

CISI Guidance for Firms and Individuals

ESMA - MiFID II

“Final Report: Guidelines for the assessment
of knowledge and competence”



Developed to help firms fulfil their obligations
under Articles 24 & 25 of MiFID II

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Introduction

Welcome to this guide produced by the Chartered Institute for Securities & Investment (CISI), which provides information and practical support surrounding the implications of the “ESMA Final Report: Guidelines for the assessment of knowledge and competence” which was released in December 2015 and came into effect on 3 January 2018.



This booklet focuses on the requirements in three of the main areas detailed in the ESMA Guidelines, namely:

- 1) holding an appropriate qualification;
- 2) undertaking and being able to demonstrate continuous professional development; and
- 3) demonstrating adherence to standards of business ethics.

The CISI looks forward to supporting regulators, members, firms and the wider public (across Europe) in the delivery of these new standards.

The CISI will do everything it can to enable firms to ensure that its staff fully comply with the ESMA Guidelines. We will provide a cost effective and efficient service to enable firms to monitor and measure progress of their staff towards meeting the requirements, as well as offering relevant and timely CPD for individual members.

A handwritten signature in black ink, appearing to read 'Simon Culhane', written in a cursive style.

Simon Culhane, Chartered FCSI
Chief Executive, CISI

Background to the regulatory changes

On 17 December 2015 the European Securities and Markets Authority (ESMA) published its “Final Report: Guidelines for the assessment of knowledge and competence”, which addresses the MiFID II requirements set out under Articles 24 and 25. These guidelines will affect staff who, under MiFID II, are defined as either “giving information” or “giving investment advice”.

About the CISI

The Chartered Institute for Securities & Investment (CISI) is the professional body of choice for professionals in the securities, investment, wealth and financial planning sectors in the UK and in a growing number of major financial centres globally. Formed in 1992 out of the London Stock Exchange as a not for profit organisation, we have a global community of more than 40,000 members in 116 countries, and last year more than 40,000 CISI exams were sat in 80 countries.

The CISI is proud to work with regulatory authorities in 40 countries. Within the EU, these links include authorities in the UK, Cyprus, Germany, Greece, Malta, Netherlands and the Republic of Ireland.

Our mission statement is:

"To set standards of professional excellence and integrity for securities, investment, wealth and financial planning professionals, providing qualifications and promoting the highest level of competence to our members, individuals and firms."

By professional excellence or professionalism, we mean the combination of knowledge, skills and behaviour.



We support these standards through our offerings in the areas of qualifications, continuous learning, and integrity & ethics - areas where we are recognised as a premier body within the profession.

This brochure focuses on all three components, and neatly aligns to the ESMA "Final Report: Guidelines for the assessment of knowledge and competence" published on 17 December 2015.

ESMA Final Report: Guidelines for the assessment of knowledge and competence

Under the ESMA guidelines, firms will be required to:

- 1) Ensure that staff providing relevant services to clients are assessed through the successful completion of an **appropriate qualification*** and have gained appropriate experience in the provision of relevant services to clients.

**Appropriate qualification means a qualification or other test or training course that meets the criteria set out by the guidelines.*

- 2a) Carry out an internal or external review, on at least an annual basis, of staff members' development and experience needs, assess regulatory developments and take any action necessary to comply with the ESMA requirements. This review should also ensure that staff possess an appropriate qualification and maintain and update their knowledge and competence by undertaking **continuous professional development**
- 2b) Ensure that they submit to their regulator, on request, records concerning knowledge and competence of staff providing relevant services to clients
- 3) Ensure that staff providing relevant services possess the necessary knowledge and competence to meet relevant regulatory and legal requirements and **business ethics** standards

These requirements will be applicable for relevant staff providing either information or investment advice to clients.

Information Providers

'Information Providers directly provide information to clients about financial instruments, structured deposits, investment services or ancillary services, either upon the request of the client or at the initiative of the firm, in the context of the provision by the staff member to the client of any of the services and activities listed in the section A and B of Annex I of MiFID II.

The following examples set out instances where a staff member would not fall within the scope of the guidelines:

- Employees only pointing out where clients can find information;
- Employees distributing brochures and leaflets to clients without giving additional information with regards to its content or providing any follow up investment services to those clients;
- Employees who only hand over information such as KIID at the client's request without giving any additional information with regards to its content or providing any follow up investment services to those clients; and
- Employees who perform back-office functions and do not have direct contact with the clients.

Investment Advisers

Investment Advisers provide investment advice or give information about financial instruments, structured deposits, investment services or ancillary services as well as their personal recommendations to clients.

How can the CISI help firms meet ESMA guidelines?

The CISI has products to meet the requirements set out in the ESMA Guidelines in the areas of Qualifications, Continuous Professional Development (CPD) and Business Ethics as outlined in the sections below.

Appropriate Qualifications

Under the ESMA guidelines, firms will be required to:

*“Ensure that staff providing relevant services to clients are assessed through the successful completion of an **appropriate qualification** and have gained appropriate experience in the provision of relevant services to clients”*

The CISI has mapped the ESMA guidelines against qualifications appropriate to both Information Providers and Investment Advisers.

Study

With our qualifications, you can choose to self-study for the exams using CISI workbooks, elearning or have formal training with one of our Accredited Training Partners (ATP). To find an ATP visit cisi.org/atp

We have outlined the core CISI relevant qualifications and whether they cover the ESMA requirements. If you have an alternative CISI qualification you would like us to check please let us know at customersupport@cisi.org



Information Providers for both Wholesale and Retail

The below qualifications fully incorporate the ESMA Guidelines for Information Providers. If you have passed the Introduction to Securities & Investment (UK) before 1 August 2017, then you must also read two extra paragraphs that have been identified to fully meet the requirements. Please visit cisi.org/intro to view.

International Introduction to Securities & Investment (Europe, non-UK) and Introduction to Securities & Investment (UK)

The Introduction to Investment qualification provides a comprehensive introduction to the financial services profession with a specific focus on investments from a global perspective. It is the first step in the CISI's qualification pathway, and it is taken by many practitioners as it is the foundation exam for higher level CISI qualifications.

Who should study the International Introduction to Investment?

The broad topics covered make the qualification suitable for all staff including, but not limited to, those giving information about investment products, investment services or ancillary services. 80 hours of study is required for this exam.

Key Features

- A comprehensive entry-level qualification – provides a detailed overview of investment and financial services terminology from a global perspective
- First step in the CISI's qualification pathway – can be taken as a stand-alone qualification or as part of the Investment Operations Certificate (IOC)
- Ideal for induction purposes – can be integrated into induction programmes to ensure a benchmark level of understanding amongst all employees
- Free CISI Student membership – become associated with a Chartered professional body and take advantage of an extensive range of benefits

Structure/Syllabus Summary

- Introduction
- Economic environment
- Financial assets and markets
- Equities
- Bonds
- Derivatives
- Investment funds
- Financial services regulation
- Other financial products

Assessment

A one-hour exam consisting of 50 multiple-choice questions. The pass mark for the exam is 70%. The exam is delivered by Computer Based Testing (CBT). Visit cisi.org/cbt to find your nearest venue.

Investment Advisers - Retail (UK)

If Investment Advisers already hold an active RDR qualification, including gap-fill where appropriate, then they already meet the ESMA appropriate qualification requirements. For those looking to become compliant then the CISI's relevant qualifications include:

Investment Advice Diploma (IAD)

The IAD provides a sound grounding in UK financial services and consumer relationships, macro-economic environment, settlement, safe custody and prime brokerage, exchange traded futures and options and financial protection. It has been specifically developed to comply with the examination standards of the RDR.

Who should study for the Investment Advice Diploma?

This qualification has been developed to provide employees advising and/or dealing in Securities or Derivatives, advising on Retail Investment Products and Friendly Society Tax-Exempt Policies and/or Managing Investments with the knowledge and skills required for their job roles. The recommended study time is 140 hours per unit.

Key features

- RDR compliant
- Syllabus tailored to meet the needs of employees advising retail clients
- Benchmark Level 4 qualification
- Pathway to higher level qualifications
- Recognised by the Financial Conduct Authority (FCA) - the IAD features on the FCA's Appropriate Qualification tables: IAD (Securities) regulated activities 2 and 12; IAD (Derivatives) regulated activities 3 and 13; IAD (Financial Planning & Advice) regulated activities 4 and 6
- Free CISI student membership - become associated with a chartered professional body and take advantage of an extensive range of benefits
- ACSI designatory letters

Assessment

The two core units within the programme are two-hour exams comprising:

- UK Regulation & Professional Integrity - 80 multiple choice questions
- Investment, Risk & Taxation - 80 multiple choice questions

Candidates must also pass one of the following exams:

- Derivatives - 80 multiple choice questions (two hour)
- Securities - 80 multiple choice questions (two hour)
- Financial Planning & Advice - 80 multiple choice and multiple response questions, with some based on case studies (two and a half hours)

Private Client Investment Advice and Management (PCIAM) with gap-fill

PCIAM has been designed to enable existing authorised practitioners to demonstrate their understanding of the principles of private client investment advice, within the context of the current regulatory environment.

The recommended study time for the Private Client Investment Advice & Management is 200 hours.

Key features

- PCIAM (with gap-fill) meets FCA step-change requirements announced as part of the RDR review. Visit [cisi.org/gapfill](https://www.cisi.org/gapfill) for more information on what's available. Please note candidates taking this qualification in December 2017, that the exam results are released in February 2018. So practitioners awaiting these results would need to advise under supervision until then, unless they hold another appropriate qualification.
- Real situations and issues contained in the syllabus
- Provides a sound grounding in investment principles and risk, and taxation planning
- Free CISI Student membership - become associated with a chartered professional body and take advantage of an extensive range of benefits
- MCSI designatory letters - you will be eligible to apply for MCSI membership of the Institute upon successful completion of the qualification

Structure/Syllabus Summary

The award is achieved by successfully passing the Private Client Investment Advice & Management exam (3 hours).

The syllabus includes:

- Financial Advice within a Regulated Environment
- Investment Taxation
- Trust and Trustees
- Principles of Finance Advice
- Financial Instruments and Products

To view the full syllabus visit [cisi.org/pciam](https://www.cisi.org/pciam)

Assessment

A three-hour written exam comprising:

Section A: Ten compulsory short-answer questions; 40% of the marks

Section B: One essay from a choice of three; 20% of the marks

Section C: One compulsory question based on a case study; 40% of the marks

PCIAM examinations are held twice a year, and are assessed by written exam. For detailed information visit [cisi.org/examtimetable](https://www.cisi.org/examtimetable)

For a list of examination centres visit [cisi.org/narrativevenues](https://www.cisi.org/narrativevenues)

Chartered Wealth Manager qualification (previously known as Masters in Wealth Management)

The Chartered Wealth Manager qualification is a postgraduate level specialist qualification which encompasses the breadth of knowledge needed to provide a high quality service to clients.

It is a progressive qualification and comprises three units:

- Financial Markets
- Portfolio Construction Theory
- Applied Wealth Management

Upon completion, you may be eligible to apply for the CISI's Chartered Wealth Manager title.

Who should study for it?

It is the CISI's flagship qualification for wealth managers, IFAs, private client managers, discretionary portfolio managers and private bankers. It is suitable for staff working in wealth management who wish to demonstrate their competence in devising investment portfolios that meet clients' needs. The recommended study time is 200 hours per unit (600 hours in total)

Key features

- Highly regarded qualification developed in consultation with leading stockbrokers, investment banks and financial services trade bodies
- Specialist qualification offering candidates in-depth knowledge of investment issues
- Client-focused practical qualification with around 40% of the study time allocated to working with client case scenarios
- Equips advisers with a qualification which will help build client confidence and trust
- Flexible study options, as the programme allows candidates to spread their studies over an 18 month period

- RDR compliant for advising on, and dealing in, securities and derivatives; advising on packaged products; and managing investments
- MCSI designatory letters
- Route to Chartered Wealth Manager title

Assessment

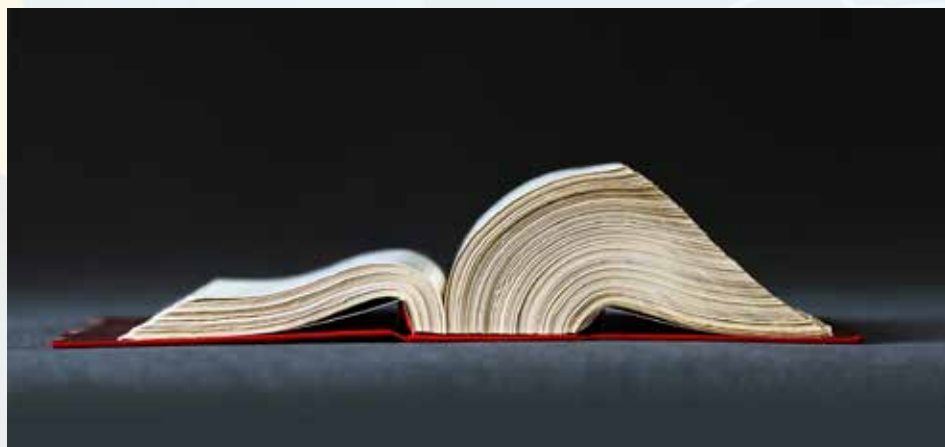
All units within the programme are three-hour narrative exams comprising:

- 1 x 40 mark case study, no choice
- 2 x 20 mark case studies, no choice
- 4 from 6 questions, worth 5 marks each

Please note, holders of any of the below qualifications with relevant gap-fill, will also have already met the ESMA appropriate qualification requirements:

- London Stock Exchange
- Investment Advice Certificate
- Chartered Wealth Manager (pre-2010) - Masters in Wealth Management
- CISI Diploma

Wealth manager assistants in the UK may want to consider undertaking International Certificate in Wealth & Investment Management (ICWIM) as a stepping stone towards an RDR pathway.



Understand the origins, implementation and the impact of MiFID II with the CISI Professional Refresher.
[cisi.org/mifidpr](https://www.cisi.org/mifidpr)

Investment Advisers - Retail (Europe, non-UK)

International Certificate in Wealth & Investment Management (ICWIM)

ICWIM covers the essentials of financial planning, private client asset management, fund management, advisory functions and investment analysis from a global perspective.

You will learn about the range of assets and investment products available in the market and you will gain the knowledge to provide financial advice and find appropriate solutions to meet the investment, retirement and protection planning needs for your clients. 154 hours of study time is recommended.

Key features

- Prepare for a career in wealth management – ICWIM provides a comprehensive introduction to financial planning, financial services regulation, investment analysis and lifetime financial provision
- First step in the CISI's wealth/retail pathway – you can build upon this qualification by progressing to higher level CISI wealth/retail qualifications
- Available to all – the qualification has no entry requirements
- Globally focused – provides knowledge of the key wealth management principles without focusing specifically on one jurisdiction
- Free CISI Student membership – become associated with a Chartered professional body and take advantage of an extensive range of benefits
- ACSI designatory letters

Structure/Syllabus Summary

- The Financial Services Profession
- Financial Services Regulation
- Asset Classes
- Collective Investment
- Fiduciary Relationships
- Investment Analysis
- Investment Management
- Lifetime Financial Provision

View the full syllabus at cisi.org/icwim

Assessment

ICWIM is assessed via a two-hour 100 multiple-choice question exam. The pass mark is 70%. The exam is delivered by computer based testing (CBT). Visit cisi.org/cbt to find your nearest CBT centre.

International Certificate in Advanced Wealth Management (ICAWM)

The International Certificate in Advanced Wealth Management is a new higher level qualification which consolidates knowledge gained from the level 3 International Certificate in Wealth and Investment Management (ICWIM). It explores the range of assets and investment products available in the market at an advanced level and you will learn how to assess a client's current financial position, make suitable investment recommendations, and respond appropriately to the changing needs of the client and circumstances of the market. 140 hours of study time is recommended.

Key features

- Second step in the CISI's wealth/retail pathway – it consolidates knowledge gained from the ICWIM and allows progression to the specialist, Chartered Wealth Manager Qualification
- Global qualification – provides advanced knowledge of the key wealth management principles without focusing specifically on one jurisdiction
- Client focused – strong emphasis on the client to help build client confidence and trust
- Examinable by Computer Based Testing – providing candidates with the flexibility to sit the exam all year
- Free CISI Student membership – become associated with a Chartered professional body and take advantage of an extensive range of benefits.
- ACSI designatory letters

Structure/Syllabus Summary

- Cash and Money Markets
- Bonds
- Equities
- Other Investments
- Collective Investments
- Financial Advice
- Portfolio Management

Assessment

A two-hour, 80 multiple-choice question exam delivered by computer based testing (CBT). Visit [cisi.org/cbt](https://www.cisi.org/cbt) to find your nearest venue.

Investment Advisers - Wholesale (UK and rest of Europe)

Capital Markets Programme:

The Capital Markets Programme is designed for individuals working in the securities and derivatives markets within the UK and internationally.

For those who passed the Capital Markets qualifications from 2013, as long as you hold both the Regulatory and Technical units together, then you meet the ESMA guidelines.

For candidates who took these exams before 2013 you should contact us to check whether you have other qualifications that cover you in terms of compliance.

For those who hold just one of the units then gap-fill will be required. Please contact us for further information.

Key features

- Best-practice benchmark qualification for the capital markets / wholesale sector
- Specialist input from leading practitioners
- Globally portable, reflecting the needs of an international market place
- Streamlined syllabuses, focusing on key concepts and principles
- Student membership - become associated with a chartered professional body and take advantage of an extensive range of benefits
- ACSI designatory letters - upon successfully achieving the Capital Markets Programme you will be eligible for Associate membership of the Institute

Structure/Syllabus Summary

The Capital Markets Programme comprises a modular exam structure of two units – a regulatory unit and a technical unit.

A Regulatory unit (study time 100/80 hours)

- UK Financial Regulation
- Local regulatory unit for candidates regulated outside of the UK

A Technical unit (study time 100 hours)

- Securities • Derivatives • Financial Derivatives

Assessment

The regulatory unit is completed successfully by passing a one hour 30 minute multiple-choice question exam while technical units can be up to two hour multiple-choice exams. Find out more at cisi.org/cmp

Certificate in Corporate Finance

The Certificate in Corporate Finance is fully ESMA compliant for those who have passed the full qualification from 2013 or are currently studying. It explores corporate finance legislation, regulation and techniques and provides you with an understanding of how corporate finance transactions are developed to meet client needs.

The Certificate is jointly offered by the CISI and ICAEW as part of the corporate finance programmes.

Key features

- The Certificate in Corporate Finance has been recognised by the FCA as an Appropriate Examination to equip individuals with a thorough understanding of corporate finance
- Suitable for a wide range of corporate finance staff; no previous qualifications are required
- Senior financial services practitioners are closely involved in the development of the programme ensuring the exams are work related
- Successful candidates can progress to the higher level Diploma in Corporate Finance
- Free student membership
- ACSI designatory letters

Structure/Syllabus Summary

The Certificate comprises two units (on average, 80 hours of study is required for each unit):

1. Regulation

- The Regulatory Environment in the UK
- FCA Conduct of Business Sourcebook
- Corporate Governance and Business Ethics
- Takeovers and Mergers
- Prospectuses
- Equity Capital Markets

2. Technical Foundations

- Quantitative Methods for Corporate Finance
- Financial Statements Analysis
- Capital Structure
- Introduction to Business Valuations
- Corporate Transactions
- Corporate Finance Documentation

Assessment

Each unit is completed by successfully passing a 1 hour exam consisting of 50 multiple-choice questions at one of our computer based testing (CBT) centres. Visit [cisi.org/cbt](https://www.cisi.org/cbt) to find your nearest venue.

Continuous Professional Development

Under the ESMA guidelines, firms will be required to:

- a) *Carry out an internal or external review, on at least an annual basis, of staff members' development and experience needs, assess regulatory developments and take any action necessary to comply with the ESMA requirements. This review should also ensure that staff possess an appropriate qualification and maintain and update their knowledge and competence by undertaking **continuous professional development**;*
- b) *Ensure that they submit to their regulator, on request, records concerning knowledge and competence of staff providing relevant services to clients*

The CISI is able to support firms and regulators in meeting their CPD obligations through the CISI CPD scheme and range of CPD benefits.

As of 1 April 2017, the CISI has implemented mandatory CPD which now also includes an element of Ethics. Existing members who joined the CISI prior to 1 April 2017 need to start their CPD year no later than 31 March 2018 in order to meet the new mandatory CPD requirements deadline of 31 March 2019.

We provide several resources to ensure members have all the opportunities to learn, develop, progress in their careers and meet their CPD requirements, see page 19 for examples.

CISI CPD Scheme

CPD is categorised as either Structured or Unstructured learning.

Structured

Structured CPD is defined as an activity undertaken for the express purpose of learning.

Examples:

- Attending CPD events
- Watching webcasts
- Undertaking exams/tests

Unstructured

Unstructured CPD includes unplanned activities, where there is no predetermined learning objective and outcome.

Examples:

- Undertaking research
- Reading publications

Structured/Unstructured

All online CPD activities and events undertaken with the CISI are automatically recorded on the CISI scheme and do not require evidence to be submitted in a CISI CPD audit.

Structured

Structured CPD is defined as an activity undertaken for the express purpose of learning. Examples:

I have attended a:

- Company briefing/update/ team meeting with an explicit briefing remit
- Exam training course
- Conference or CPD event
- Seminar
- Training course
- Workshop
- Professional forum

I have developed others by:

- Chairing or presenting at an industry-relevant event
- Member of industry-related board, panel or committee
- Developing and assessing exam questions
- Syllabus exam panel
- Training or briefing staff and colleagues on industry relevant topics
- Writing industry articles, workbooks and journals
- Contributing towards learning materials

I have watched or listened to:

- Verifiable webcast

I have undertaken:

- Exams
- Verifiable eLearning
- Exam revision material
- Studying material

I have read:

- Quality educational material with specific learning outcome

Unstructured

Unstructured CPD includes unplanned activities, where there is no predetermined learning objective and outcome. This also includes unaccompanied learning activities. Examples:

I have attended an:

- Informal meeting with no predetermined learning purpose

I have developed others by:

- Informal coaching and mentoring staff on industry relevant topics

I have watched or listened to:

- Television programmes on relevant topics
- Unverifiable podcasts
- Unverifiable webcasts
- Unverifiable live webstreams

I have undertaken:

- Research

I have read

- Financial Times*
- CISI's *The Review*
- Trade magazines
- Online news services
- Industry journals

"It is imperative for professionals working in the ever-evolving financial services sector to ensure the currency of their knowledge. CPD helps individuals maintain and add to their expertise and understanding, resulting in a deeper, and more rounded, level of professionalism."

Petros Florides, Chartered FCSI, Regional Governance Advisor

CISI CPD – Member Benefits

Continuing Professional Development (CPD)

A free online CPD log which records all online activities and events offered by the CISI automatically. Users can also manually add any non-CISI CPD.

Live events and networking

CISI members have extensive opportunities to make connections and share knowledge.

Progression through qualifications

Whatever stage of a career members are at – there is always potential for growth and progression.

We offer multiple qualification pathways across all areas of the financial services profession.

Log onto MyCISI

MyCISI is a personal online portal to all things CISI.

Access professional and personal membership benefits

Record and view progression to achieving yearly CPD targets

Update and change personal information

Review past events attended, qualifications taken and workbook purchases made

eLearning – Professional Refresher modules

Integrity & Ethics | Anti-Money Laundering | Financial Crime | Information Security and Data Protection | UK Bribery Act and more...

Free digital CISI magazine subscription

Keep up to date with the latest news and views from across the financial services industry through the CISI's acclaimed members' publication, *The Review*.

Individual Charter

Attaining an individual charter requires a continuous demonstration of knowledge, skills and behaviour. Through a combination of qualifications and a consistent record of CPD a member can become chartered.

CISI TV

Watch a selection of the most popular CPD events and expert opinions that will automatically be added to a CPD record.

“As a CISI member for almost ten years, I feel proud to be part of this well recognised and esteemed body. There are so many benefits I have enjoyed as a member and I find the annual CPD log requirement very useful for my personal development.”

Quote from 2017 Membership Survey

CISI Online CPD Record

Underpinning all CISI CPD activities, the CISI has developed its own online system that can be used to record an individual's Continuous Professional Development (CPD), giving each member an auditable record.



CISI CPD Superuser

To make managing and overseeing your staff's development programme as easy as possible, the CISI has a Superuser function, where you can monitor the CPD activities of your staff. It enables you to view the CPD records of all your employees who have an active record and have allowed Superuser access.

Benefits of Superuser include:

- Reports can be used to monitor the CPD activities undertaken by individuals.
- You can monitor completion of specific CISI Professional Refresher modules.
- You can create bespoke CPD activities and apply it to one, or all, of your staff's CPD records.
- Details can be imported or exported via Excel files.
- Emails can be sent to selected staff registered on the scheme.



Business Ethics

Under the ESMA guidelines, firms will be required to:

*“Ensure that staff providing relevant services possess the necessary knowledge and competence to meet relevant regulatory and legal requirements and **business ethics standards**”*

The CISI believes that integrity is a key component of professionalism, defined as the effective combination of knowledge, skills and behaviour. We offer a number of integrity products to assist firms to drive business ethics standards.

IntegrityMatters

IntegrityMatters is an online integrity test designed to highlight dilemmas practitioners may face at work, and has been taken by over 50,000 financial services professionals to date. This elearning tool highlights the importance of integrity and enables users to test their ability to make ethical decisions in the workplace.

Interactive Workshops

Our interactive workshops, which can be tailored to suit firms and delivered in-house, have been developed to get staff across your company thinking about how they can, and would, respond to potential issues, and include interactive and anonymous voting.

Integrity at Work This workshop explores real-life ethical challenges experienced in the workplace and offers attendees the opportunity to vote on how they would respond should they be faced with the challenge.

Speak Up This workshop provides you and your colleagues with the opportunity to discuss and debate a series of true to life scenarios, and gives you the tips and tools to speak up with confidence.

Professional Refresher

Professional Refresher is our online learning system, including a self-administered test, and is free for CISI members. It offers learning modules to support the latest regulatory and financial services changes. Modules include:

Integrity & Ethics	High level view Ethical behaviour An ethical approach Compliance vs ethics	Speak Up	Obstacles to speaking up Legislation Best practice The future
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Code of conduct

We require all our members to take an IntegrityMatters test as a condition of membership and require members to sign up to our Code of Conduct.

Professionals within financial services owe important duties to their clients, the market, the profession and society. Where these duties are set out in law or regulation the professional should comply with the requirements in both letter and spirit. Our Code of Conduct sets out the standards we expect members to adopt, and can be used as a guide when members find themselves in situations where the appropriate course of action is not immediately obvious.

Our Code consists of eight Principles:

Principles

Stakeholder

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1. To act honestly and fairly at all times, putting first the interests of clients and customers and to be a good steward of their interests and those of counterparties, 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. | <i>Client</i> |
| 2. To act with integrity in fulfilling the responsibilities of your appointment and seek to avoid any acts, omissions or business practices which damage the reputation of your organisation or the financial services profession. | <i>Firm
Profession</i> |
| 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. | <i>Regulator</i> |
| 4. To observe the standards of market integrity, good practice, conduct and confidentiality required or expected of participants in markets when engaging in any form of market dealings. | <i>Market/
participant</i> |
| 5. To be alert to and manage fairly and effectively and to the best of your ability any relevant conflict of interest. | <i>Client</i> |
| 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. | <i>Client/
Colleagues/
Self</i> |
| 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. | <i>Client/Self</i> |
| 8. To strive to uphold the highest personal and professional standards at all times. | <i>Profession/
Self</i> |





Contact details

If you have any question about the products and services we offer, or would like to know more about becoming involved with the CISI, please contact us.

cisi.org/esma
esma@cisi.org