UK Regulation and Professional Integrity

Effective from 01 May 2026

Objective of the Examination

The objective of the examination is to ensure that candidates can apply appropriate knowledge and understanding of UK Financial Markets, Regulation and Ethics to financial planning, advice and management for retail customers.

The examination will test candidates' understanding and practical application of the following elements:

- The UK Financial Services Sector
- The Financial Conduct Authority
- Conduct of Business and Client Asset Protection
- Integrity and Ethics in Professional Practice
- The Regulatory Framework relating to Financial Crime
- Redress

Assessment Structure

A 2-hour examination of 80 multiple choice questions.

Candidates sitting the examination by Computer Based Testing may have up to 10% of additional questions as trial questions that will not be separately identified and do not contribute to the result. Candidates will be given proportionately more time to complete the test.

Syllabus Structure

The unit is divided into **elements**. These are broken down into a series of **learning objectives**.

Each learning objective may begin with one of the following prefixes**: know, understand, apply.** These indicate the different levels of skill to be tested. Learning objectives prefixed:

- **know** requires the candidate to recall information such as facts, rules and principles
- **understand** require the candidate to demonstrate comprehension of an issue, fact, rule or principle
- **apply**: The ability to demonstrate or employ existing principles in a given situation.

Candidate Update

Candidates are reminded to check the 'Candidate Update' area of the Institute's website (cisi.org/candidateupdate) on a regular basis for updates that could affect their examination.

Note: The syllabus has included for guidance, references from the FSMA 2000, the Criminal Justice Act 1993 [CJA] and the FCA Handbook and PRA Rulebook to assist candidates in locating source material. An explanation of the FCA Handbook and PRA Rulebook Reference Codes and other abbreviations follows:

CASS	Client Assets
CJA	Criminal Justice Act 1993
COBS	Conduct of Business Sourcebook
COCON	Code of Conduct
COLL	Collective Investment Schemes
COMP	Compensation
COND	Threshold Conditions
DEPP	Decision Procedure and Penalties Manual
DISP	Dispute Resolution: Complaints
DTR	Disclosure Rules & Transparency Rules
EG	Enforcement Guide
FINMAR	Financial Stability and Market Confidence
FIT	Fit and Proper Test for Approved Persons
FSMA	Financial Services and Markets Act 2000
GEN	General provisions
IPRU (INV)	Interim Prudential sourcebook: Investment Businesses
JMLSG	Joint Money Laundering Steering Group
MAR	Market Conduct
PERG	Perimeter Guidance Manual
POCA	Proceeds of Crime Act 2002
PRR	Prospectus Rules Regulation
PRIN	Principles for Businesses
SM&CR	Senior Managers and Certification Regime
SUP	Supervision
SYSC	Senior Management Arrangements, Systems and Controls
T&C	Training and Competence
UCITS	Undertakings for Collective Investments in Transferable Securities
UK MAR	UK Market Abuse Regulation
UK MiFID	UK Markets in Financial Instruments Directive
UK MiFIR	UK Markets in Financial Instruments Regulation

UNFCOG The Unfair Contract Terms Regulatory Guide

Please note all Handbook references in the syllabus refer to the FCA Handbook unless otherwise stated.

Examination Specification

Each examination paper is constructed from a specification that determines the weightings that will be given to each element. The specification is given below.

It is important to note that the numbers quoted may vary slightly from examination to examination as there is some flexibility to ensure that each examination has a consistent level of difficulty.

Examination specification **80 multiple choice questions**		
Element number	Element	Questions
1	The UK Financial Services Sector	7
2	The Financial Conduct Authority	11
3	Conduct of Business and Client Asset Protection	20
4	Integrity and Ethics in Professional Practice	15
5	The Regulatory Framework relating to Financial Crime	21
6	Redress	6
Total		**80**

Summary Syllabus

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1.4 The Regulatory Infrastructure of UK Financial Services

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2.3 FCA Handbook

2.4 Effective Regulation and Good Customer Outcomes

2.5 FCA Authorisation

2.6 Approval of Individuals

2.7 International Regulations

Element 3 Conduct of Business and Client Asset Protection

3.1 FCA Conduct of Business Sourcebook

3.2 Rules applying to all firms relating to inducements

3.3 Communicating with clients, including the requirements of the Financial Promotion Rules

3.4 Client Categorisation

3.5 Fair Treatment of Customers

3.6 Accepting Customers

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3.8 Product Governance

3.9 Client Assets Protection

Element 4 Integrity and Ethics in Professional Practice

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4.2 Main Types of Trust

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4.4 Codes of Ethics and Codes of Conduct

4.5 Key principles of professional integrity

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Element 5 The Regulatory Framework relating to Financial Crime

5.1 Market Abuse
5.2 Insider Dealing
5.3 Market Manipulation
5.4 Disclosure and Transparency Rules
5.5 The prevention of Money Laundering:
5.6 Financing of Terrorism
5.7 Bribery Act 2010
5.8 Fraud and Economic crime
5.9 Whistleblowing

Element 6 Redress

6.1 Complaints and Dispute Resolution
6.2 Complaints Procedures
6.3 Financial Services Compensation Scheme
6.4 Data Protection

Element 1 The UK Financial Services Sector

1.1 Market structure

On completion, the candidate will be able to:

1.1.1 understand the purpose and structure of the UK and international market's role of financial investment in the economy:

- primary Markets
- secondary Markets

1.2 The role of government

On completion, the candidate will be able to:

1.2.1 understand the role of the government in the economy:

- policy
- regulation
- taxation & social welfare
- relationship with wider economy

1.3 UK Financial Services and Consumer Relationships

On completion, the candidate will be able to:

1.3.1 understand how the main financial risks, needs and priorities of UK consumers are typically met:

- Financial planning and financial advice
- State benefits
- Credit finance and management
- Mortgages
- Insurance and financial protection
- Retirement and pension funding
- Estate and tax planning

- Savings and investment

1.4 The Regulatory Infrastructure of UK Financial Services

On completion, the candidate will be able to:

1.4.1 understand the role of the Financial Conduct Authority (FCA)

1.4.2 understand the role of the Prudential Regulation Authority (PRA)

1.4.3 Understand the purpose and application of Prudential Standards

1.4.4 Understand the role of:

- the Bank of England (BoE)
- HM Treasury (HMT)
- the Competition and Markets Authority (CMA)
- the Information Commissioner's Office (ICO)
- the Pensions Regulator (TPR)
- the Payment Systems Regulator (PSR)

1.4.5 understand key internal and external mechanisms within firms that support the regulatory framework

Element 2 The Financial Conduct Authority

2.1 The Financial Conduct Authority (FCA)

On completion, the candidate will be able to:

2.1.1 understand the strategic and operational objectives, structure, powers and activities of the FCA

2.1.2 understand the FCA's approach to regulation

2.1.3 understand the FCA's Principles for Businesses

2.1.4 understand the purpose and application of Systems and Controls (SYSC)

2.1.5 understand the purpose and application of the:

- Senior Managers & Certification Regime (SM&CR)

- Fit and Proper Test (FIT)

2.1.6 understand the scope of the Regulated Activities order 2001

- regulated activities
- prohibited activities
- regulated investments

2.2 Sources of Information

On completion, the candidate will be able to:

2.2.1 know the sources of information on the FCA's supervisory approach

2.3 FCA Handbook

On completion, the candidate will be able to:

2.3.1 understand the types of provisions used in the FCA Handbook

2.3.2 understand the status of approved industry guidance

2.4 Effective Regulation and Good Customer Outcomes

On completion, the candidate will be able to:

2.4.1 know the principles of good regulation

2.4.2 understand how the FCA's use of outcomes-based regulation, including high-level principles (PRIN), corporate governance, Senior Managers & Certification Regime (SM&CR) and Consumer Duty requirements, is intended to promote good outcomes and why this may not always be achieved

2.5 FCA Authorisation

On completion, the candidate will be able to:

2.5.1 apply the main concepts, principles and rules relating to FCA Authorisation:

- Authorised Persons, Exempt Persons and exclusions

- purpose, provisions, offences and scope of Permission Notices
- the requirement to act honestly, fairly and professionally
- authorisation: conditions and procedures for firms (COND), and process and criteria for obtaining approval of Controllers (SUP) and fitness and propriety [FIT (FCA/PRA)]

2.6 Approval of Individuals

On completion, the candidate will be able to:

2.6.1 understand the main regulatory processes and provisions relating to the approval of Individuals:

- Senior Managers & Certification Regime (SM&CR)
- APER (for Appointed representatives)
- The Directory, the public register for key individuals working in financial services

2.7 International Regulations

On completion, the candidate will be able to:

2.7.1 understand how the UK Financial Services may be impacted by overseas:

- directives
- regulations
- law
- guidance

Element 3 Conduct of Business and Client Asset Protection

On completion, the candidate will be able to:

3.1 FCA Conduct of Business Sourcebook

3.1.1 understand the main FCA principles, rules and requirements relating to conduct of business:

- firms subject to the FCA Conduct of Business Sourcebook
- activities which are subject to the FCA Conduct of Business Sourcebook including Eligible Counterparty Business and transactions between regulated market participants

3.2 Rules applying to all firms relating to inducements

On completion, the candidate will be able to:

3.2.1 understand the rules on inducements relating to:

- MiFID business
- the provision of independent advice, restricted advice and portfolio management services to retail clients
- the provision of independent advice and portfolio management services to retail clients outside the UK or to Professional clients

3.2.2 know the rules regarding, acceptable minor non- monetary benefits

3.3 Communicating with clients, including the requirements of the Financial Promotion Rules

On completion, the candidate will be able to:

3.3.1 understand the financial promotion rules:

- purpose
- types of communication covered
- application and the relationship with Principles 6 and 7
- firms' responsibilities for appointed representatives

3.3.2 apply the rules relating to the compilation of direct offer and non-real time financial promotions including the relationship with FCA Principles, and the requirements in relation to past, simulated past and future performance

3.4 Client Categorisation

On completion, the candidate will be able to:

3.4.1 understand the main FCA principles, rules and requirements relating to:

- client categorisation (eligible counterparties/professional/retail)
- notification to clients of their categorisation and relevant protections
- requirements for clients electing to be professional clients and eligible counterparties, together with those wishing higher level of protection
- reliance on other requirements

3.5 Fair Treatment of Customers

On completion, the candidate will be able to:

3.5.1 understand the four elements of Consumer Duty

3.5.2 know the importance of the fiduciary relationship and the responsibilities of professional advisers towards clients

3.5.3 understand the appropriate approach to:

- vulnerable customers
- insistent customers

3.5.4 understand the FCA Conduct of Business Rules relating to:

- Communication to clients
- the additional requirements relating to retail clients in respect of MiFID business and Non-MiFID business

3.5.5 understand the FCA Conduct of Business Rules relating to the provision of dealing confirmations & periodic statements to customers in respect of MiFID business and Non-MiFID business

3.5.6 understand the FCA Conduct of Business Rules relating to the ability to ensure and demonstrate the fair treatment of customer dealing, taking into account PA Dealing Policy

3.5.7 understand the FCA Conduct of Business Rules relating to Client Order Management Policy

3.5.8 understand the FCA Conduct of Business Rules relating to the concepts of Best & Timely Execution, Churning & Switching for MiFID business and Non-MiFID business

3.5.9 understand the application and purpose of the principles and rules on Conflict of Interest; the rules on identifying conflicts and types of conflicts; the rules on recording and managing conflicts; and the rule on disclosure of conflicts

3.6 Accepting Customers

On completion, the candidate will be able to:

3.6.1 understand the main FCA principles, rules and requirements relating to client take-on processes, agreements and disclosures:

- timing, order and medium in which client disclosures may be made, including requirements on electronic media
- disclosure of service provision, costs and associated charges and terms of business
- client agreements for MiFID business and Non-MiFID business
- interpreting the different information requirements and responsibilities between managing investments and execution-only services for MiFID business and Non-MiFID business
- requirements of disclosure information – compensation scheme, complaints eligibility, status information, permanent place of business, voice recording

3.6.2 understand the requirements for an adviser to a retail client to be remunerated only by adviser charges in relation to any personal recommendation or related service

3.7 Investment Advice and Product Disclosure

On completion, the candidate will be able to:

3.7.1 understand the rules regarding the assessment of client suitability requirements for MiFID business and Non-MiFID business

3.7.2 know the rules regarding the timing of suitability reports for MiFID business and Non-MiFID business

3.7.3 understand obligations for assessing appropriateness & circumstances not necessary for MiFID business

3.7.4 know disclosure requirements for cancellation & withdrawal rights

3.7.5 understand the requirements for a firm making a personal recommendation to be independent or restricted

3.8 Product Governance

On completion, the candidate will be able to:

3.8.1 understand product governance requirements for investments

3.9 Client Assets Protection

On completion, the candidate will be able to:

3.9.1 know the purpose and scope of a CASS mandate

3.9.2 understand:

- the CASS client money and custody rules
- client money and reconciliation (including timing, identification, resolution and reporting of discrepancies)
- exemptions

Element 4 Integrity and Ethics in Professional Practice

4.1 Specific legal concepts relevant to financial advice:

On completion, the candidate will be able to:

4.1.1 understand specific legal concepts relevant to financial advice:

- Contract, agency and capacity
- legal persons – individuals, personal representatives, trustees, companies, limited liability partnerships

4.1.2 understand specific legal concepts relevant to financial advice

- Powers of attorney and managing the grantor's affairs: wills, intestacy, and administration of estates

4.1.3 understand specific legal concepts relevant to financial advice

- real property, personal property and joint ownership

4.1.4 understand specific legal concepts relevant to financial advice

- insolvency, receivership, and bankruptcy

4.2 Main Types of Trust

On completion, the candidate will be able to:

4.2.1 understand the main types of trust and their purpose

4.2.2 apply knowledge of the creation and administration of trusts for life policies and investments

4.3 Professional Ethics

On completion, the candidate will be able to:

4.3.1 understand core ethical theories, principles and values

4.3.2 understand the differences between ethical values, qualities and behaviours in professional practice contrasted with unethical or unprofessional practice

4.3.3 understand the impact of the following when applying an ethical approach/acting with integrity within an organisational or team environment:

- self-interest
- the role of the agent
- the role of stakeholders
- the role of the group or team

4.3.4 apply processes to:

- create ethical awareness
- assess ethical dilemmas
- implement ethical decisions

4.4 Codes of Ethics and Codes of Conduct

On completion, the candidate will be able to:

4.4.1 understand the relationship between ethical principles, the development of regulatory standards and professional Codes of Conduct

4.4.2 understand:

- how decisions and outcomes for the sector, firms, advisers and consumers may be limited by reliance on rule-based compliance,
- how ethical behaviours and decision-making can enhance these outcomes

4.4.3 apply the Chartered Institute for Securities & Investment's Code of Ethics to professional practice

4.5 Key principles of professional integrity

On completion, the candidate will be able to:

4.5.1 understand key principles of professional integrity relating to being:

- clear, impartial, straightforward and informed

4.5.2 understand the relationship between personal, corporate and societal values

4.5.3 understand key principles of professional integrity relating to commitment to professional ideals and principles extending beyond professional norms

4.6 Behaviours that reflect professional integrity:

On completion, the candidate will be able to:

4.6.1 apply behaviours that reflect professional integrity:

- commitment and capacity to work to accepted professional values
- ability to relate professional values to personally held values
- ability to give a coherent account of beliefs and actions
- strength of purpose and ability to act on the values

4.7 Professional Integrity and Ethics

On completion, the candidate will be able to:

4.7.1 understand the meaning of professional integrity and ethics within financial services and how this is typically demonstrated in the

- operation of financial markets and institutions
- personal conduct of individuals
- duties of fiduciaries and agents in financial relationships
- guidance

4.8 Training and Competence

On completion, the candidate will be able to:

4.8.1 understand regulatory responsibilities in relation to the assessment of employee competence:

- per-engagement
- at engagement
- continuing professional development (CPD)
- Statement of Professional Standing (SPSS)

Element 5 The Regulatory Framework relating to Financial Crime

5.1 Market Abuse

On completion, the candidate will be able to:

5.1.1 apply the main concepts, legal requirements and regulations relating to the prevention of Market Abuse

5.1.2 know the scope and application of the UK Market Abuse Regulation

5.1.3 understand the distinction between offences under market abuse, insider dealing and under FSA 2012 s.89-95 misleading statements and impressions

5.1.4 understand the enforcement regime for market abuse and a firm's duty to report suspicious transactions and orders "STOR"

5.1.5 understand ethical considerations and consequences of Market Abuse in relation to all market participants, clients and the integrity of the financial system

5.1.6 know the statutory exceptions (safe harbours) to Market abuse

5.1.7 know the requirements and obligations of market soundings and investment recommendations

5.1.8 understand the requirements and interpretation for the prevention and detection of market abuse

5.2 Insider Dealing

On completion, the candidate will be able to:

5.2.1 know the main concepts of:

- inside information
- insider dealing
- unlawful disclosure of inside information and insider lists

5.2.2 know offences described in UK legislation and the instruments covered by the Criminal Justice Act 1993

5.2.3 understand general defences relating to insider dealing

5.2.4 understand Special defences:

- market makers acting in good faith
- market information
- and price stabilisation
- legitimate behaviour

5.3 Market Manipulation

On completion, the candidate will be able to:

5.3.1 know:

- the definition and interpretation of market manipulation
- accepted market practices

5.4 Disclosure and Transparency Rules

On completion, the candidate will be able to:

5.4.1 apply the main concepts, legal requirements and regulations relating to disclosure and transparency rules as they relate to:

- disclosure and control of inside information by issuers
- transactions by persons discharging managerial responsibilities and their connected persons
- share dealing by directors and other persons discharging managerial responsibilities, including closed periods; chairman's approval; no short-term dealing Anti Money Laundering

5.5 The prevention of Money Laundering:

On completion, the candidate will be able to:

5.5.1 know the terms:

- 'money laundering
- 'criminal property'

5.5.2 understand the three stages of money laundering

5.5.3 understand due diligence requirements aimed to prevent money laundering

5.5.4 understand the Money Laundering aspects of Know Your Customer (Joint Money Laundering Steering Groups' (JMLSG) Guidance)

5.5.5 know the role of the Money Laundering Reporting Officer and/or Nominated Officer

5.5.6 understand the duty to report suspicious activities

5.6 Financing of Terrorism

On completion, the candidate will be able to:

5.6.1 know the obligations of regulated firms in relation to the prevention of the financing of terrorism

5.7 Bribery Act 2010

On completion, the candidate will be able to:

5.7.1 apply the main concepts, legal requirements and guidance relating to the prevention of bribery and corruption

- the offences of bribery contrary to the Bribery Act 2010
- the role of 'adequate procedures' in affording a defence to the offence of a commercial organisation failing to prevent bribery

5.8 Fraud and Economic crime

On completion, the candidate will be able to:

5.8.1 know responsibilities in relation to the prevention of fraud and economic crime

5.9 Whistleblowing

On completion, the candidate will be able to:

5.9.1 understand the legal and regulatory basis for whistleblowing, including the whistleblower's champion

Element 6 Redress

6.1 Complaints and Dispute Resolution

On completion, the candidate will be able to:

6.1.1 understand the role of the Financial Ombudsman Service (FOS) and the awards and directions that can be made by the Ombudsman

6.2 Complaints Procedures

On completion, the candidate will be able to:

6.2.1 apply the procedures that a firm must implement and follow to handle customer complaints

6.3 Financial Services Compensation Scheme

On completion, the candidate will be able to:

6.3.1 know the role of the FSCS

6.3.2 know who can claim and what is a protected claim

6.4 Data Protection

On completion, the candidate will be able to:

6.4.1 know the six principles of the Data Protection Act 2018

6.4.2 understand the rights of individuals in respect of the collection and use of their personal data

6.4.3 apply the breach notification and reporting requirements