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Telephone Recording Policy

[SYSC 9](#) of the FCA Handbook sets out the general rules on record-keeping for firms. The Firm and its ARs must arrange for orderly records to be kept of its business and internal organisation.

- The records must be sufficient and retained in a medium that would allow the FCA (or any other relevant competent authority) to access them in the future, without undue delay.
- The records must allow reconstitution of each key stage of the processing of each relevant transaction undertaken by the Firm/AR.
- It must be possible for any corrections or other amendments, and the contents of the records prior to such corrections, to be easily ascertained.
- It must not be possible for the records to be manipulated or altered otherwise.
- The records must be provided to the client involved upon request.
- The Firm/AR must retain all records relating to activities in scope of UK MiFID for a period of at least 5 years, and, where requested by the FCA, for a period of up to 7 years.

The Firm and its ARs are also expected to have in place appropriate standalone data retention and management policies which will detail the data held, the necessary retention periods, and the steps in place to appropriately and securely dispose of this data.

[SYSC 10A.1](#) reflects the requirements under UK MiFID that many firms, including investment management firms and small UK AIFMs, need to comply with in relation to the recording of telephone conversations when arranging, dealing and managing financial instruments (as defined by FCA rules). This requirement therefore applies to both the Firm and its ARs unless an appropriate exemption exists.

Exemptions are contained in SYSC 10A1.4 and include that the requirements do not apply where the financial instruments in question are NOT:

1. Admitted to trading on a trading venue.
2. Traded on a trading venue.
3. Instruments for which a request has been made for admission to trading on a trading venue.
4. Instruments covered by paragraph (1), (2) or (3), but the price or value of which depends on, or has an effect on, the price or value of a financial instrument referred to in those paragraphs.

Therefore, as the Firm's activities (and therefore those of its ARs) do not include the above instruments as the majority of instruments involved are unlisted securities or debts/loans, at present the Firm and its ARs are not required to record relevant telephone calls as described.

However regardless, a full audit trail of any significant communications relating to advising and arranging deals (ARs) and managing investments (the Firm) should be always maintained including by way of using files notes and/or emails.

If this exemption no longer applied, the Firm and its ARs would ensure they were able to comply with the following policy:

- Have in place the necessary telephony systems to comply with the regulatory rules and ensure that it keeps an adequate record of these calls. This includes the time and date of the call, and any other reference data to enable efficient retrieval, with the holding of these calls treated in the same manner as all other electronic and hard-copy data.

- As such, telephone calls must be held for a minimum of 5 years, or 7 years if requested by the FCA, and thereafter deleted as necessary.
- All calls during Firm business will be made using Firm-provided equipment, including mobile devices. Staff are not permitted to utilise their own equipment.
- Monitoring arrangements would include a regular sampling of relevant calls by both the AR under general oversight and the Firm under its annual monitoring programme.
- For calls that specifically relate to activities in financial instruments, the Firm and its ARs are required to pre-notify those clients that it intends to record the conversations. However, the pre-notification is only required as a one-off; so, for new clients prior to the commencement of any investment services, and for existing clients prior to the next provision of investment services.
- SYSC 10A.1 also requires client instructions given otherwise than by telephone to be made in a durable medium such as by mail, emails or documentation of client instructions issued at meetings. The content of relevant face-to-face conversations with a client may be recorded by using written minutes or notes.