

**Chartered Financial Planners**

# **Overview of enhancements**

## **CII corporate Chartered status scheme**

# Overview of enhancement

The CII undertook a review of the standards and eligibility criteria for corporate Chartered status to ensure this continues to underpin customers' expectations of Chartered firms and to further raise standards across the insurance and financial advice professions.

The primary enhancements are:

- The introduction of a formal Chartered contract
- Stronger oversight and improved governance requirements
- Clearer and more precise criteria centred around competence, conduct and culture
- Enhanced qualification criteria providing greater access to individually qualified Chartered advisers.

For ease of reference, we have detailed the principal enhancements being made to the corporate Chartered status scheme. Unless stipulated otherwise these are effective from 1 July 2015 for newly applying firms and at next renewal for existing Chartered firms.

Full details can be found at [www.cii.co.uk/CCSreview](http://www.cii.co.uk/CCSreview)

Principal enhancements to corporate Chartered status (CCS)		Review generated	Codification of existing CII practices	Increased oversight/ Governance	Legislative/ Regulatory
General	<b>Implementation of a ‘Chartered contract’ (comprising Guidance, Terms &amp; Conditions and Rules) formalising the rights and obligations of both the CII and the Chartered firm.</b>	●	●	●	
	Comprehensive ‘ <b>Definition of terms</b> ’ including:				
	• <b>Appropriate Management Team</b> (replacing ‘Highest Management Team’). Catering for organisations whose principal business is not that covered by the Chartered title being applied for, but have a specialist division that does so. Supports introduction of ‘CCS Sponsor’ (see below)	●		●	
	• <b>Customer-Facing Staff</b> – expanded messaging to address common queries received	●	●		
	• <b>CCS Sponsor</b> – new requirement for a nominated Board Member to oversee compliance with the requirements of corporate Chartered status, where the Responsible Member is not a member of the statutory Board or an equity partner in a partnership	●		●	
	• <b>Territorial limits</b> – introduction of territorial restrictions. The existing criteria theoretically allowed applications from any jurisdiction. Applications are now to be permitted only from jurisdictions of which the CII has a good knowledge and or where declarations made can be fully verified.		●		
	<b>Three year trading requirement for newly applying firms</b> – To ensure Chartered firms have a proven track record of reputable practice. The existing criteria allowed for a newly formed organisation to receive authorisation from the FCA and then immediately apply to the CII for Chartered status.	●		●	
	<b>Partnership declaration confirming identity</b> – Since there is no central registry of unincorporated firms (unlike company directors who can be verified at Companies House) formal confirmation is required.	●		●	
<b>Declarations in respect FSA/FCA/corporate or personal criminal activity during last five years</b> – An additional check to help ensure that only fit and proper persons/organisations are accepted.	●		●		
<b>Audit</b> – Annual audit from 2016 of 10% of Chartered firms to determine compliance and reinforce best practice.	●		●		
Competence	<b>Responsible Member</b> – Revised and updated list of the responsibilities attaching to role in respect of ensuring compliance with the Chartered requirements.	●		●	
	<b>New fixed criteria relating to qualified staff: minimum of 25% of advisers to personally hold Chartered Financial Planner status by 1 July 2017, increasing to 50% from 1 January 2020 (or at next renewal after these dates in the case of existing Chartered firms)</b> – Applies only to Chartered Financial Planners status and replaces points based system involving variable criteria relating to the holding of different CII qualifications by different categories of staff from Board through to non-advisory staff. This reinforces the need for competence throughout the organisation, especially among advisory personnel, and not (as is often the case) currently centred on senior management.	●			
Conduct	<b>Board/90% Customer-Facing Staff CII/PFS membership requirement</b> – Highlight that they are bound by the CII’s Code of Ethics.	●	●	●	
	<b>Updated and expanded guidance to assist with the stated requirements around implementing core values and business practices that align to the CII/PFS Code of Ethics.</b>	●	●	●	
	<b>Regulatory conduct</b> – Aligned business conduct requirements to those of the FCA. Within this context, Chartered firms are tasked with aspiring to exceed the minimum regulatory requirements in order to demonstrate they are ‘best in class’. Guidance produced to support this.	●		●	
Culture	<b>Customer access to a qualified Chartered individual</b> – New requirement that this must be within 10 days of being requested. This introduces a fixed service standard to improve the customer experience.			●	
	<b>Professional development programme</b> – Extended to include all employees. Helps to further differentiate Chartered from non-Chartered firms, reinforces the importance of professionalism throughout the firm and highlights the importance of lifelong learning irrespective of qualifications held. For CII/PFS qualified members and all retail investment advisers, a minimum 35 hour requirement applies. For other staff, the Chartered firm determines the required professional development on an individual-by-individual basis.	●		●	
Supplementary information	Reviewed and updated to reflect legislative changes, to codify current CII practice and to improve clarity. This covers: <ul style="list-style-type: none"> <li>• <b>Prohibited use of the word ‘Charter’ or ‘Chartered’</b></li> <li>• <b>Trading names and trading styles</b></li> <li>• <b>Partnerships comprising entirely of CII Chartered title holders</b></li> <li>• <b>Monitoring and disciplinary procedures</b></li> <li>• <b>Publication of corporate Chartered status.</b></li> </ul>	●	●	●	●
Additional guidance – Appendices	<b>Appendix 1</b> – Conduct guidance to assist Chartered firms in understanding and, in turn, meeting and exceeding the FCA’s regulatory conduct rules.		●	●	●
	<b>Appendix 2</b> – Core values and business practices: updated list of protected characteristics in line with the requirements of the Equality Act 2010.	●		●	

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