



FCA  
Are you Ready?



## The Panel - Chairman



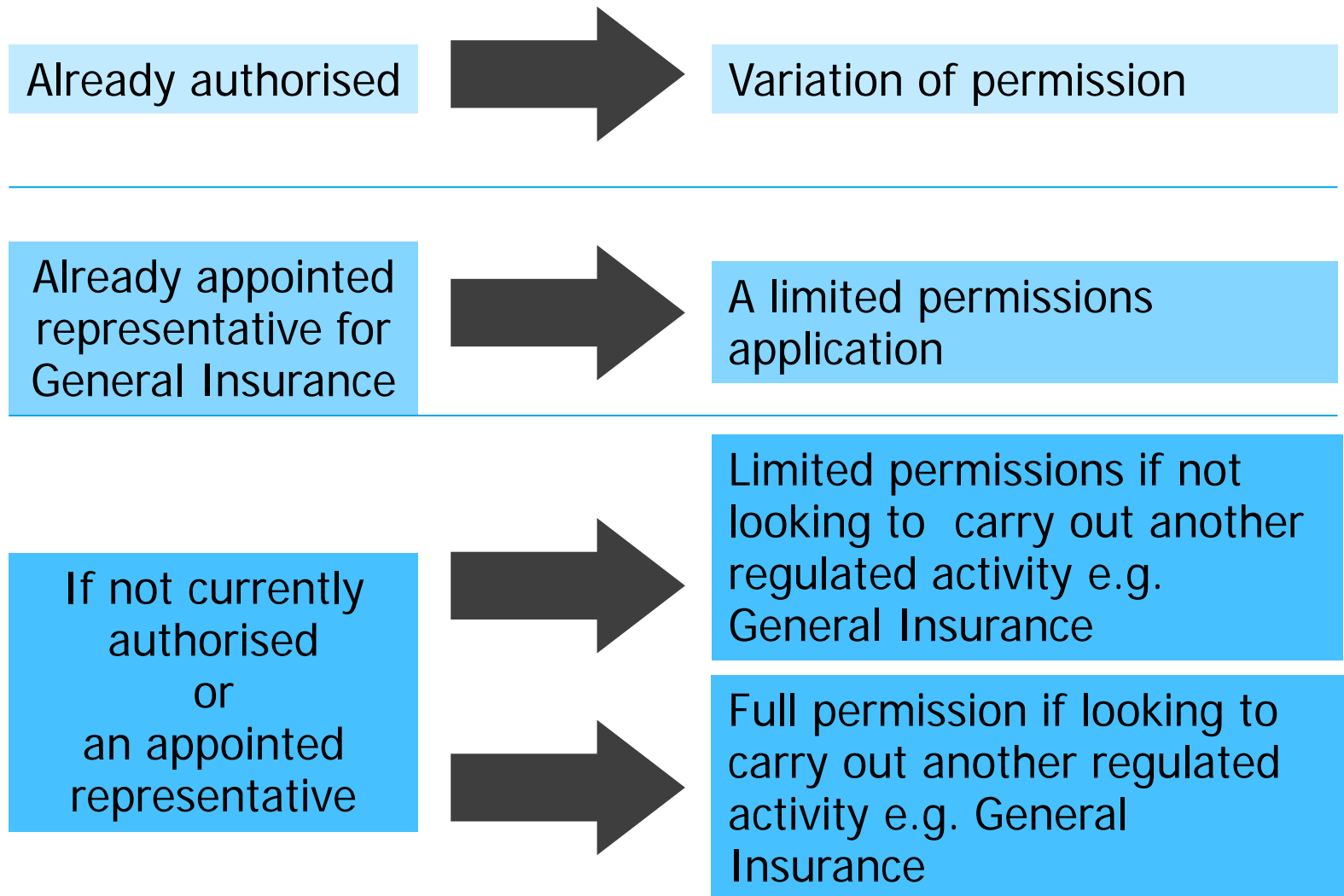
- **Jeremy Bennett – Editor Automotive Management Magazine.**
- Editor AM magazine for 5 years
- Managed digital content and online platforms for AM publisher; Bauer.
- Previous Editor for AM's sister title Fleet News

## The Panel – FCA expert



- **Martin Parr – Alphera FCA Readiness Manager**
- Martin has 43 years experience in financial services with the last 36 years in motor finance.
- His motor finance experience commenced in sales which included involvement in F & I training for salesman together with being a stand-in business manager. Following branch management and credit underwriting responsibilities he joined BMW in 1995.
- He has had responsibilities for fraud prevention and regulatory compliance, both FSA and FCA, for the past 12 years.

# Which application?



# Application requirements

- The FCA needs to be satisfied that you can:

Identify all regulated activities and any unregulated activities you intend to carry on.

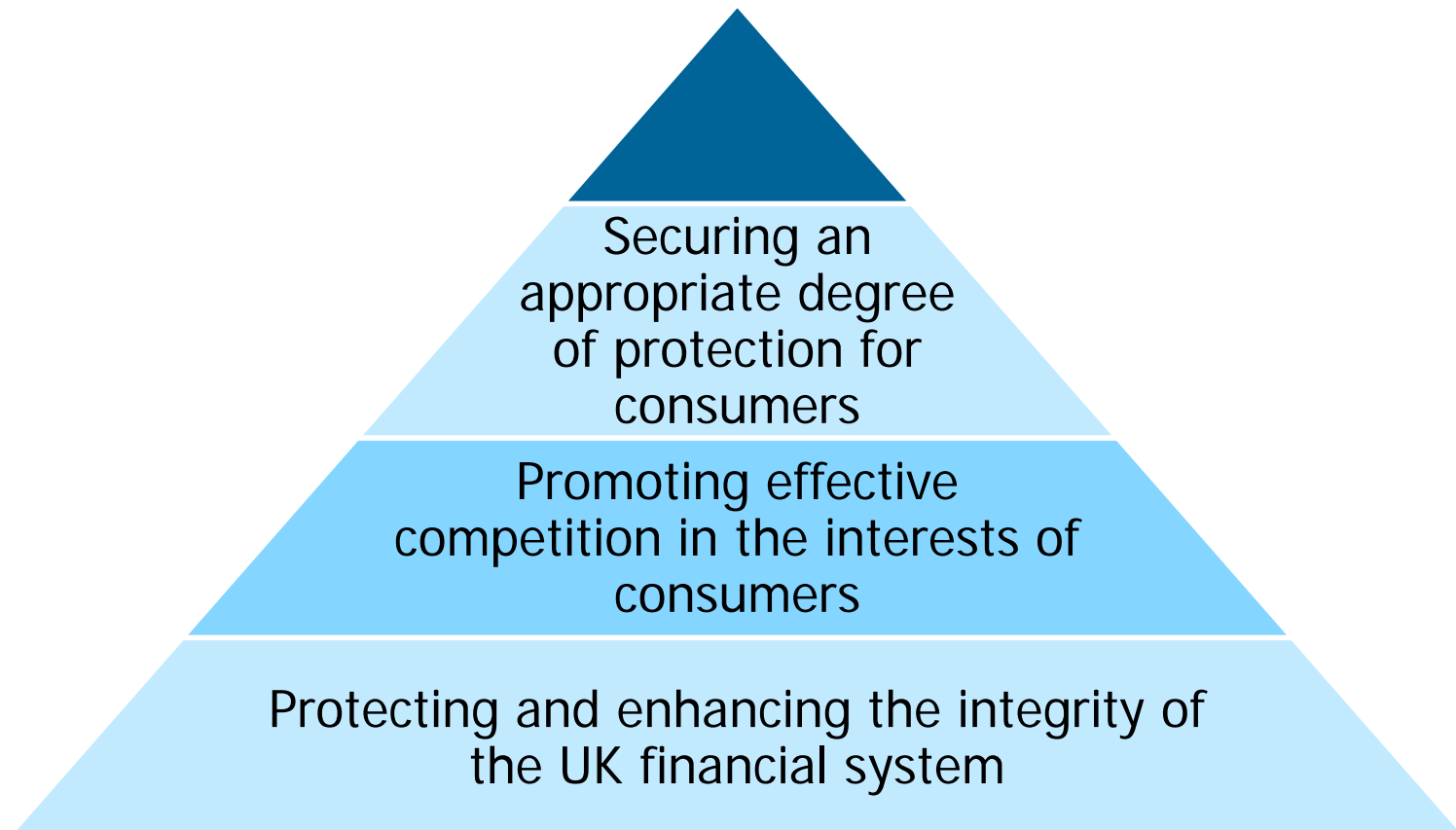
Identify all the likely business and regulatory risk factors.

Explain how you will monitor and control these risks.

Take into account any intended future developments.

## Application requirements (cont'd.)

- The FCA needs to be satisfied that they can effectively supervise your business, meeting their 3 Operational Objectives:

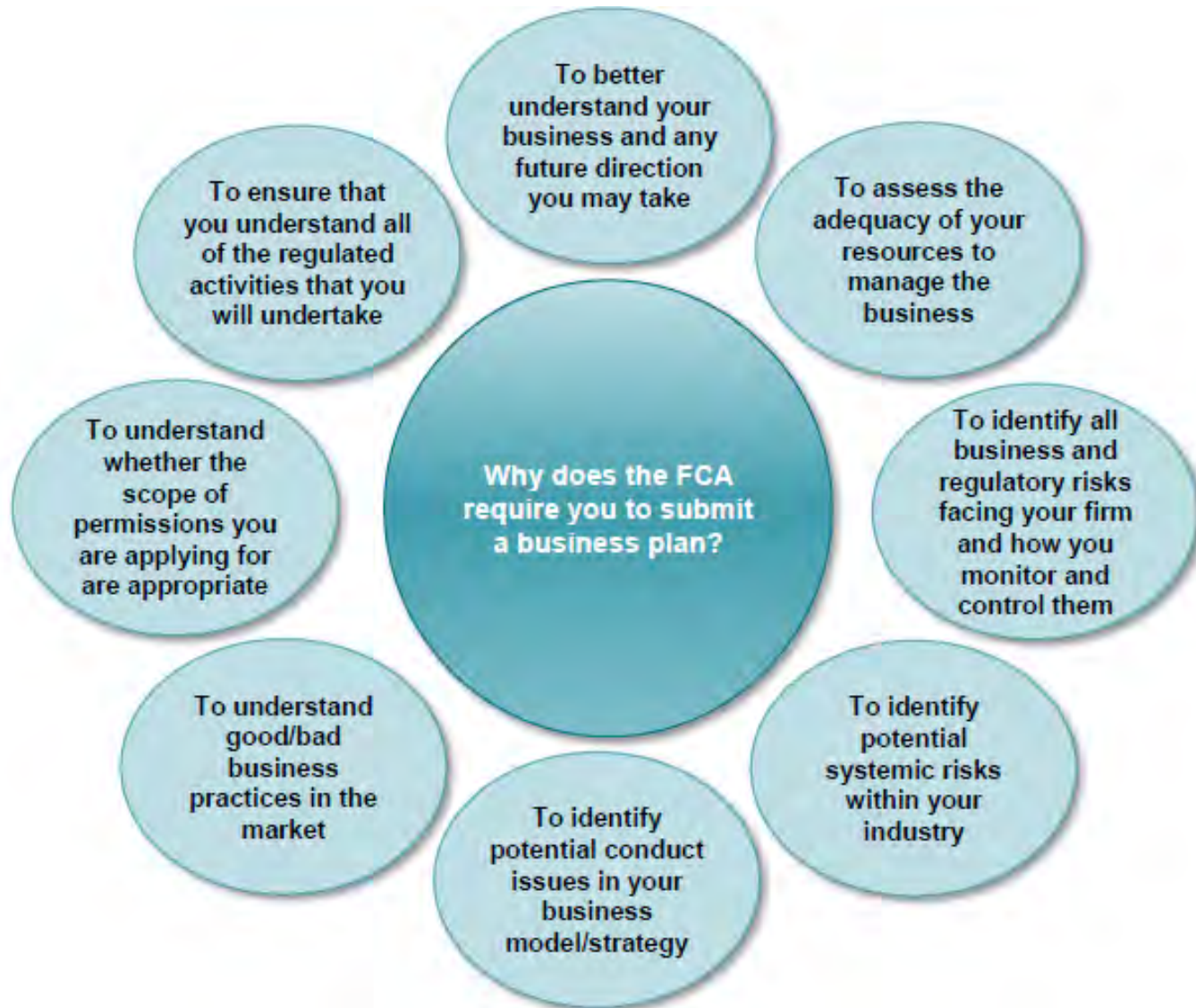


# Application requirements

	Full	Limited	Variation
Basic contact information	✓	✓	×
Basic accounting information	✓	✓	×
Completed Regulatory Business Plan	✓	🔍	(As per Full/Limited)
Information on:			
– Treating Customers Fairly	✓	🔍	✓
– Financial Crime prevention	✓	🔍	✓
– risk assessment	✓	🔍	✓
– compliance monitoring	✓	🔍	✓
– compliance assessment	✓	🔍	✓

Key: ✓ = must be provided; × = not needed; 🔍 = must be made available for inspection on demand.

# Regulatory Business Plan – why this is required.





# Regulatory Business Plan – structure.

- The FCA provides high level advice as to content but not presentation.
- It is the FCA's window on your business therefore you need to cover all relevant points and give a clear view of your business.



# Regulatory Business Plan – content.

Your Regulatory Business Plan must cover the following:

Where the business came from and where it is going

Regulated and unregulated activity

Products and services together with customers and markets

Purpose, vision and values of the business

Business strategy and operating model

Application procedures including how these help customers to shop around for credit

People and Premises

Governance

Compliance and Risk

# Compliance Manual.

- Required to be available for inspection at any time; and
- To meet FCA requirements, it must cover (amongst other items):

Skills, knowledge & expertise

Scope of business and services

Communications inc financial promotions;

Compliance with CONC rules & Consumer Credit Act

Complaint handling

Financial crime

Conflicts of interest

Record keeping

# Compliance monitoring.

A firm must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures.

Have you identified the risks?	What reporting and management information will be available?
What checks will take place?	How often will the reviews take place?
Who will carry out the checks?	What records and reporting will be kept?

## Conduct risk.

Conduct risk is the identification and mitigation of risks to customers.

- Map your customer journey, considering all touch points; and
- Consider:

What are the potential risks to the customer at each stage?

What processes do you have in place to mitigate?

What processes do you have in place to mitigate?

This information can then form the basis of internal conduct risk reporting.

# Approved Persons.

Limited Permissions	Full Permissions
Apportionment and Oversight function required. This is normally the Chief Executive or Managing Director.	All governing functions required i.e. all directors or partners
If covered by money laundering regulations, both permissions will also require Money Laundering Reporting Officer to be appointed.	
Approval must be obtained from the FCA before an individual can perform a controlled function.	
In considering an individual's fitness, the FCA will take account of the individual's honesty, integrity, reputation, competence, capability, and financial soundness.	

## Not forgetting...

- The FCA also requires:

Identification of key business risks and the mitigation plans in respect of these risks

Procedures in place to counter the risk of financial crime

Procedures and management information to support the fair treatment of customers

Steps in place to counter the risk of market abuse

## Any Questions?

- Ask our panel of experts;



### Jeremy Bennett

- Editor AM Magazine



### Martin Parr

- Alphera FCA Readiness Manager



# Martins Top Tips



You should be working on the application now – it may be more time consuming than you think



Be open and honest – the application needs to reflect reality not blue sky



Ensure you are prepared for life after the application – the application is for today regulation is for life



This is a cultural change not a tick-box exercise - previous requirements will not give ongoing compliance



Don't miss your landing slot – do you want a business unable to provide credit?

# Thank you

- You will be able to watch this webinar at a later date again by clicking on the code that will shortly be emailed to you.
- For further information please contact ALPHERA Financial Services at [fcareadiness@alpheraco.uk](mailto:fcareadiness@alpheraco.uk)