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APPENDIX M: KNOWLEDGE AND COMPETENCE ASSESSMENT SHEET 2

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Knowledge and Competence Assessment Sheet

- If the individual being assessed is the senior manager, the form has to be assessed by the Firm’s SMF16.
- If the individual is anyone else, the form has to be assessed by the AR’s nominated senior manager, who is also a governing function holder.

Basic Details (to be completed by the person filling in the form)	
Name of individual being assessed	
Job title	
Employer	
Name of supervisor	
Controlled Functions held or applied for (if applicable)	
Key responsibilities	
Length of time in current role	
Form completed by	
Date of completion	

Assessment Details (to be completed by a senior manager or the Firm’s SMF16 depending on the circumstances)	
Assessment type (initial/annual)	
Assessment period (n/a for initial assessment)	
Date of assessment	
Name of principal assessor (nominated senior manager’s name or the Firm’s SMF16)	
Result (pass/conditional pass/fail)	
Date of Approved Person’s agreement	
Date of interim follow-up, if applicable	
Date of next assessment (annually)	

- Please include comments for all types of competence status (achieved, partially achieved, and not yet achieved).
- If an assessment area is deemed ‘not applicable’ please also state the reason for this.
- Initial/annual training provided by the Firm covers a number of these assessment areas.

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
1	Appropriate Qualifications	Qualification(s) (relevant to the role – refer to CV) or other test(s) that meet the criteria in the ESMA Guidelines ¹ (see section 3 or 4 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	Appropriate Experience	At least 6 months relevant full-time experience where the member of staff has successfully demonstrated the ability to perform the relevant services through previous work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3	ESMA criteria for knowledge and competence for staff giving information about investment products, investment services or ancillary services	To be completed for staff giving information about investment products, investment services or ancillary services that are available through the Firm, to ensure they have the necessary knowledge and competence to:				
3.1		Understand the key characteristics, risk and features of the investment products being offered or recommended, including any general tax implications to be incurred by the client in the context of transactions. Particular care should be taken when providing advice with respect to products characterised by higher levels of complexity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.2		Understand the total amount of costs and charges to be incurred by the client in the context of transactions in an investment product, or investment services or ancillary services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.3		Understand the characteristics and scope of investment services or ancillary services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

¹ ESMA Guidelines for the Assessment of Knowledge of Competence:

https://www.esma.europa.eu/sites/default/files/library/esma71-1154262120-153_guidelines_for_the_assessment_of_knowledge_and_competence_corrigendum.pdf

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
3.4		Understand how financial markets function and how they affect the value and pricing of investment products on which they provide information to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.5		Understand the impact of economic figures, national/regional/global events on markets and on the value of investment products on which they provide information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.6		Understand the difference between past performance and future performance scenarios as well as the limits of predictive forecasting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.7		Understand issues relating to market abuse, anti-money laundering and general regulatory compliance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.8		Assess data relevant to the investment products on which they provide information to clients such as Key Investor Information Documents, prospectuses, financial statements, or financial data.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.9		Understand specific market structures for the investment products on which they provide information to clients and, where relevant, their trading venues or the existence of any secondary markets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.10		Have a basic knowledge of valuation principles for the type of investment products in relation to which the information is provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4	ESMA criteria for knowledge and competence for staff giving investment advice	To be completed for staff giving investment advice to ensure they have the necessary knowledge and competence to:				

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.1		Understand the key characteristics, risk and features of the investment products being offered or recommended, including any general tax implications to be incurred by the client in the context of transactions. Particular care should be taken when providing advice with respect to products characterised by higher levels of complexity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.2		Understand the total costs and charges to be incurred by the client in the context of the type of investment product being offered or recommended and the costs related to the provision of the advice and any other related services being provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.3		Fulfil the obligations required by firms in relation the suitability requirements including the obligations as set out in the ESMA Guidelines ¹ on certain aspects of the MiFID suitability requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.4		Understand how the type of investment product provided by the Firm may not be suitable for the client, having assessed the relevant information provided by the client against potential changes that may have occurred since the relevant information was gathered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.5		Understand how financial markets function and how they affect the value and pricing investment products offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.6		Understand the impact of economic figures, national/regional/global events on markets and on the value of investment products being offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.7		Understand the difference between past performance and future performance scenarios as well as the limits of predictive forecasting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.8		Understand issues relating to market abuse, anti-money laundering and general regulatory compliance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.9		Assess data relevant to the type of investment products offered or recommended to clients such as key investor information documents, prospectuses, financial statements, or financial data.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.10		Understand specific market structures for the type of investment products offered or recommended to clients and where relevant their trading venues or the existence of any secondary markets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.11		Have a basic knowledge of valuation principles for the type of investment products offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.12		Understand the fundamentals of managing a portfolio, including being able to understand the implications of diversification regarding individual investment alternatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.13		Understand the difference between information and advice, and understand in which it is deemed appropriate to give either advice or information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5	Company Policies and Procedures	Understanding of latest version of the <u>Manual</u> and employer's staff handbook (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6	Continuing Professional Development	At least 35 hours achieved in a CPD year, 21 of which is structured (to be completed for annual assessment only; not required for the initial assessment).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Fitness and Propriety for Approved Persons (Firm use only)					
Ref	Assessment Area	Details of Assessment	Status		Justification/Comments/Actions
			Confirmed	Query	
7.1	Honesty, Integrity and Reputation (FIT 2.1)	Any issues recorded or changes notified in assessment period?	<input type="checkbox"/>	<input type="checkbox"/>	
7.2	Competence and Capability (FIT 2.2)	See the table above	<input type="checkbox"/>	<input type="checkbox"/>	

Fitness and Propriety for Approved Persons (Firm use only)					
Ref	Assessment Area	Details of Assessment	Status		Justification/Comments/Actions
			Confirmed	Query	
7.3	Financial Soundness (FIT 2.3)	Date of last credit check. Any issues recorded in assessment period?	<input type="checkbox"/>	<input type="checkbox"/>	
7.4	Time taken to achieve competence (ESMA Guidelines)	Competency achieved within the prescribed timescales (48 months)	<input type="checkbox"/>	<input type="checkbox"/>	