

REPRESENTATIVE EXAM MODULE 7



GENISTAR
Financial Freedom For All

TOPICS AND EXAM INFORMATION

In this module we'll be covering:

- Senior Managers & Certification Regime (SM&CR)

EXAM

After you have gone through the learning materials, you will take an exam to test your comprehension.

- Multiple-choice questions
- Not timed
- Refer to your notes
- Three attempts to pass

ADDITIONAL SUPPORT

This video presentation and workbook should cater to most learning styles, but if you have additional support needs, you must notify us before you use your 3 attempts.

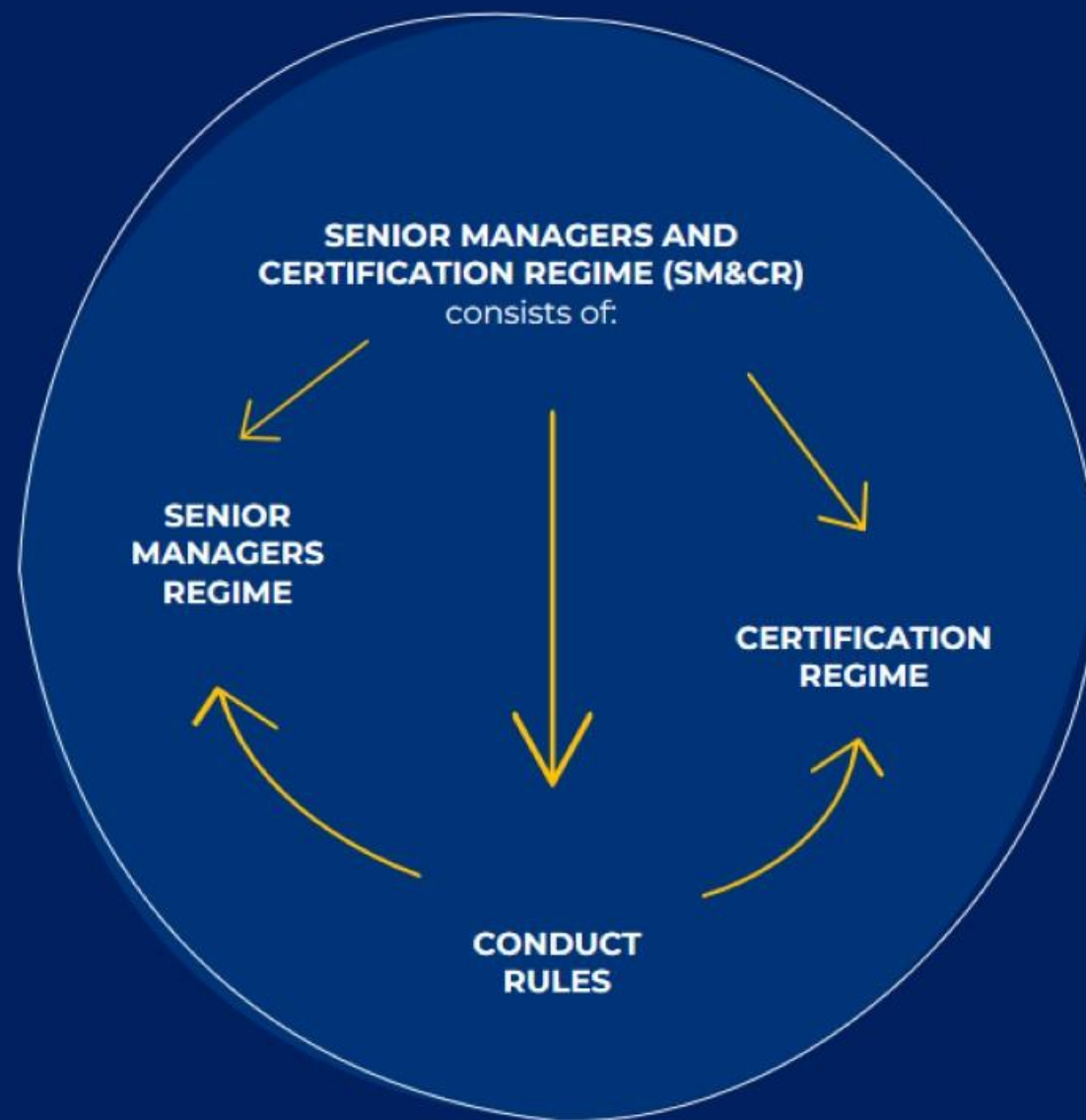
WHAT IS SM&CR?

Senior Managers and Certification Regime (SM&CR):

- Protects consumers
- Strengthens integrity in the financial services market

This regime consists of three parts:

- **Senior Managers Regime**
 - Most senior people who perform key functions
 - Must be approved by FCA
- **Certification Regime**
 - Roles with significant impact
 - Company certifies they are fit and proper
- **Conduct Rules**
 - Everyone in the company must abide by these rules



CONDUCT RULES

These conduct rules are designed to maintain or improve standards of behaviour for individuals.

- **Who?** The conduct rules of SM&CR apply to **everyone at Genistar** who is involved in the delivery of a financial service to a customer. This includes directors, representatives, office managers, PAs and all staff at the Field Support Centre.
- **Which activities?** At Genistar, the scope of the conduct rules covers all activities of representatives, including client meetings, insurance sales, referrals and recruitment.



EVERYONE AT GENISTAR



SM&CR CONDUCT RULES



IMPROVE STANDARDS OF
BEHAVIOUR & CONDUCT

NUMBER 1: INTEGRITY

Rule of Conduct Number 1:

YOU MUST ACT WITH INTEGRITY.

This requires you to act in an honest manner in all dealings with Genistar, its customers and employees.

Examples:

- Always be **truthful**: never deliberately mislead a client.
- Always be **forthright**: never leave off important information, even if it may appear unfavourable.
- Always be **honest**: never falsify documents.
- Always be **trustworthy**: never misuse confidential information.



NUMBER 2: SKILL, CARE, DILIGENCE

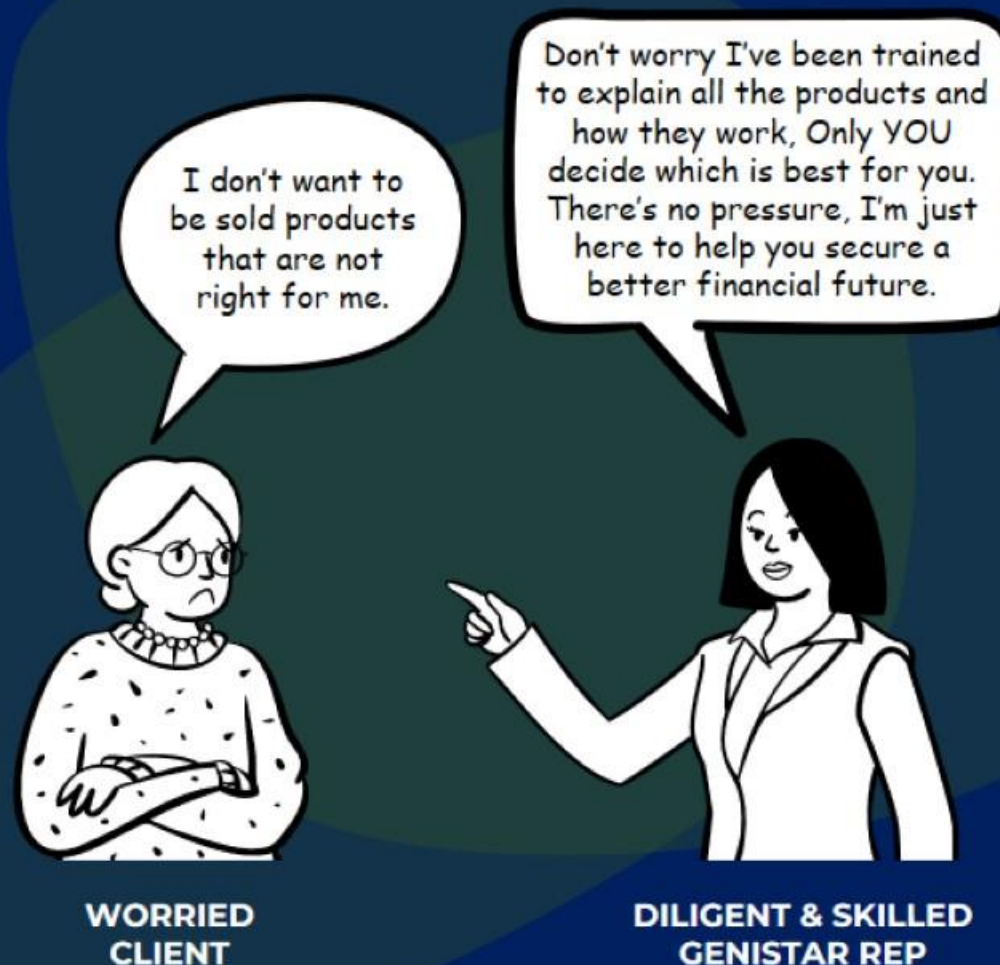
Rule of Conduct Number 2:

YOU MUST ACT WITH DUE SKILL, CARE AND DILIGENCE.

This requires you to ensure you are taking appropriate caution in your role and meeting regulatory requirements.

Examples:

- Always be certain you are **qualified** and **properly trained** before carrying out any functions.
- Always follow a **compliant** sales process.



NUMBER 3: OPEN AND COOPERATIVE

Rule of Conduct Number 3:

YOU MUST BE OPEN AND COOPERATIVE WITH THE FCA AND OTHER REGULATORS.

This consists of either reporting information directly to the FCA or assisting in the collation of information internally.

Examples:

- **Comply** with any request to attend a meeting with the FCA
- **Never hinder** the reporting of an incident which should be reported.
- **Cooperate** with the FCA by providing requested documentation.

We require you to attend an FCA meeting regarding a client of yours.



FCA INVESTIGATOR

Of course. I'll cooperate fully with whatever you need.



COOPERATIVE GENISTAR REP

NUMBER 4: INTEREST OF CUSTOMERS

Rule of Conduct Number 4:

YOU MUST PAY DUE REGARD TO THE INTERESTS OF CUSTOMERS AND TREAT THEM FAIRLY.

This rule applies even when your role doesn't include direct contact with customers.

Examples:

- **Responding to a client's interest** by providing a product they have requested.
- **Being responsible**, by providing clients with proper documents, such as terms and conditions.
- **Treating a client fairly** by attempting to resolve a mistake.



CLIENT WITH CERTAIN INTERESTS

I have a large family and I need all these things.

We understand your concern about your family, and we'll help you find products that will meet all your requirements.



A FAIR GENISTAR REP

NUMBER 5: PROPER STANDARDS

Rule of Conduct Number 5:

YOU MUST OBSERVE THE PROPER STANDARDS OF MARKET CONDUCT

Markets are not limited to regulated markets like the stock market, they include consumer markets for products and services.

Example:

- You must never use insider information gained from a customer or from Genistar to benefit personally or to benefit others.

Oh no! It looks like this person has used confidential client information for their own personal gain. I must inform the compliance department.



**AN OBSERVANT
GENISTAR REP**

NUMBER 6: GOOD OUTCOMES

Rule of Conduct Number 6:

YOU MUST ACT TO DELIVER GOOD OUTCOMES FOR RETAIL CUSTOMERS.

You must take active steps to ensure that the interests of consumers are central to the company's culture and are embedded throughout the organisation.

Examples:

- You ensure good customer outcomes are discussed regularly.
- You ensure individuals at all levels receive adequate training regarding their obligations.
- You set the tone from the top, by embedding a culture in which good outcomes for consumers is central.

Everyone at Genistar works hard to ensure that our clients receive a good financial education and are offered the products and services that meet their needs.



GENISTAR
REPRESENTATIVE

SENIOR MANAGERS FUNCTIONS (SMF)

The Senior Managers at Genistar hold the following Senior Management Functions (SMF).

SMF 1 – Chief Executive

SMF 3 – Executive Director

SMF 16 – Compliance Oversight

SMF 17 – Money Laundering Reporting

The holders of these functions have been approved by the FCA, have been found to be competent, fit and proper. Any decision made for the company must comply with the FCA conduct rules. They carry the responsibility for the conduct of the business.



SMF 1
CHIEF EXECUTIVE



SMF 3
EXECUTIVE DIRECTOR



SMF 16
COMPLIANCE OVERSIGHT



SMF 17
MONEY LAUNDERING REPORTING

ADDITIONAL CONDUCT RULES FOR SMFs

At Genistar, we have a number of **Senior Managers who have FCA authorisation** for key functions within the business. The following additional conduct rules apply to them:

1. You must take reasonable steps to ensure that the business of the firm which you are responsible for is controlled.
2. You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.
3. You must take reasonable steps to ensure that any delegation of responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.
4. You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

A cartoon illustration of a woman with dark hair tied up in a bun with a white bow. She is smiling and holding a large white rectangular sign with both hands. The sign contains the text 'It's good to know these rules.' in red. The background behind her is a dark blue gradient with some lighter blue wavy shapes at the bottom.

It's good to know
these rules.

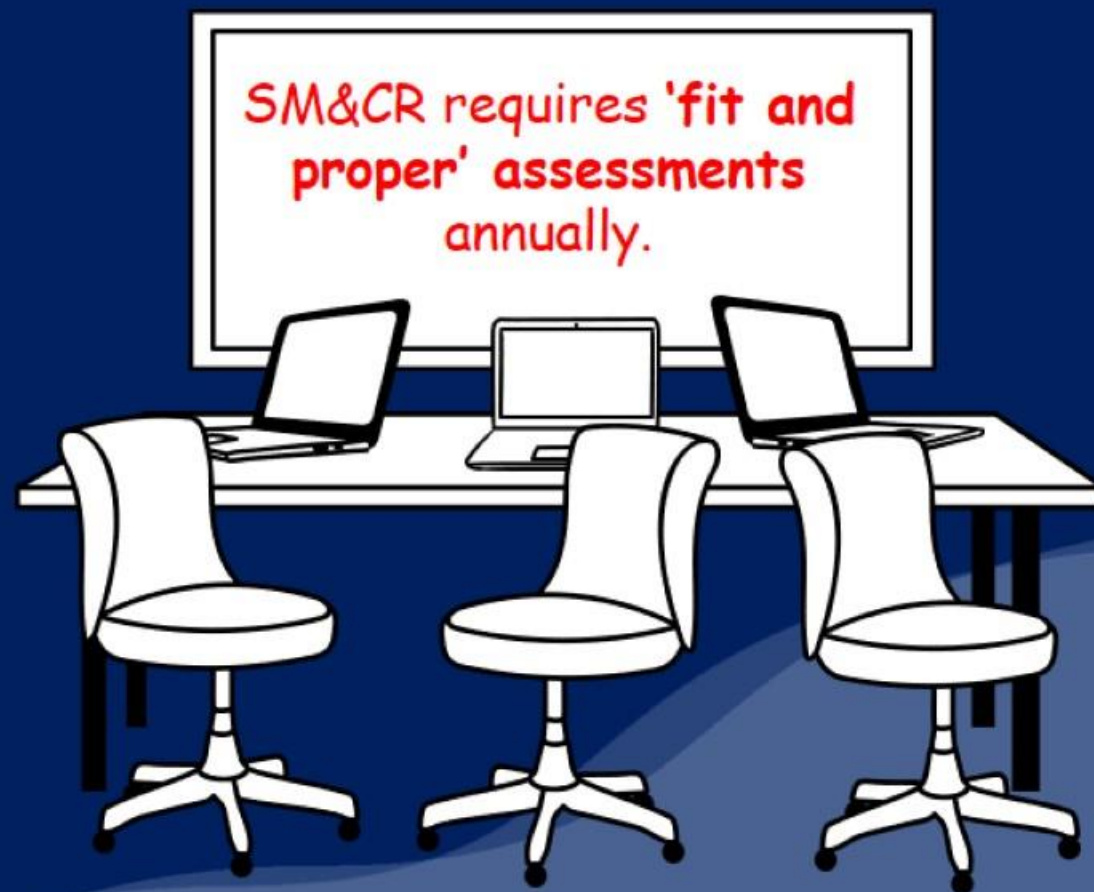
FITNESS AND PROPRIETY

GOOD CONDUCT ≠ FIT AND PROPER

SM&CR requires, 'fit and proper', assessments annually

1. **Honesty – Integrity – Reputation**
2. **Competence – Capability**
3. **Financial Soundness**

Companies must ensure that those working for them - and especially those working with clients - are 'fit and proper' to perform their roles.



BREACHES

- Where a firm takes disciplinary action against a person for breaching conduct rules (for example terminating or suspending a representative), this must be **notified to the FCA**.
- If this is against a **senior manager**, it must be reported within **7 business days**. For anyone else, it can be reported annually through usual regulatory reporting requirements.
- Breaches only need to be reported to the FCA where a relevant disciplinary process has been completed, including:
 - Issuing a formal written warning
 - Suspension or dismissal of an individual
 - Reduction or recovery of a person's earnings

Senior Manager → 7 business days
Anyone else → annually



GENISTAR'S CORE VALUES AND MISSION

Our Core Values -
**Integrity – Diversity & Inclusivity -
Teamwork**

Our Mission:
**To Help People Have a Better
Financial Future**





THANKS FOR WATCHING!

You will now have some questions to answer about SM&CR



GENISTAR
Financial Freedom For All