

Contents

APPENDIX N: GUIDANCE FOR APPENDIX M ..... 2

    Guidance for Completing Appendix M..... 2

        Purpose ..... 2

        Basic Details ..... 2

        Knowledge and Competence ..... 2

# APPENDIX N: GUIDANCE FOR APPENDIX M

## Guidance for Completing Appendix M

### Purpose

To assess competence at the outset, periodically (e.g. annually) and for each new role being undertaken.

### Basic Details

For current role for which competence is being assessed.

### Knowledge and Competence

- To check the boxes – double click on the box, select ‘checked’ (or ‘not checked’ where appropriate) and click ‘OK’.
- Where a section is N/A – explain why in the last column.
- For each status selected – justification or, where the assessment area is partially or not yet achieved, actions should be detailed in the last column.
- Competence areas:
  - Those listed consider the requirements under MiFID II and also other appropriate areas of knowledge, e.g. a firm’s policies and procedures.
  - Where appropriate, all areas (1, 2, 5, 6 and 3 and/or 4) must be achieved to be assessed as fully competent.
  - Areas under 3 are for staff giving only information on investments, not advice – examples are provided in the ESMA guidelines.
  - Areas under 4 are for staff giving advice on investments.
  - It should be noted that, for staff giving advice, they are likely to also be giving information.
  - The competence requirements for 3 and 4 are very similar. Therefore, if an individual is giving advice and has achieved area 4, it is likely they have also achieved most of area 3 too.
- Competent status guide: partially achieved status – this is where remedial training or gap-fill is required. For example, the individual is new to the role and so has not accumulated the necessary amount of relevant full-time experience, the individual has previously been assessed as competent but has perhaps not kept up with CPD, or a training issue has been identified, etc. It can also be used to indicate those that are on their way to achieving a particular requirement.
- Appropriate qualifications – see [ESMA Guidelines](#) and, where appropriate, the [FCA’s TC Sourcebook](#). Also consider noting other professional and/or academic qualifications/certificates.
- Company policies and procedures – enter version numbers and in the last column, enter the date these were last reviewed.
- CPD:
  - To help demonstrate competence is being maintained, appropriate CPD should be logged. The retail CPD requirement (35 hours per annum, 21 of which is structured) is used as the benchmark. This equates to about 3 hours per month.
  - The individual’s CPD year should be noted.
  - This assessment area refers to the last complete CPD year and evidence of completion should be included (e.g. certificate(s) and/or CPD log, not applicable for initial assessment).
  - Comments (including hours already logged) on the current CPD year should also be included.

- Evidence in relation to all assessment areas should be reviewed as part of the assessment and noted in the end column. In addition, the following pieces of evidence should be attached and filed with the assessment sheet:
  - Relevant certificates (unless already provided, including as part of onboarding).
  - CPD log and/or certificate(s) covering last complete CPD year (n/a for initial assessment).
  - Latest induction/development plan, if applicable.
- Fitness and propriety for Approved Persons (Firm use only).
  - For use and completion by Firm staff.
  - Only to be completed for those looking to hold, or already holding, a Controlled Function.
  - For each assessment area the assessor should review the evidence (for the relevant period) and record justification for the confirmed status in the last column.
  - Where there is a query, this should also be noted and then a date note added on any action taken and once the query is resolved. This is to ensure there is a complete audit trail.
  - For 7.2, the date that the Approved Persons Statements of Principle and Code of Practice (APER) or Conduct Rules (COCON) was last reviewed should also be inserted. Approved persons are expected to review the relevant rules annually (to the month).