thinks it appropriate.
- 24.4 Publication and notification pursuant to this paragraph shall include the name of the member concerned unless the Disciplinary Panel or Appeals Panel in their absolute discretion determine otherwise.
- 24.5 The Institute may disclose any information relating to a disciplinary offence (or alleged disciplinary offence) to:
- (a) a Regulatory Body; or
  - (b) for the purposes of, or in the circumstances in which, disclosure would be permitted under Section 165 of the Financial Services and Markets Act 2000.

## **25. Transitional provisions**

- 25.1 Persons who were members of the SII immediately before the 2nd November 2009 and who were then entitled to use the designatory letters MSI or FSI shall become MCSI members and FCSI respectively of the Chartered Institute for Securities & Investment with effect from the 2nd November 2009.
- 25.2 Persons who were Associate Members of the SII immediately before the 2nd November and who were entitled to use the designatory letters ASI shall become ACSI Members of the Chartered Institute for Securities & Investment with effect from the 2nd November 2009.
- 25.3 Persons who were Honorary Fellows of the SII immediately before the 2nd November 2009 and who were entitled to use the designatory letters FSI(Hon) shall become FCSI(Hon) of the Chartered Institute for Securities & Investment with effect from the 2nd November 2009.
- 25.4 Persons who were Affiliates & Students immediately before the 2nd November 2009 shall become Affiliates & Students of the Chartered Institute for Securities & Investment with effect from the 2nd November 2009.

## ANNEX 1

### **Terms of reference for Complaints Review Panel, Disciplinary Panel and Appeals Panel**

- 1 There shall be a Complaints Review Panel, which shall comprise either of the Chief Executive or the Managing Director of the Institute, together with a member of the Membership Committee and either of the Head of Membership or the Head of Professional Standards.
- 2 There shall be a Disciplinary Panel and an Appeals Panel each of which shall comprise no fewer than 3 persons appointed from time to time by the Board of Directors. Such persons may not be members of the Board of Directors..
- 2 The Chairman of the Institute (or failing him/her the Vice-Chairman) shall designate the chairman of the Disciplinary Panel and of the Appeals Panel.
- 3 No person shall be a member of the Disciplinary Panel and the Appeals Panel considering the same matter.
- 4 The Disciplinary and Appeals Panels shall, subject to these Regulations and any directions given from time to time by the Board of Directors or Chairman of the Institute conduct hearings as laid down in Annex 4.
- 5 The Disciplinary or Appeals Panel may appoint a solicitor or barrister or other expert to advise on any matter relating to proceedings under these Regulations. The solicitor, barrister or expert may attend any meetings of the relevant Panel and may advise on any matter being considered but shall not have a vote.
- 6 Decisions of the Disciplinary and Appeals Panels shall be by a majority if not unanimous. . If there is a majority decision, this shall be the decision of the panel.
- 7 If, for any reason, a member of either Panel is, during the course of a hearing unable to continue to attend the hearing, the remaining members (provided that there are at least three) may continue with the hearing. Should the panel members then be an even number, the Chairman will have a casting vote In other circumstances, the hearing shall be reconvened with a new panel.
- 8 The decision of the Appeals Panel shall be final and there shall be no further right of appeal.
- 9 Disciplinary and Appeals proceedings may be attended by staff of the Institute as observers, at the discretion of the Chairman of the Panel.

## ANNEX 2

### Conditions for admission as Chartered FCSI

- 1 Applicants for admission as a Chartered FCSI must satisfy the conditions set out in any of the paragraphs 2, 3, 4, 5 or 6 of this Annex, unless the Board should otherwise determine.
- 2 That the Applicant
  - (a) has been a FSI/FCSI member for a minimum of one year; and
  - (b) holds a CISI level 6/7 qualification; and
  - (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as a FSI or FCSI; and
  - (d) has an A grade pass in IntegrityMatters
- 3 That the Applicant
  - (a) has been a Chartered MCSI member before 2 November 2010; and
  - (b) ten years experience as a MSI, MCSI or Chartered MCSI; and
  - (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as a Chartered MCSI; and
  - (d) has an A grade pass in IntegrityMatters
- 4 That the Applicant
  - (a) has been a MSI/MCSI member for a minimum of one year; and
  - (b) holds a CISI level 6/7 qualification; and
  - (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as a MSI or MCSI; and
  - (d) has an A grade pass in IntegrityMatters
- 5 That the Applicant
  - (a) has been a Chartered MCSI member after 2 November 2009; and

- (b) holds a CISI level 6/7 qualification; and
- (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as a MSI or MCSI

6 That the Applicant

- (a) has been a Chartered MCSI (during the window of opportunity) member before 2 November 2010; and
- (b) has ten years experience as a MSI/MCSI or Chartered MCSI; and
- (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as a Chartered MCSI

### **CISI level 6/7 Qualifications**

7 The following are deemed CISI level 6/7 qualifications:

- (a) Full CISI Diploma;
- (b) Full CISI Masters in Wealth Management
- (c) Diploma in Investment Compliance
- (d) Diploma in Investment Operations
- (e) PCIAM (Private Client Investment Advice & Management) paper

### **Conditions for admission as a Chartered MCSI member**

8 Applicants for admission as a Chartered MCSI member must satisfy the conditions set out in any one of the paragraphs 9, 10, 11 or 12 of this Annex, unless the board should otherwise determine.

9 That the Applicant

- (a) has been a Member for a minimum of one year; and
- (b) has successfully logged and certified 12 months CPD under the Institute's CPD Scheme; and
- (c) has an A grade pass in IntegrityMatters

10 That the Applicant

- (a) has been a ACSI member for a minimum of one year; and
- (b) holds a SII/CISI level 5 qualification or above; and
- (c) has successfully logged and certified two years CPD under the Institute's CPD Scheme as an ACSI; and
- (d) has an A grade pass in IntegrityMatters

11 That the Applicant

- (a) has been a ACSI member for a minimum of one year; and
- (b) holds a SII/CISI level 4 qualification or above; and
- (c) has successfully logged and certified three years CPD under the Institute's CPD Scheme as an ACSI; and
- (d) has an A grade pass in IntegrityMatters

12 That the Applicant

- (a) has been a ACSI member for a minimum of one year; and
- (b) has successfully logged and certified six years CPD under the Institute's CPD Scheme as an ACSI; and
- (c) has an A grade pass in IntegrityMatters

**Conditions for admission as a Member (MCSI)**

13 Applicants for admission as a MCSI member must satisfy the conditions set out in any one of the paragraphs 14, 15, 16, 17, 18, 19 and 20 of this Annex, unless the board should otherwise determine.

14 That the applicant has been awarded the Institute's full diploma or masters in wealth management

15 That the applicant has been awarded the Institute's diploma in investment compliance or investment operations.

- 16 That the applicant has been awarded the Institute's Certificate in Private Client Investment Advice Management.
- 17 That the Applicant
- (a) has previously been admitted as an ASI or ACSI; and
  - (b) passed the Institute's full diploma or masters in wealth management
- 18 That the Applicant
- (a) has previously been admitted as an ASI or ACSI; and
  - (b) passed the Institute's diploma in investment compliance or investment operations
- 19 That the Applicant
- (a) has at least 20 years relevant industry experience; and
  - (b) holds a senior management role within the firm; and
  - (c) holds other professional qualifications
  - (d) has had their MCSI application successfully reviewed by the CISI Membership Committee
- 20 That the Applicant
- (a) has a Recognised Qualification; and
  - (b) has three years relevant industry experience and continuing professional development, thereafter.

### **Recognised Qualifications**

- 21 The following are deemed to have recognised qualifications:
- (a) A practising Barrister, Advocate or Solicitor who has been called or admitted in the UK or Ireland;
  - (b) holder of the FSIP or ASIP designation of the CFA Society UK;

- (c) fully qualified member of the Chartered Institute of Bankers, the Chartered Institute of Bankers in Scotland, the Institute of Chartered Secretaries and Administrators, the Institute of Actuaries or the Chartered Institute of Insurance, the Institute of Chartered Accountants in England & Wales / Ireland and of Scotland, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants, the Association of Corporate Treasurers and the Institute of Financial Planning;
- (d) person awarded Master of Business Administration (Financial Services), subject to satisfying the Institute as to course contents and level;
- (e) a holder of the Charter of the CFA Institute;
- (f) person awarded Master of Science (MSc) in a financial discipline acceptable to the Institute;
- (g) holder of other professional qualification (including overseas qualification) accepted by the Institute as being equivalent to the above.

### **Overseas Professional Qualifications**

22 Notwithstanding the previous provisions of this Annex, a holder of an overseas professional qualification set out in paragraph 23 below is recognised by the Institute as satisfying the examination qualification in paragraph 20(a) above and the Institute may admit him/her to Membership if s/he satisfies the requirements in paragraph 20(b) above or such other or modified requirements as the Institute may in its absolute discretion determine.

23 The overseas professional qualifications referred to at paragraph 21(g) above are:

- (a) holder of Chartered Financial Analyst (CFA) qualification awarded by the CFA Institute;
- (b) Associate or Fellow Member of the Financial Services Institute of Australia (FINSIA);
- (c) Member or Fellow of the Hong Kong Securities Institute;
- (d) Member or Fellow of the Canadian Securities Institute;
- (e) or such other qualifications as the Board may from time to time accept.

## **Conditions for admission as an Associate (ACSI)**

- 24 Applicants for admission as a ACSI member must satisfy the conditions set out in paragraph 25 of this Annex, unless the board should otherwise determine.
- 25 Applicants for admission as an Associate must have passed or obtained either:
- (a) a minimum of one CISI/SII Diploma paper; or
  - (b) a minimum of one paper in CISI/SII Masters
  - (c) the Investment Advice Certificate (3 exam passes); or
  - (d) the Investment Advice Diploma; or
  - (e) the Investment Operations Certificate (formerly known as IAQ) - (3 exam passes); or
  - (f) the CISI/SII level 3 Certificate in Investments; or
  - (g) the CISI/SII level 3 Certificate in Corporate Finance; or
  - (h) the CISI/SII level 3 Certificate in Financial Risk; or
  - (i) the IFQ Qualification; or
  - (j) an CISI/SII Advanced Certificate; or
  - (k) the Certificate in Wealth Management; or
  - (l) the CFA UK Investment Management Certificate; or
  - (m) the Certificate in Financial Planning (parts 1, 2 and 3); or
  - (n) such other examination or qualification as the Institute may from time to time approve.

## **Overseas Professional Qualifications**

- 26 Notwithstanding the previous provisions of this Annex, a holder of an overseas professional qualification set out in paragraph 27 below is recognised by the Institute as satisfying the examination qualification in paragraph 21(g) above and the Institute may admit him/her as an Associate (or other such qualification that the CISI Board of Directors may determine).

27 The overseas professional qualifications referred to at paragraph 26 above are

- (a) from the USA
  - (i) US General Securities Representative – Series 7
  - (ii) US Futures Representative – Series 3
  - (iii) Chartered Financial Analyst(CFA) Level 1 Examination
- (b) From Canada
  - (i) Canadian Securities Course plus conduct practice handbook
- (c) From Australia
  - (i) FINSIA Certificate in Financial Markets; or
  - (ii) FINSIA Diploma in Financial Markets
  - (iii) FINSIA Graduate Diploma in Applied Finance & Investment
- (d) From Hong Kong
  - (i) Hong Kong Foundation Programme examination (three papers)

#### **Conditions for Admission as an Affiliate**

- 28 That the applicant is working in the Securities & Investment industry but is not required to take a regulatory qualification; or
- 29 That the applicant has passed the Introduction to Investment Award or IT in Investment Operations Award only

### ANNEX 3

In these Regulations “continuing professional development” or CPD means 35 hours of logged and certified CPD under the Institute’s CPD scheme over the four learning types; Active, Reflective, Self Directed & Development of Others and include the following activities;

- (a) studying for and taking of examinations within the Institute’s study and examination programme and the study or examination programme of other bodies relevant to the securities and investment industry;
- (b) attendance at lectures, seminars and other Institute events;
- (c) attendance at conferences, exhibitions and seminars relevant to work within the securities and investment industry;
- (d) the taking of short courses relevant to the work within the securities and investment industry
- (e) the imparting of knowledge in relation to the securities and investment industry by coaching or mentoring,
- (f) preparation of papers for conferences and seminars relating to the securities and investment industry,
- (g) writing of articles and reviews accepted for publication in relation to the financial services industry;
- (h) undertaking of committee work with trade associations for the securities and investment industry or committees of financial services organisations;
- (i) such other learning, training or other professional development as the Board of Directors from time to time designates as or treats as Continuing Professional Development.

## **Annex 4**

### **Disciplinary Hearings**

#### **Operational Procedures for conducting a Disciplinary Hearing.**

Procedures are laid down in the Membership Regulations for considering whether a member may be in breach of the membership regulations. Where it is determined by the Complaints Review panel that a member has a case to answer, the course of action which will be followed is contained in the membership regulations.

When the Complaints Review panel has agreed that a member appears to be in breach of a regulation, the member will be invited to appear before a Disciplinary Panel.

Membership Regulations require that a member is given a minimum of 14 days notice of the hearing which the member is invited to attend.

The member is invited to attend in person and may be accompanied by a person of their choice.

If the member fails to reply or declines to attend, a hearing will be held in the member's absence and the findings of the panel, including any sanction will be communicated by post.

At the discretion of the panel chairman, a staff member of the CISI may attend a disciplinary hearing but solely in the role of observer and may take no part in the hearing.

#### **The Hearing:**

##### **Pre hearing**

The Disciplinary panel must consist of a minimum of three people, of whom one will be nominated the chairman of the panel and one of whom must not be a member of the CISI (the lay member of the panel).

Panel members will be advised at least one week before the hearing of the nature of the alleged offences and breaches of the membership regulations.

The panel will be advised of their responsibilities by the Disciplinary Secretary of the CISI.

They will be reminded that the CISI is not a regulatory body and any judgement is solely against a breach of CISI membership regulations and the responsibilities resulting there from.

The CISI or the disciplinary panel may call legal representation on behalf of the panel and the CISI.

**The hearing:**

Introductions

The member (or his presentative if the member is not present) is invited into the room, with any accompanying representative.

The member will be advised that the proceedings are related solely to the alleged breaches of CISI membership regulations, may be recorded and that notes will be taken.

The member should make clear at the outset whether they will address the panel personally or through their representative.

The Disciplinary Secretary will relate the alleged breaches of membership regulations concerning the member.

The member is invited to raise any questions or points of clarification regarding the alleged breaches.

The member is invited either personally, or through a representative, to address the panel in response to the allegations.

Panel members will ask questions of the member in clarification of any statements that have been made or any other relevant matter.

The member will then be asked whether they wish to make any further observations

The member and any representative will be asked to withdraw from the room whilst the panel considers the matter.

If the panel consider the case against the member to be proven, the Disciplinary Secretary will advise the panel of the range of sanctions which may be awarded against the member.

Upon confirmation from the Chairman of the panel that agreement has been reached, regarding the allegations and any sanction, the member will be invited to return to the room.

The member and any representative will be advised of the findings of the Disciplinary Panel and the sanction proposed, together with the reasons therefor.

The member & representative will be advised that the findings will be confirmed in writing, normally within seven days and there is an appeals procedure which will hear appeals only in respect of material new facts being available. Appeals must be lodged within the time laid down in the membership regulations.