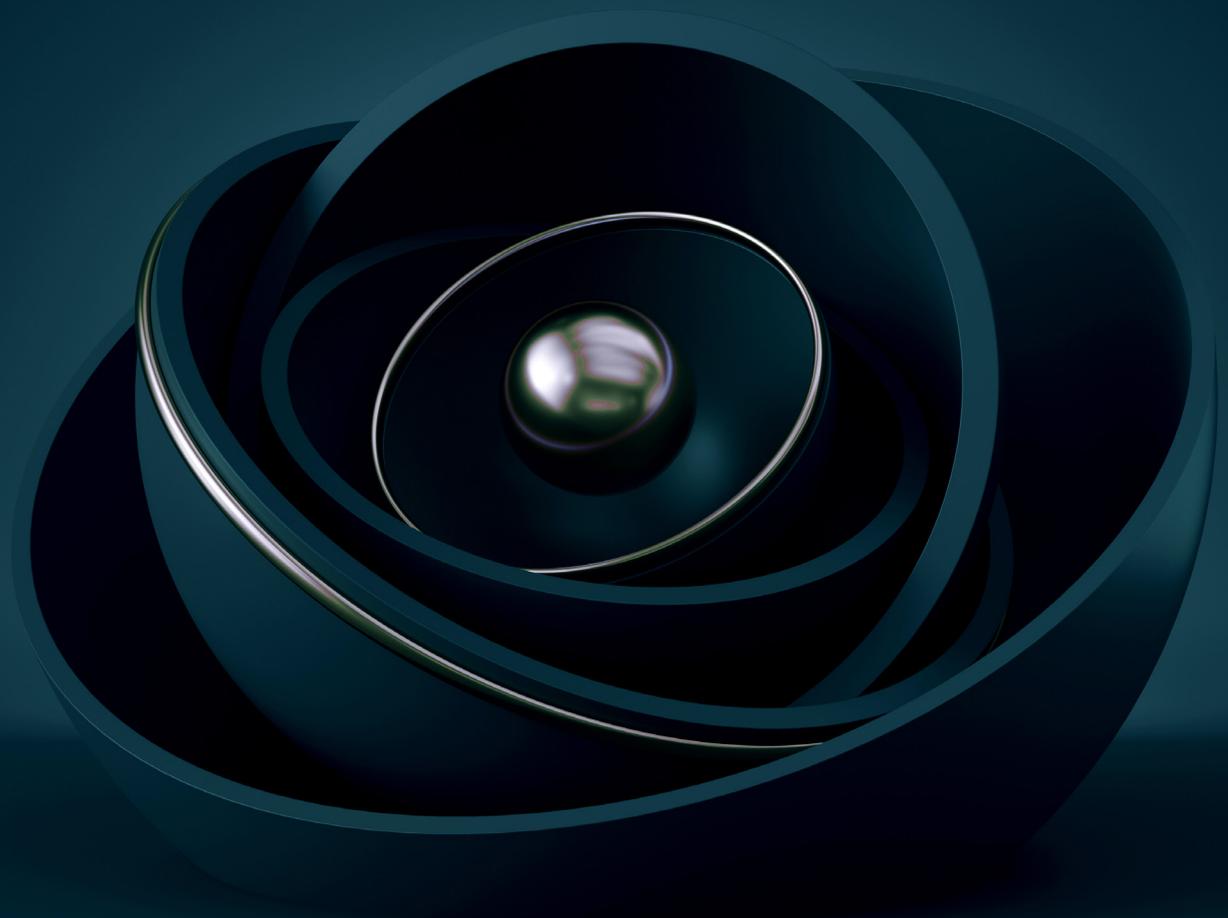




# Member Guidance on Disciplinary Hearings



# Disciplinary Process

The Institute's disciplinary process is overseen and directed by the Disciplinary Committee.

The Disciplinary Committee delegates its decision-making authority to the Disciplinary Review Panel (DRP) who reviews all cases, in the first stage. The DRP considers all information provided and written representation from the member, before making a decision on whether there appears to be a case to answer. In doing so the DRP may:

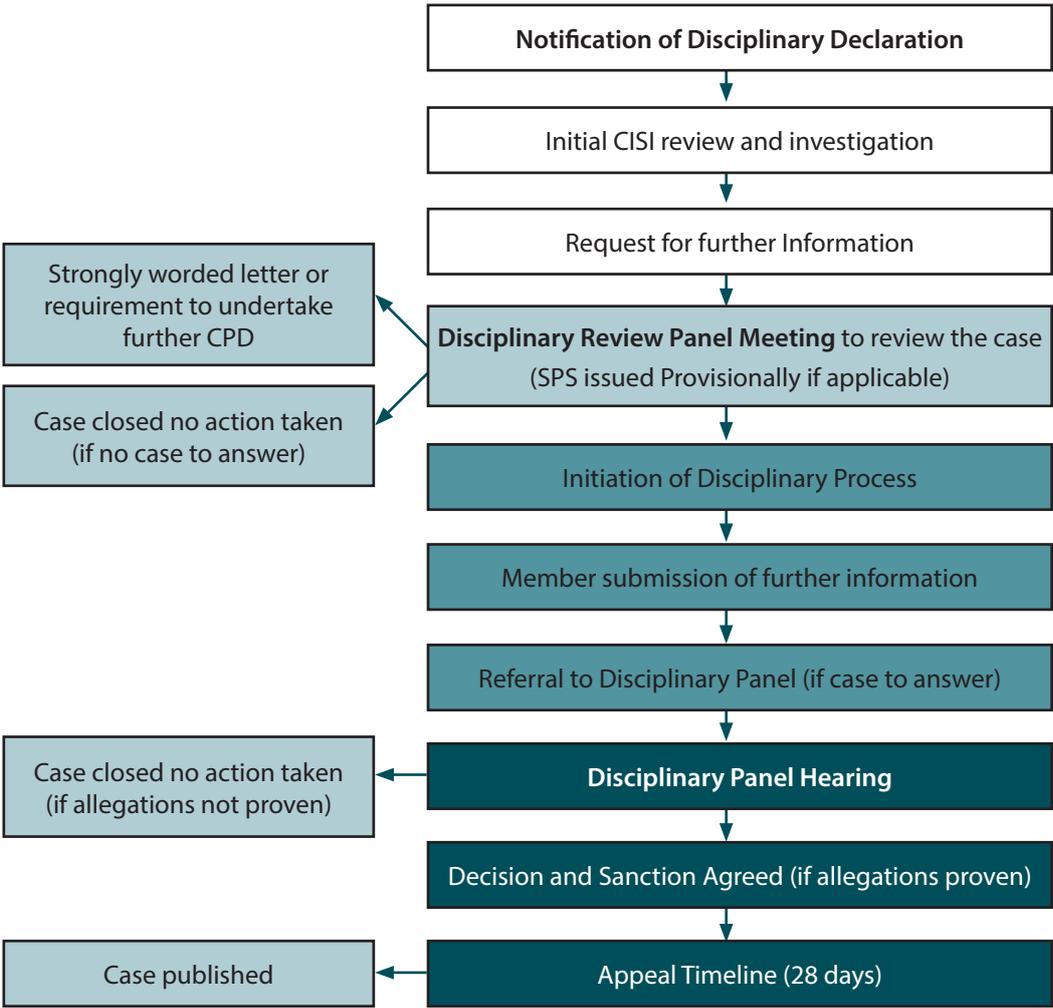
1. refer the matter to the Disciplinary Panel; or
2. if the offence is not an Administrative Offence and not considered sufficiently material for referral to the Disciplinary Panel, the DRP may send an appropriate strongly worded warning letter reminding the member of the Institute's expected level of behaviour as well as recommending additional CPD, which could include the retaking of the IntegrityMatters test, or
3. should there be no case to answer, close the case.

The DRP will also review and make a decision on the issuance of the SPS. An SPS may be issued provisionally while a case is under review.

If, as above in 1, the CISI Disciplinary Review Panel (DRP) decides there has been a potential breach of the **Membership Regulations**, the Member in question will be referred to a Disciplinary Panel Hearing.

The Member will be sent a letter confirming this in writing, listing the potential breaches as per paragraphs 3 and 16 of the **Membership Regulations**, as below.

Members will also be informed in writing of the date set for their Disciplinary Panel Hearing and given 10 working days to provide any further written representations to be included in their Disciplinary report. This report will be sent to the Member and the Disciplinary Panel two weeks prior to the hearing.



## Code of Conduct

Membership of the CISI requires members to meet standards set out within the Institute's Principles. These Principles impose an obligation on members to act at all times not only in compliance with the rules, but also to support the underlying values and standards of the Institute, which are set out within [the principles of the CISI's Code of Conduct](#).

Each Principle specifies the duties owed by members and the stakeholders who may be impacted by their actions.

- 3.1 **Personal Accountability** - To strive to uphold the highest levels of personal and professional standards at all times, acting with integrity, honesty, due skill, care and diligence to avoid any acts, either in person, in a remote working environment or digitally which may damage the reputation of your organisation, your professional body or the financial services profession.
- 3.2 **Client Focus** - To put the interests of clients and customers first by treating them fairly, being a good steward of their interests, never seeking personal advantage from confidential information received and utilising client data only for a defined purpose.
- 3.3 **Conflict of Interest** - Being alert to and actively manage fairly and effectively any personal or other conflicts of interest, obeying legislation and complying with regulations to the best of your ability, ensuring you are open and cooperative with all your regulators, challenging and reporting unlawful or unethical behaviour.
- 3.4 **Respect for Market Participants** - To treat all counterparties and business partners with respect, to observe proper standards of market integrity, good practice, conduct and confidentiality required to maintain the highest level of mutual trust.
- 3.5 **Professional Development** - To strive continually for professional excellence, committing to Continuous Professional Development (CPD) and promoting and supporting the development of others. 3.6 **Aware of Capabilities** - To decline to act on any matter about which you are not competent or qualified unless you have access to such advice or assistance to carry out the work in a professional manner, taking into account the nature of the individual mandates given by your customers and counterparties.
- 3.7 **Respect Others and the Environment** - To treat everyone fairly and with respect, supporting opportunity for all, embracing diversity and inclusion and ensuring that the environmental impact of your work is considered.
- 3.8 **Speak Up & Listen Up** - To be active in speaking up and encouraging others to do so by listening up, promoting a safe environment for all and recognising the responsibilities you have to the communities in which you operate.

## Disciplinary offences

Members are required to notify the Institute of any matters, which may affect their suitability to remain members of the Institute.

The **Membership Regulations** sets out under paragraph 16, a list of disciplinary offences which if breached are required to be declared. These are the rules that govern the professional behaviour of all CISI members alongside the principles mentioned above.

Please note that failure to report a breach by a member could lead to a disciplinary action being taken against that member for non-disclosure.

Paragraph 16 of the Membership Regulations can be found below:

16.1 The following are disciplinary offences:

- (a) if, whether in the course of work (within the financial services profession or otherwise) or in the course of his/her personal life or otherwise, a member has committed any act or default likely to bring discredit to himself/herself, the Institute or the securities investment, wealth and financial planning professions;
- (b) if a member has performed their work incompetently to such an extent or on such number of occasions as to bring discredit to themselves, the Institute or investment, wealth and financial planning professions;
- (c) if a member has failed to satisfy a judgement debt or individually or as a partner or has made an assignment for the benefit of creditors or if a bankruptcy order or an interim order has been made against the member.
- (d) if a member has entered into an Individual Voluntary Agreement (IVA) or International equivalent and defaulted on payment or is in arrears.
- (e) 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 Charter, Bye-Laws and General Regulations or any other Regulations made thereunder;
- (f) if a member has failed to pay the annual membership subscription as required under the terms of paragraph 14;
- (g) if a member has failed to undertake or record any required Continuing Professional Development that may be in force from time to time over a 12-month period;
- (h) 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 may have committed 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 (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 or other professional 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 they became a member of the Institute provided that the member made a full and frank written disclosure of the act, omission or failure in connection with their application for membership.

## Disciplinary Hearing

Information about the Disciplinary Panel Hearing process can be found in paragraphs 18 to 19.7 of the [Membership Regulations](#).

Members have the right to be accompanied by an observer of their choice, or a legal representative at their hearing. Members will be required to email the CISI the full name of the person attending, their firm details and their intended role at the hearing. Further information on the role of the observer can be found in paragraph 18.6 of the [Membership Regulations](#),

The Disciplinary Panel will have a minimum of at least three individuals: the Chair and two Panel members. One of the individuals on the Panel, will be a lay member.

The Member will be made aware of the decision of the Disciplinary Panel at the end of the hearing and will receive formal notification of this in writing within seven working days of the hearing. If found in breach of the Membership Regulations, the decision letter will then provide the Member with the relevant timeline to appeal. Guidance on appeal and the grounds for appeal can be found below.

## Sanctions and Publication

A list of the following sanctions may be imposed by the Disciplinary Panel, found under paragraph 19.2 of the [Membership Regulations](#):

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, within a specified period as determined by the Disciplinary Panel;
- c) reprimand, which will remain on the member's record for a specified period of time determined by the Disciplinary Panel;
- d) severe reprimand, which will remain on the member's record for a specified period of time determined by the Disciplinary Panel;
- e) reduction in member status for a specified period of time determined by the Disciplinary Panel;
- f) suspension for a specified period of time of the personal Charter designation whilst retaining non-chartered membership;
- g) suspension from membership for a specified period of time;
- h) Expulsion of membership for a period of time.
- i) permanent expulsion from membership.

If the Disciplinary Panel determine that a Member has breached the [Membership Regulations](#), the name, brief facts, the decision and any disciplinary penalty may be published in the CISI journal (The Review) and on the CISI website, as per paragraph 24.1 of the [Membership Regulations](#), unless the Disciplinary Panel determine otherwise. These details will remain on the website until the timeline of the sanction has expired.

As an Accredited Body, the CISI is required to notify the FCA of any breaches of the CISI [Membership Regulations](#) or [Code of Conduct](#), if the member holds a Statement of Professional Standing with the CISI.

## Appeals

Members will receive confirmation of the outcome of the Disciplinary Hearing within seven days of the hearing. They will be given 28 days from the date of this letter to submit an appeal against the Disciplinary Panel's outcome.

Grounds for appeal are set out under paragraph 21.3 of the [Membership Regulations](#) as listed below:

- a) CISI has applied its own rules or criteria improperly;
- b) CISI has not followed due process in relation to the disciplinary procedure; or
- c) Further information has become available since the original decision which might have had a bearing on the outcome.

Should the Member meet the appeal criteria, they may attend a new hearing, consisting of a different Appeals Panel, and will be offered a new hearing date. The decision of the Appeals Panel will be notified in writing to the Member within seven working days of the hearing.

The decision of the Appeals Panel is final and the decision cannot be appealed.

## Costs

Members should be aware that if the Disciplinary Panel makes a finding that a member has committed a disciplinary offence as set out under paragraph 16 of the [Membership Regulations](#), it may order the member to pay costs as set out under paragraph 23.1 of the [Membership Regulations](#). This may be all or part of the costs to administer their case, which usually is a minimum of £500. Costs may differ for members in low GDP countries.

These costs will need to be paid within 31 days of date of the Disciplinary Panel's order.

The full [Membership Regulations](#), including the [Code of Conduct](#), are available [here](#).

For any queries, please contact the Standards Team at [standards@cisi.org](mailto:standards@cisi.org).