



Banc Ceannais na hÉireann
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Minimum Competency Code 2011



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INTRODUCTION

The Minimum Competency Requirements (the Requirements) were introduced on 1 January 2007 and established minimum professional standards for financial services providers, with particular emphasis on areas dealing with *consumers*. The Requirements were introduced to ensure that *consumers* obtain a minimum acceptable level of competence from individuals acting for or on behalf of *regulated firms* in the provision of *advice* and associated activities in connection with *retail financial products*. An Addendum to the Requirements for Retail Credit Firms and Home Reversion Firms was issued in May 2008 and was implemented on 1 June 2008.

The Requirements were issued pursuant to a range of applicable legal powers under various sectoral legislation.

We have updated the Requirements in light of experience, market developments and the new powers granted to the Central Bank of Ireland (Central Bank) in 2010.

On 1 October 2010, Part 3 of the Central Bank Reform Act 2010 created for the first time in Irish law a harmonised statutory system for the regulation by the Central Bank of *persons* performing controlled functions or pre-approval controlled functions in regulated financial service providers. *Persons* performing controlled functions, or proposed for the performance of pre-approval controlled functions, must have a level of fitness and probity appropriate to the exercise of the relevant function.

Minimum competency is one of the key concepts in assessing whether a *person* is fit to exercise a controlled function or a pre-approval controlled function in a regulated financial services provider.

Part 1 of this Code, which is issued pursuant to Section 50 of the Central Bank Reform Act 2010, specifies certain minimum competency standards with which *persons* falling within the scope of this Code must comply when performing controlled functions or pre-approval controlled functions. Part 2 of this Code imposes certain obligations on *regulated firms* under certain specified legal powers in connection with the minimum competency standards. Part 3 of this Code sets out details on the recognition of qualifications for the purposes of the minimum competency standards. This Code replaces the existing Requirements with effect from 1 December 2011.

Persons are expected to comply with the letter and spirit of this Code.

In all cases, *persons* should document how they believe they have complied with the *Standards* and other requirements in this Code.

Any right acquired or obligation or liability incurred, in respect of a contravention of, or act of misconduct under, the previous Minimum Competency Requirements survives the replacement of the previous Minimum Competency Requirements with this Code. Therefore, any legal proceedings, investigation, disciplinary or enforcement action in respect of a contravention of, or act of misconduct under, the provisions of the previous Minimum Competency Requirements in force at the time the contravention or act of misconduct occurred may be instituted, continued and enforced and any sanction or penalty in respect of such contravention or act of misconduct may be imposed by the Central Bank as if the provisions of the previous Minimum Competency Requirements had not been replaced.

Please note that compliance with this Code (where applicable) is one of a number of considerations which may be taken into account in deciding whether a *person* is of such fitness and probity as is appropriate to the performance of a controlled function or a pre-approval controlled function within the meaning of Part 3 of the Central Bank Reform Act 2010.

DEFINITIONS

In this Code:

'*accredited person*' is a *person* who satisfies the standards set out in this Code.

'*advice*' means the provision of *advice* to a *consumer*, whether at the *consumer's* request or at the initiative of the firm, in the course of providing or in relation to the provision of a *retail financial product* or in carrying out any of the *specified functions*. For the avoidance of doubt, this does not include any of the following:

- a) the provision of a brochure or booklet or other information to a *consumer*, without the provision of *advice* to that *consumer*;
- b) information given in a newspaper, journal, magazine or other publication, including electronic publications, where the principal purpose of the publication taken as a whole is not to lead *consumers* to use any specific *retail financial product* or any specific provider of such products;
- c) information given in a lecture, seminar or similar event or series of such events, where the principal purpose of the event or events taken as a whole is not to lead *consumers* to use a specific *retail financial product* or any specific provider of such products and where *persons* engaged in the organisation or presentation of

such events will earn no remuneration, commission, fee or other reward as a result of any particular decision, by a *consumer* attending such event and arising out of such attendance, to use any particular *retail financial product* or any specific provider of such products;

- d) information given in sound or television broadcasts where the principal purpose of such broadcasts taken as a whole is not to lead *consumers* to use any specific *retail financial product* or any specific provider of such products;
- e) *advice* to undertakings on capital structure, industrial strategy and related matters and *advice* relating to mergers and the purchase or sale of undertakings;
- f) providing information on an incidental basis in conjunction with some other professional activity (which professional activity is not subject to this Code), so long as the purpose of the activity is not to assist a *consumer* to enter into or to become entitled to benefit under, terminate, exercise any right or option under, or take any benefit from one or more *retail financial products*.

'*consumer*' means any of the following:

- a) a *person* or group of *persons*, but not an incorporated body with an annual turnover in excess of three million euro (for the avoidance of doubt, a group of *persons* includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or
- b) incorporated bodies having an annual turnover of three million euro or less in the previous financial year (provided that such body shall not be a member of a group of companies having a combined turnover greater than the said three million euro);

and includes, where appropriate, a potential '*consumer*' (within the meaning above).

'*grandfathered person*' has the meaning assigned to it under Section 1.5 of this Code.

'*new entrant*' means

- a) an individual who wishes to act for the first time in a controlled function or a pre-approval controlled function the exercise of which includes any of the *relevant functions* but who does not hold a *recognised qualification* for the function to be undertaken, and/or
- b) an individual who is already a *qualified person* or a *grandfathered person* in respect of a function but who wishes to undertake a new function in respect of which he/she does not hold a *relevant recognised qualification* or is not a *grandfathered person*.

'*person*' means a natural *person* or legal *person*.

'prescribed script function' means exercising a controlled function within a narrow and rigid set of criteria and according to a prescribed script and routine.

'professional designation' means a designation conferred by a professional educational body to indicate that the holder has specified qualifications, training or expertise.

'qualified person' means a *person* with a *relevant recognised qualification* as set out in paragraph 1.3(a) of this Code.

'recognised qualification' means a qualification listed at Appendix 4.

'regulated firm' means any of the following:

- a) a firm authorised, registered or licensed by the Central Bank (except moneylenders authorised under the Consumer Credit Act 1995);
- b) a certified person¹;
- c) a financial services provider authorised, licensed or registered in another EU or EEA Member State when providing services into the State on a branch or cross-border basis, except where responsibility for requirements in relation to the provision of such services into the State is reserved to that provider's home state regulator or to a provision of EU law by a European Community instrument.

'relevant functions' means the functions set out at paragraph 1.2(a) – (c) of this Code and any one such function is a *'relevant function'*.

'relevant recognised qualification' means a qualification included in the list of qualifications recognised for the function to be exercised, as set out in Appendix 4 and as may be amended from time to time.

'retail financial product' means those products listed at Appendix 1.

'specified functions' means those functions set out in Appendix 2 and any one such function is a *'specified function'*.

'Standards' has the meaning given to it in Section 1.1 of Part 1 of this Code.

¹ as defined in Section 55, Investment Intermediaries Act, 1995

PART 1

FITNESS AND PROBITY STANDARDS (MINIMUM COMPETENCY)

1.1 LEGAL BACKGROUND

Part 1 of this Code (the *Standards*) is issued by the Central Bank pursuant to the powers set out in Section 50 of the Central Bank Reform Act 2010 (the Act).

Terms used in Part 1 of this Code have the meaning given to them in the introduction to this Code.

The *Standards* may be amended or supplemented by the Central Bank from time to time. Failure by a *person* to comply, or indicate an ability to comply, with the *Standards* where it is relevant to the exercise of a controlled function or a pre-approval controlled function, may:

- i) where the approval of the Central Bank is being sought to permit a *person* to perform a pre-approval controlled function, lead to approval being refused;
- ii) where a *person* is performing a controlled function, or stands approved to perform a pre-approval controlled function, lead to an investigation being conducted in relation to the fitness and probity of that *person* to perform the *relevant function*;
- iii) cause that *person* to be the subject of a prohibition notice under Section 43 of the Act.

A *regulated firm* shall not permit a *person* to perform a controlled function unless the *regulated firm* is satisfied on reasonable grounds that the *person* complies with the *Standards* and the *person* has agreed to abide by the *Standards*.

If a *regulated firm* permits a *person* to perform a controlled function without being satisfied on reasonable grounds that the *person* complies with the *Standards* or if the *person* has not agreed to abide by the *Standards*, that regulated financial services provider and/or a *person* concerned in its management may be exposed to financial penalties and other sanctions under Part IIIC of the Central Bank Act 1942.

1.2 SCOPE

These *Standards* apply to the *persons* exercising a controlled function or a pre-approval controlled function on a professional basis, the exercise of which includes the following:

- a) providing *advice* to *consumers* on *retail financial products*;
- b) arranging or offering to arrange *retail financial products* for *consumers*, including any amendments to insurance cover and the restructuring or rescheduling of loans, or
- c) the exercise of a *specified function*.

These *Standards* do not apply to a *person* exercising a controlled function or pre-approval controlled function the exercise of which is concerned solely with the provision of a *retail financial product* free of charge in conjunction with another financial product.

1.3 THE MINIMUM COMPETENCY STANDARDS

A *person* performing the functions specified in Section 1.2 shall not be taken to comply with these *Standards*, unless he or she:

- a) has completed one or more *recognised qualification(s)* which are relevant to the function to be exercised, or
- b) is a *grandfathered person* in respect of the function to be exercised, pursuant to Section 1.5 of the *Standards*, or
- c) is a *new entrant* participating in a training process under the supervision of a *qualified person* or a *grandfathered person*, in accordance with Section 1.4 of the *Standards*, or
- d) in the case of a person performing a *prescribed script function*, has complied with the standards set out in Section 1.6 of the *Standards*,

and

- e) in the case of a) and b) above, is compliant with the Continuing Professional Development (CPD) requirement set out in Section 1.7 of the *Standards*.

For the purposes of this Section, a *recognised qualification* shall be regarded as relevant to the function to be exercised if it is included in the list of qualifications recognised for

that function, as set out in Appendix 4 (as such list of qualifications may be amended from time to time).

1.4 NEW ENTRANTS

1.4.1 A *new entrant* shall be taken to comply with these *Standards* where he or she participates in a training process that includes the following requirements:

a) Initial training

The *new entrant* must first undergo a training programme organised by the *regulated firm* on whose behalf the *new entrant* is acting, which is relevant to the function to be exercised, or have obtained part of a *relevant recognised qualification* for that particular function.

b) Supervision

- i) The *new entrant* must act under the immediate direction and supervision of another nominated *person*, who is a *qualified person* or a *grandfathered person* in respect of the particular function being carried out by the *new entrant*.
- ii) The *new entrant* must ensure that all documentation relating to *advice* on or arranging or offering to arrange *retail financial products* or *specified functions* is checked and signed off by a *person* who is a *qualified person* or a *grandfathered person* in respect of the function being carried out until the *new entrant* obtains a qualification recognised in respect of the function being carried out.

c) Working towards a recognised qualification

The *new entrant* must be working towards obtaining a *relevant recognised qualification*. In this regard, the *new entrant* must:

- i) register for the first available sitting of the relevant examination which the *person* could reasonably be expected to sit, and should the *person* fail to pass the examination on that occasion, each available sitting thereafter until the *person* obtains the qualification;
- ii) work towards obtaining examinations for the relevant qualification on a consistent and timely basis, until completion; and
- iii) maintain a record of all examinations completed, results obtained and examinations scheduled for completion.

d) Timeframe

- i) The maximum period for which a *new entrant* may participate in the training process is four years in total.
- ii) A pro-rata adjustment may be applied to the requirement to obtain a *relevant recognised qualification* within four years in the following circumstances:
 - Statutory leave: A pro-rata adjustment in requirements may be applied to those taking:
 - block parental leave,
 - statutory maternity leave,
 - statutory adoption leave, or
 - statutory carer's leave,provided the *person* is not carrying out any of the *relevant functions* while availing of the statutory leave (includes statutory paid and unpaid leave only; does not include additional unpaid leave or holidays).
 - Serious illness: *Persons* out of work due to long term illness, i.e., not less than 2 months, may apply a pro-rata adjustment subject to medical certification of the illness.
 - Career break.

A pro-rata adjustment will **not** apply in the following circumstances:

- Part-time work;
- Unemployment;
- Retirement; or
- Holidays.

1.5 GRANDFATHERING ARRANGEMENTS

A *person* shall be taken to be a *grandfathered person* and comply with these *Standards* in respect of a function to be exercised only if all of the following conditions are met:

- a) on 1 January 2007, the *person* was dealing with the *retail financial product* or *specified function* in respect of which he/she is availing of the grandfathering arrangements (other than retail credit or home reversion agreements), or on 1 June 2008, the *person* was dealing with retail credit or home reversion agreements;

and

- b) the *person* had four years' experience carrying out the function to be exercised in the period 1 January 1999 to 1 January 2007 (1 June 2000 to 1 June 2008 in the case of retail credit and home reversion agreements), **and**
- c) an assessment for grandfathering purposes was carried out and documented by the *regulated firm*, **and**
- d) the *regulated firm* certified the *person's* compliance with the experience requirement, **and**
- e) the *person* complies with the requirement to complete Continuing Professional Development (CPD) on an ongoing basis, commencing from 1 January 2008 (1 June 2009 in the case of retail credit and home reversion agreements) at the latest.

1.6 PRESCRIBED SCRIPT FUNCTION

Where a *person*, in the exercise of a controlled function, operates within a narrow and rigid set of criteria and according to a prescribed script and routine, the following standards apply:

- a) The *person* must operate in accordance with a script devised by a *person* who is a *qualified person* or a *grandfathered person* for that function.
- b) The *person* must have completed a training programme, organised by the *regulated firm* on whose behalf the *person* is acting, which is relevant to the function to be exercised, or have obtained part of a *relevant recognised qualification* for that particular function.
- c) The *person* must complete additional training on an ongoing basis, which is relevant to the function to be exercised, to keep his/her knowledge up to date.
- d) The *person* must refer requests for information and *advice* that are outside the specific content of the script to a *person* who is a *qualified person* or a *grandfathered person* for that function.
- e) The *person* must operate under the supervision of a *person* who is a *qualified person* or a *grandfathered person* for that function.

A *person* operating within a narrow and rigid set of criteria and according to a prescribed script or routine shall be taken to have complied with Part 1 of this Code once the *person* complies with the standards set out at a) – e) above.

1.7 CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

1.7.1 CPD requirement

- a) A *person* who is subject to this Code and is the holder of a *recognised qualification* with a *professional designation*, the ongoing maintenance of which depends on the completion of CPD, shall be taken to have complied with this section where he or she has successfully completed the CPD requirements of that *recognised qualification*.
- b) A *person* who is subject to this Code and is the holder of a *recognised qualification*, the ongoing maintenance of which is not dependent on the completion of CPD, shall, with effect from 1 January 2012, complete **15 formal hours** of CPD each calendar year.
- c) A *grandfathered person* shall, with effect from 1 January 2012, complete **15 formal hours** of CPD each calendar year.
- d) A *person* who is grandfathered in respect of a function(s) to be exercised and holds a *recognised qualification* for other functions is required to complete 15 formal hours of CPD in total each calendar year. The content of the CPD hours must be relevant to the functions in respect of which the individual is a *qualified person* and a *grandfathered person*. For example, an individual holding the CIP in respect of personal general insurance policies and grandfathered in respect of pensions must ensure that the CPD undertaken includes both personal general insurance and pensions.
- e) A *person* must complete at least one hour of CPD each calendar year for each function undertaken that falls within the scope of these *Standards*.
- f) A *person* must complete at least one hour of CPD each calendar year which relates to ethics.
- g) Surplus hours in one year may not be carried into the following year.
- h) Where a *person* fails to complete 15 formal CPD hours in any year, the shortfall may be made up by the end of the following year (in addition to the requirement for that CPD year) provided the *person* has not incurred another shortfall within the previous five years.

1.7.2 Formal CPD hours

Formal CPD hours may be obtained by attending seminars, lectures, conferences, certified completion of appropriate e-learning tutorials, workshops or courses dealing with a directly relevant topic.

The content of the CPD hours must be directly relevant to the functions of the *qualified person* or *grandfathered person* and the CPD material for *qualified persons* or *grandfathered persons* must therefore be related to the competencies set out in Appendix 3.

All formal CPD hours must be accredited by the provider of a *recognised qualification* or one of the professional educational bodies providing *recognised qualifications* that have a CPD requirement. The maximum number of formal hours in any day is eight hours and the maximum for any single topic is four hours.

1.7.3 Undertaking CPD hours

Persons who must complete CPD hours as set out in Section 1.7.1(b) and (c) above shall either:

- a) participate in a CPD scheme operated by an external professional educational body that provides a *recognised qualification* that meets the relevant competency requirements set out in this document, provided that the requirements of the CPD scheme do not differ in a material way from the CPD requirements set out in this document;

or

- b) arrange their own CPD hours. Where individuals arrange their own CPD hours, they must retain written records to demonstrate that they have satisfied the requirement (e.g., maintenance of a log, supported by receipts from courses attended, certificates of attendance, certificates of completion, etc.), including the requirement that the content of the course was relevant to the *retail financial products* or the *specified functions* for which they are a *qualified person* or a *grandfathered person*.

1.7.4 Pro-rata adjustment of CPD hours

A pro-rata adjustment may be applied to the CPD requirements in the following circumstances:

- Statutory leave: A pro-rata adjustment in requirements may be applied to those taking:
 - block parental leave,
 - statutory maternity leave,
 - statutory adoption leave, or
 - statutory carer's leave,provided the *person* is not carrying out any of the *relevant functions* for which he or she is a *grandfathered person* or a *qualified person* while availing of the statutory leave (includes statutory paid and unpaid leave only; does not include additional unpaid leave or holidays).
- Serious illness: *Persons* out of work due to long-term illness, i.e., not less than 2 months, may apply a pro-rata adjustment subject to medical certification of the illness.

A pro-rata adjustment will **not** apply in the following circumstances:

- Part-time work;
- Unemployment;
- Retirement;
- Career break; or
- Holidays.

PART 2

MINIMUM COMPETENCY – REQUIREMENTS ON REGULATED FIRMS

2.1 LEGAL BACKGROUND

Terms used in Part 2 of this Code have the meaning given to them in the introduction to this Code.

Under various supervisory enactments, the Central Bank is legally empowered to deal with matters concerning the competence of certain employees and controllers of supervised firms.

Part 2 of this Code is imposed under the enactments set out below:

Regulated firm	Legislative Provision
All regulated firms	Section 117 of the Central Bank Act 1989
Retail credit firms and home reversion firms	Section 33A(3), Central Bank Act, 1997
Investment firms	Regulation 34 of the European Communities (Markets in Financial Instruments) Regulations 2007
Insurance Intermediaries and Reinsurance Intermediaries	Regulation 15, European Communities (Insurance Mediation) Regulations, 2005
Investment Intermediaries	Section 14(4)(a), Investment Intermediaries Act, 1995
Insurance Undertakings	Regulation 7(2)(e), European Communities (Life Assurance) Framework Regulations, 1994 Regulation 7(2)(e), European Communities (Non-Life Assurance) Framework Regulations, 1994
Mortgage Intermediaries	Section 8H(1)(f), Consumer Credit Act, 1995

In addition, *regulated firms* are reminded that they shall not permit a *person* to perform a controlled function unless satisfied on reasonable grounds that the *person* complies with any standard of fitness and probity in a code issued under Section 50 of the Central Bank Reform Act 2010 and the *person* has agreed to abide by any such standard. Without

prejudice to the generality of Section 21 of the Central Bank Reform Act 2010, in assessing whether or not a *regulated firm* has complied with Section 21, the Central Bank will take into account whether or not the regulated firm has complied with the requirements in Part 2 of this Code and the extent of compliance of its personnel with Part 1 of this Code.

Regulated firms failing to comply with Part 2 of this Code or their obligation under Section 21 of the Central Bank Reform Act 2010 may be subject to the imposition of administrative sanctions under Part IIIC of the Central Bank Act 1942.

2.2 COMPLIANCE WITH THIS CODE

Regulated firms shall ensure that *persons* exercising any of the *relevant functions* on behalf of the *regulated firm* comply with the *Standards* set out in Part 1 of this Code.

Where a *regulated firm* takes full responsibility for the activities of tied agents or others, the *regulated firm* is required to monitor the compliance with this Code of those tied agents or others.

2.2.1 Internet

Regulated firms providing services over the internet must ensure that the process for the selection of products and any *advice* provided are approved and signed off by a *person* who is a *qualified person* or *grandfathered person* for the services provided.

2.2.2 Prescribed script function

The *regulated firm* must ensure that, where a *person* acting on its behalf in carrying out any of the *relevant functions* operates within a narrow and rigid set of criteria and according to a prescribed script and routine, the following conditions are met:

- a) The criteria, script and routine are devised by a person who is a *qualified person* or a *grandfathered person* for the function being carried out.
- b) The *person's* activity is supervised by a *person* who is a *qualified person* or a *grandfathered person* for that function.
- c) The *person's* activity is monitored to ensure that there is no breach of the requirements set out in Section 1.6 of Part 1 of this Code.
- d) The *regulated firm* maintains records to demonstrate compliance with the requirements set out in Section 1.6 of Part 1 of this Code.

2.2.3 Outsourcing

Where a *regulated firm* outsources activities the provision of which are subject to this Code, the *regulated firm* remains fully responsible for discharging all of the *regulated firm's* obligations under this Code.

2.3. REGISTER OF ACCREDITED PERSONS

2.3.1 Content of Register

A *regulated firm* must maintain a register of all *accredited persons*, acting as, for or on behalf of the *regulated firm*. The Register shall record the following information:

- name of *accredited person*;
- qualification, grandfathered status, *new entrant*, or *prescribed script function*;
- *retail financial product* or *specified function* in respect of which the person is an *accredited person*;
- date the *person* obtained a *recognised qualification* or was grandfathered;
- if the *person* is a *new entrant*,
 - date of commencement of the function; and
 - qualification being pursued.

Each *regulated firm* must ensure that each branch office has a Register of all *accredited persons* working in that branch.

2.3.2 Removal from Register

An individual who has had his/her *professional designation* removed due to failure to comply with the relevant CPD requirements must be removed from the *regulated firm's* Register of *Accredited Persons*.

A *grandfathered person*, or a holder of a *recognised qualification* the ongoing maintenance of which is not dependent on the completion of CPD, who has failed to complete 15 formal hours of CPD more than once in any five-year period must be removed from the *regulated firm's* Register of *Accredited Persons*.

A *person* who has been removed from the Register for non-compliance with the CPD requirements but who otherwise has complied with Part 1 of this Code must be restored promptly once he or she is again in compliance with the CPD requirements.

2.4 CONFIRMATION OF COMPETENCY

Where a *consumer* seeks confirmation from a *regulated firm* that the *person* providing advice on or arranging or offering to arrange *retail financial products* or undertaking *specified functions* meets the *Standards* set out in Part 1 of this Code, the *regulated firm* must provide the *consumer* with a certificate on the firm's headed stationery in the following format:

<p style="text-align: center;">Certificate of Competency</p> <p>I, _____(name)_____(job title) certify that the undermentioned</p> <p>_____(name of accredited person)</p> <p>meets the Minimum Competency Standards and is deemed competent in respect of the following products/functions:</p> <p><i>Example:</i></p> <ul style="list-style-type: none">▪ <i>providing advice on and arranging:</i><ul style="list-style-type: none">- <i>housing loans</i>- <i>private medical insurance</i>- <i>pension products</i>▪ <i>dealing with claims.</i> <p>This Certificate is valid from [insert date]</p> <p>Signed by: _____</p> <p>Job Title: _____</p> <p>Date of signing: _____</p> <p>This Certificate remains the property of [the <i>regulated firm</i>].</p>
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The certificate must be signed by the *regulated firm*. The *regulated firm* shall maintain a record of the certificates issued and carry out an annual review to ensure they are still accurate and up to date.

2.5 NEW ENTRANTS

2.5.1 Supervision of new entrants

1. A *regulated firm* must:
 - a) inform the *new entrant*, before he or she commences the activity, of the requirement to obtain a *relevant recognised qualification* within four years;
 - b) agree a plan for obtaining a *recognised qualification* with a *new entrant* and monitor the *new entrant's* progress in adhering to this plan; and
 - c) where an opportunity to sit an examination is not availed of by a *new entrant*, the *regulated firm* must document the reasons why.

2. *Regulated firms* must have procedures in place to ensure that *new entrants* are adequately supervised. Such procedures must include, at a minimum, provision for the following:
 - a) All documentation relating to *advice* on or arranging or offering to arrange *retail financial products* for *consumers* or undertaking *specified functions* must be checked and signed off by a *person* who is a *qualified person* or a *grandfathered person* for that function until the *new entrant* obtains a qualification recognised in respect of the function carried out.
 - b) An initial period must be specified during which *new entrants* must be accompanied at all times, by a *person* who is a *qualified person* or a *grandfathered person* in respect of the function being carried out, when providing *advice* on or arranging or offering to arrange *retail financial products* for *consumers* or undertaking *specified functions*.
 - c) Following the initial period specified in paragraph b), the level of accompaniment may be reduced incrementally.
 - d) There must be regular meetings and contact between the supervisor and the *new entrant*.
 - e) The length of the initial period referred to in paragraph b), the subsequent levels of supervision referred to in paragraph c) and the frequency of meetings and contact with the *new entrant* referred to in paragraph d) must be based on

an assessment by the *regulated firm* of the performance of the *new entrant*. This assessment must be documented and must consider at least the following:

- i) The nature and complexity of the functions undertaken by the *new entrant*;
 - ii) The quality of the *advice* and services provided by the *new entrant* to *consumers*;
 - iii) The *new entrant's* knowledge of and compliance with regulatory and legislative requirements relevant to the *new entrant's* role;
 - iv) Any complaints in relation to the *new entrant*; and
 - v) Ethics and behaviour.
- f) Each supervisor must supervise no more than seven *new entrants*.
- g) The *regulated firm* must maintain written records of the supervision of *new entrants*, including:
- i) the length of the initial period during which the *new entrant* was accompanied at all times;
 - ii) for each incremental reduction in supervision:
 - the assessment of the performance of the *new entrant*,
 - the criteria for reducing the level of supervision, and
 - the level of reduced supervision; and
 - iii) records of meetings between the supervisor and the *new entrant*.
3. In the case of tied agents that are *new entrants*, supervision may be by a product producer provided the tied agent is tied only to that product producer. In such cases, supervision must be by a person who is a *qualified person* or a *grandfathered person* for the function being performed by the tied agent and who is:
- an employee of the product producer, or
 - a tied agent of the product producer provided:
 - that tied agent is tied only to that product producer and the product producer takes full responsibility for the activities of that tied agent; and
 - the product producer has entered into a formal written arrangement with the tied agent which sets out the criteria for the supervision of the *new entrant* and specifies the arrangements for reporting to the product producer on the *new entrant's* performance.

In all other cases, including tied agents that are tied to more than one product producer, supervision must be by an appropriately *grandfathered person* or an

appropriately *qualified person* within the *regulated firm* and may not be by an *person* outside the *regulated firm*. If there is no suitably *grandfathered person* or suitably *qualified person* within the firm, the *new entrant* or *person* wishing to undertake new functions must obtain a *relevant recognised qualification* before undertaking the particular function.

4. Sections 1 to 3 above shall not apply in the case of *persons* who commence a function in this State but who have at least four years' relevant experience in another jurisdiction. The *regulated firm* must retain supporting documentation to confirm the relevance and level of the *person's* experience.

2.5.2 Records

Firms must ensure that the following written records are maintained in respect of *new entrants*:

1. Date the individual commenced the function.
2. Details of the training or part of a *recognised qualification* completed by the *new entrant* prior to dealing with *consumers*.
3. Qualification being obtained.
4. Details of the arrangements for supervision by an appropriately *qualified person* or an appropriately *grandfathered person*, including name of supervisor, date supervision commenced and level of supervision.
5. Pro-rata adjustments: extent of adjustment, reason for adjustment, medical certification of illness, where appropriate.
6. Any other relevant documentation.

2.6 GRANDFATHERING ARRANGEMENTS

2.6.1 Certification of experience

When the Requirements were introduced in 2007, they included grandfathering provisions for those individuals who were carrying out certain activities on 1 January 2007 and had four years' experience carrying out those activities in the eight-year period from 1 January 1999 to 1 January 2007.

An Addendum to the Requirements was issued in 2008 which set out grandfathering provisions for those carrying out activities related to retail credit and home reversion

agreements on 1 June 2008 with four years' experience in the eight-year period from 1 June 2000 to 1 June 2008.

Regulated firms were required to carry out and document an assessment of those individuals who wished to avail of the grandfathering arrangements and to certify their compliance with the experience requirement.

The assessment for grandfathering purposes and certification of experience may continue to be carried out up to 31 December 2012 subject to completion by the individual of the CPD hours required from 1 January 2008 (or 1 June 2009 in the case of retail credit and home reversion agreements) to the date of the assessment for grandfathering purposes and the certification of experience by the firm, i.e., 60 hours in respect of the three-year cycle from 1 January 2008 to 31 December 2010, 40 of which must be formal and 20 of which may be informal, and 15 formal hours each year from 1 January 2011 onwards. Where a *regulated firm* carries out an assessment for grandfathering purposes in accordance with this paragraph the *regulated firm* must retain the following records:

- a) The documented assessment that was carried out for grandfathering purposes, including details of the experience of the *person* that meets the criteria for grandfathering purposes.
- b) Certification of the *person's* compliance with the experience requirement.
- c) Supporting documentation to confirm the *person's* experience, (self-certification by the *person* is not sufficient).
- d) Where the *person's* experience was with a previous employer, confirmation from that previous employer of the *person's* experience, including whether the *person's* experience was in respect of a full category of *retail financial product* or *specified function* or part of a category of *retail financial product* or *specified function*. Where a *person's* experience was in respect of part of a category of *retail financial product* or *specified function*, the confirmation must include details of the relevant part.
- e) The reason for the delay in carrying out the assessment.
- f) Any other relevant documentation.

A *regulated firm* that has carried out an assessment for grandfathering purposes must ensure that the assessment and the certification of the individual's compliance with the experience requirement are complete and accurate.

2.6.2 Statement of Grandfathered Status

By 1 January 2013, a *regulated firm* must complete and retain on file a Statement of Grandfathered Status (Statement), in the format set out at Appendix 5, confirming the grandfathered status of each *grandfathered person* acting on behalf of the *regulated firm* and the functions in respect of which that *person* has availed of the grandfathering arrangements. This Statement must be completed by the *regulated firm* on whose behalf the *grandfathered person* is currently acting regardless of whether that firm carried out the assessment for grandfathering purposes for that *grandfathered person* or not. The Statement must be signed by the *regulated firm*.

A Statement must also be provided to a *grandfathered person* when he/she ceases employment with a *regulated firm* or at any other time if requested by the *grandfathered person*.

2.7 CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

2.7.1 Monitoring compliance with CPD requirements

A *regulated firm* must ensure that it has procedures in place to ensure that *qualified persons* and *grandfathered persons* are in compliance with the CPD requirements on an ongoing basis. Such procedures must include, at a minimum:

1. Regular monitoring, at least once within the first nine months and once within six weeks of the end of the year, to check:
 - a) the number of hours completed and planned to be completed; and
 - b) the relevance of the content of CPD completed or planned to be completed.
2. Action to be taken in respect of suspected breaches of CPD requirements.
3. How the *regulated firm* will record all information concerning compliance with the CPD requirements.

Plans for and actual progress in undertaking CPD requirements (including the number of hours CPD and relevance to the categories of product for which the *person* is accredited) must be reviewed regularly by the line manager of each *qualified person* and *grandfathered person*.

A *regulated firm* must ensure that all breaches of the CPD requirements by a *qualified person* or *grandfathered person* are recorded on that *person's* file.

Where its employees are members of a CPD scheme administered by an external professional educational body that provides a qualification that meets the relevant competency standards, a *regulated firm* may rely on information provided by the educational body regarding the compliance or non-compliance of those employees with the requirements of the CPD scheme. However, responsibility to ensure compliance with the CPD requirements remains with the *regulated firm* at all times.

Where a *regulated firm* relies on information provided by the educational body, it should have its own written procedures in place (including appropriate audit trail) to take (and demonstrate that it has taken) the necessary action where it has received information that some employees are no longer compliant with the requirements of the educational body's CPD scheme.

In all cases, while account will be taken of any spot-checks carried out by a relevant professional educational body, the Central Bank reserves the right to check any *person's* compliance with the CPD requirements.

2.7.2 Records

Regulated firms must ensure they retain the following written records on file:

1. Records of all monitoring by the *regulated firm* of *qualified persons'* and *grandfathered persons'* compliance with the CPD requirements.
2. Records demonstrating compliance by *grandfathered persons* and *qualified persons* with the CPD requirements.
3. Records of all breaches of the CPD requirements by *qualified persons* and *grandfathered persons*.
4. Pro-rata adjustments: number of hours, reason for adjustment, medical certification of illness, where appropriate².
5. Any other relevant documentation³.

²These records may be held by an external professional educational body in the case of members of a CPD scheme administered by that body.

³These records may be held by an external professional educational body in the case of members of a CPD scheme administered by that body.

PART 3

MINIMUM COMPETENCY – QUALIFICATIONS

Terms used in Part 3 of this Code have the meaning given to them in the introduction to this Code.

3 1 *Recognised qualifications*

A *recognised qualification* for a category of *retail financial product* must meet the relevant competencies for that category of *retail financial product* as specified in Appendix 3.

A list of qualifications that meet the current competencies for the various categories of *retail financial products* is set out in Appendix 4. A list of additional qualifications recognised by the Central Bank for *specified functions* is also set out in Appendix 4.

The Central Bank does not take part in course design or examinations. Our relationship with educational bodies is confined to setting and reviewing the *Standards* and confirming whether any particular professional qualification meets the *Standards* or not.

3 2 *Exemptions from recognised qualifications*

There are a number of qualifications that cover some of the competencies set out in this Code. We would expect that the educational bodies providing *recognised qualifications* would treat fairly any application for exemption from part of their examinations and would apply any exemption decisions consistently. In this regard, both the QFA Board and The Insurance Institute of Ireland have published comprehensive schedules of exemptions from their examinations, which cover various qualifications available in Ireland, and also UK and other international qualifications. The QFA Board, the Institute of Bankers in Ireland, the LIA and The Insurance Institute of Ireland have committed to have schedules of exemptions from *recognised qualifications* available publicly, which will be kept up to date as new applications are determined. Where the formal appeals process within existing structures has been exhausted, it would always be open to individuals to raise concerns with the Central Bank. Based on this, we can review this Code on an ongoing basis.

Where individual employees of *regulated firms* hold other qualifications, including those from another EU or EEA Member State, they may seek an exemption, from part of the

recognised qualifications, from the educational bodies providing *recognised qualifications* and such exemptions where granted will be recognised for the purposes of this Code.

3.3 Other qualifications

Other qualifications may also meet the competencies set out in Appendix 3. New qualifications may be developed by recognised professional educational bodies or existing qualifications may be modified to ensure that they meet the specified competencies. Such qualifications will be considered as part of the ongoing assessment of this Code. However, they must be formally approved as a *recognised qualification* by the Central Bank. In order to obtain recognition for the purposes of this Code, any additional qualifications should:

- have broad support within the relevant industry;
- include the competencies set out in Appendix 3;
- provide a standard of knowledge at least equivalent to that provided by the existing qualifications;
- have their underlying academic qualifications included in the National Framework of Qualifications at level 7 or higher; and
- include ongoing CPD requirements, which must not differ in a material way from the CPD requirements set out in this Code and which must incorporate a module, of at least one hour in duration, in relation to ethics.

In addition, the Central Bank reserves the right to enter into a public consultation in relation to such qualifications and to have them reviewed by an independent competent external body.

For the avoidance of doubt, no qualification shall be deemed to meet the minimum competency standards set out in this document unless and until the qualification has been formally recognised by the Central Bank.

Appendix 1: Retail financial products

For the purposes of this Code, the following are deemed to be *retail financial products*:

1. Life Assurance

- temporary assurance policies;
- whole of life policies;
- life assurance savings and investment policies;
- tracker bond policies;
- permanent health insurance policies; or
- industrial assurance business⁴ policies.

2. Pensions

- occupational pension schemes whose liabilities are fully secured by one or more contracts of assurance;
- personal pension plans;
- personal retirement savings accounts (PRSAs);
- additional voluntary contributions (AVCs) whose liabilities are fully secured by one or more contracts of assurance;
- approved retirement funds (ARFs) whose liabilities are fully secured by one or more contracts of assurance;
- approved minimum retirement funds (AMRFs) whose liabilities are fully secured by one or more contracts of assurance;
- annuities;
- buy-out bonds.

3. Savings and Investments

- life assurance savings and investment policies;
- deposits with a term equal to or greater than one year;
- tracker bonds;
- collective investment scheme instruments, including:
 - UCITS;
 - exchange traded funds;
 - unit trusts, providing facilities for the public to participate in the profits or income from the trust;
 - designated companies⁵, which are not a UCITS;
 - an investment limited partnership⁶;

⁴ as defined in Regulation 2(1), European Communities (Life Assurance) Framework Regulations, 1994

⁵ as defined in Section 256(5), Companies Act, 1990

⁶ as defined in Section 3 of the Investment Limited Partnership Act, 1994

Appendix 1: Retail financial products

- designated investment funds⁷; and
 - common contractual funds⁸.
- shares in a company listed on a Stock Exchange;
 - bonds listed on a Stock Exchange;
 - transferable shares in a company not listed on a Stock Exchange (excluding services to corporate clients in relation to capital structure, industrial strategy, mergers, the purchase or sale of undertakings and related matters); and
 - financial instruments which derive their value from an investment instrument traded on a Stock Exchange or from a stock market index, other than tracker bonds.

4. Personal General Insurance⁹

- non-life insurance policies (other than health insurance contracts as defined in the Health Insurance Act 1994) of the classes specified in Part A of Annex I to the European Communities (Non-Life Insurance) Framework Regulations 1994 effected by individuals for their personal insurance needs.

5. Commercial General Insurance¹⁰

- non-life insurance policies (other than health insurance contracts as defined in the Health Insurance Act 1994) of the classes specified in Part A of Annex I to the European Communities (Non-Life Insurance) Framework Regulations 1994 effected by commercial entities for their insurance needs.

6. Private Medical Insurance and Associated Insurances

- health insurance contracts as defined in the Health Insurance Act 1994.

including the following associated non-life insurance policies:

- Major medical expenses;
- Dental insurance;
- Health cash plans; and
- Travel insurance.

⁷ investment funds designated by the Revenue Commissioners for the purposes of Section 508, Taxes Consolidation Act, 1997 (BES Funds)

⁸ as defined in Section 6(1), Investment Funds, Companies and Miscellaneous Provisions Act, 2005

⁹ This includes Household (and standard extensions of cover), Personal legal expenses, Private motor, Motor cycle, Personal accident and sickness, Travel, Private Yacht / boat, Mobile home, Extended warranty, Pet and Personal (family and motor) legal protection.

¹⁰ This includes Commercial property insurances (and standard extensions of cover) including Farmers, Business interruption insurance, Liability insurance, Professional indemnity, Directors' and Officers' liability, Commercial legal expenses, Commercial motor and motor fleet.

Appendix 1: Retail financial products

7. Housing Loans¹¹, Home Reversion Agreements¹² and Associated Insurances

including the following associated insurances:

- mortgage protection;
- permanent health insurance;
- payment protection insurance;
- home and contents insurance;
- endowment assurances and pension plans in relation to their use in accumulating funds to repay housing loans;
- mortgage indemnity guarantee insurance; and
- structural defect insurance.

8. Consumer Credit¹³ Agreements and Associated Insurances

excluding:

- moneylending agreements¹⁴;
- housing loans¹⁵;
- credit cards;
- overdraft facilities;
- overrunning;

but including the following associated insurances:

- payment protection insurance; and
- permanent health insurance.

These categories may be reviewed from time to time to reflect changing products and industry practice.

¹¹ as defined in Section 2(1), Consumer Credit Act, 1995

¹² As defined in Part V of the Central Bank Act 1997

¹³ cash loans, credit sale agreements, hire-purchase agreements and consumer-hire agreements to which the Consumer Credit Act, 1995 applies, other than the exceptions stated below.

¹⁴ as defined in Section 2(1), Consumer Credit Act, 1995

¹⁵ as defined in Section 2(1), Consumer Credit Act, 1995

Appendix 2: Specified functions

For the purposes of this Code, the following are deemed to be *specified functions*:

1. assisting *consumers* in the making of a claim under contracts of insurance;
2. determining the outcome of claims by *consumers* arising under contracts of insurance;
3. being directly involved in the activity of reinsurance mediation, as defined in Regulation 3 of the European Communities (Insurance Mediation) Regulations 2005;
4. acting for or on behalf of a *regulated firm* in the direct management or supervision of those *persons* who act for or on behalf of that *regulated firm* in providing *advice* to *consumers* about *retail financial products* or who arrange or offer to arrange *retail financial products* for *consumers* or who carry out the functions at (1) or (2) above; and
5. adjudicating on any complaint communicated to a *regulated firm* by a *consumer* which relates to *advice* about a *retail financial product* provided to that *consumer* or the arranging or the offering to arrange of a *retail financial product* for that *consumer* or who carry out the functions at (1) or (2) above.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
1. The concept of financial planning	<ul style="list-style-type: none">√ To analyse the main generic types of life assurance savings, protection and investment needs a <i>consumer</i> may have at different life stages.√ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.
2. Legal principles	<ul style="list-style-type: none">√ To explain the main elements of a valid contract of assurance, how a contract is discharged and the remedies for breach of contract.√ To illustrate the particular legal principles underlying life assurance policies, including in particular the principles of <i>insurable interest</i> and <i>utmost good faith</i>.√ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting life assurance policies, including in particular the duty to disclose known material facts, and how these principles can impact on policy benefits.√ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.
3. Life assurance protection policies	<ul style="list-style-type: none">√ To explain, compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance protection policies.√ To discuss the typical explicit charges of the different generic types of life assurance protection policies.√ To identify the different ways in which a life assurance protection policy can be arranged and owned and assess the impact of each different arrangement on entitlement to benefit under the policy.√ To illustrate the fiscal treatment for the <i>consumer</i> of premiums and benefits under the different generic types of life assurance protection policies.√ To assess and explain the different risks for a <i>consumer</i> effecting a life assurance protection policy.
4. The underwriting process	<ul style="list-style-type: none">√ To explain the functions of the life assurance underwriting process and discuss the relationship between underwriting and the premium charged for life assurance benefits.√ To describe the typical underwriting process and associated requirements, including statutory restrictions, applicable to the effecting of a life assurance policy.√ To define what <i>reinsurance</i> is, explain why life assurance companies use reinsurance, and assess its potential impact on the underwriting process for life assurance policies.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	√ To describe the main different types of reinsurance a life company can enter into, and the benefits of such reinsurance for the life assurance company.
5. The claims process	√ To explain the main requirements on both the claimant and the life assurance company throughout the claims settlement process under the different generic types of life assurance policies.
6. Wills and estates	<ul style="list-style-type: none">√ To differentiate between <i>joint tenants</i> and <i>tenants in common</i> ownership of assets.√ To identify the main legal requirements which apply to the making of a valid Will and explain how a valid Will can be revoked.√ To define the main Succession Act rights which the next of kin of a deceased may have to his or her estate.√ To describe the impact on a spouse's Succession Act rights of a legal separation or divorce.√ To describe the impact on a civil partner's Succession Act rights of the dissolution of a registered civil partnership.√ To define the main requirements for the legal transfer of assets, including the death benefit under a life assurance policy, of a deceased to his or her next of kin.
7. Savings and investment policies	<ul style="list-style-type: none">√ To explain, compare and contrast the main features, benefits, limitations and risks for a <i>consumer</i> of the different generic types of investment linked life assurance, including regular savings plans and lump sum investment bonds.√ To quantify the typical explicit charges of the different generic types of investment linked life assurance.√ To explain the different ways in which investment linked life assurance policies can be arranged and owned and demonstrate the impact of each arrangement on entitlement to benefit under the policy.√ To demonstrate the taxation treatment for the <i>consumer</i> of premiums and benefits under the different generic types of investment linked life assurance.√ To assess and explain the different risks for a <i>consumer</i> investing in an investment linked life assurance policy.
8. Tracker Bonds	√ To describe how generic types of life assurance based Tracker Bonds are structured to provide the benefits promised to the investor.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none">√ To demonstrate the taxation treatment of returns received from life assurance based Tracker Bonds.√ To assess and explain the different risks for a <i>consumer</i> investing in a Tracker Bond.
9. Personal taxation	<ul style="list-style-type: none">√ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.√ To describe the main Income Tax reliefs and credits which can be claimed by a <i>consumer</i>.√ To calculate a <i>consumer's</i> Income Tax liability, given details of his or her earnings and reliefs.√ To calculate an Inheritance Tax liability that could arise on the inheritance of an asset and apply the main exemptions and reliefs.√ To evaluate the main features and benefits of the reliefs afforded to life assurance policies used to fund Inheritance Tax or Gift Tax.√ To demonstrate the taxation treatment of a <i>consumer</i> investing in life assurance savings policies and investment bonds.
10. Business consumers	<ul style="list-style-type: none">√ To compare and contrast the main legal and taxation differences between a partnership and a limited company.√ To describe the different ways in which <i>Partnership Insurance</i> can be arranged and illustrate the taxation implications of each.√ To define <i>Keyperson Insurance</i>, explain how it can be arranged and the taxation implications.
11. The process by which appropriate advice is given to the consumer about a life assurance policy	<ul style="list-style-type: none">√ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> on his or her life assurance needs.√ To describe the main survivor's pension and disability benefits provided by the Social Insurance and Assistance schemes, and assess a <i>consumer's</i> potential entitlement to such benefits.√ To analyse information about a <i>consumer's</i> financial needs and resources in order to accurately identify, quantify and prioritise their life assurance protection, savings and investment needs.√ To compare and contrast the features, benefits, limitations and risks of different generic types of life assurance protection, savings and investment policies, so as to be able to recommend to a <i>consumer</i> a policy or a portfolio of policies appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.√ To compose a reason-why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a life assurance protection, savings or

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Life Assurance

SUBJECT MATTER	COMPETENCIES
	investment policy.
	√ To explain why a regular review of a <i>consumer's</i> financial needs and resources should be conducted.
12. Inflation and financial mathematics	<p>√ To illustrate the impact inflation can have over time on a <i>consumer's</i> financial needs and resources, and on life assurance benefits.</p> <p>√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.</p> <p>√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.</p> <p>√ To define what the terms <i>RIY</i>, <i>APR</i> and <i>EAR</i> mean and demonstrate how they can be used to compare different financial products.</p>
13. Best practice	<p>√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</p> <p>√ To recognise the ethical issues arising in relation to the conduct of business.</p>
14. Legislation, regulation and compliance	<p>√ To discuss why Governments seek to regulate financial services companies.</p> <p>√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.</p> <p>√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.</p> <p>√ To describe the main functions of the National Consumer Agency in relation to the provision of financial services to <i>consumers</i>.</p> <p>√ To describe the different types of <i>insurance intermediaries</i> authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.</p> <p>√ To explain the main regulatory requirements which directly apply to the activity of advising <i>consumers</i> on and effecting of a life assurance policy, including in particular:</p> <ul style="list-style-type: none">• the registration and authorisation requirements of <i>insurance intermediaries</i>;• who prudentially regulates life assurance companies and the role of the Appointed Actuary;• the European Communities (Insurance Mediation) Regulations, 2005;• the European Communities (Distance Marketing of

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Life Assurance

SUBJECT MATTER

COMPETENCIES

- Consumer Financial Services) Regulations, 2004;
- relevant provisions of the Consumer Credit Act, 1995 (and relevant Regulations made under the Act) in relation to insurance and housing loans;
- relevant provisions of the European Communities (Consumer Credit Agreements) Regulations 2010 in relation to insurance and *consumer* credit agreements;
- the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
- the Revenue reporting duties of insurance intermediaries who arrange foreign life assurance policies for Irish residents;
- obligations on insurance intermediaries and financial services providers as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
- the provisions of Life Assurance (Provision of Information) Regulations, 2001;
- the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
- the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
1. The concept of financial planning	<ul style="list-style-type: none">√ To analyse the main generic types of retirement planning needs a <i>consumer</i> may have at different life stages.√ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.
2. Legal principles	<ul style="list-style-type: none">√ To explain the main elements of a valid contract of assurance, how a contract is discharged and the remedies for breach of contract.√ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.
3. Investment linked pension policies	<ul style="list-style-type: none">√ To compare and contrast the main features, benefits, limitations and risks for a <i>consumer</i> of the different generic types of investment linked pension policies, including annuities, PRSAs, Personal Pension Plans, AVCs, Buy Out Bonds, and individual defined contribution employer sponsored pension arrangements.√ To quantify the typical explicit charges of the different generic types of investment linked pension policies.√ To demonstrate the taxation treatment for the <i>consumer</i> of premiums and benefits under the different generic types of investment linked pension policies.√ To assess the different risks for a <i>consumer</i> investing in an investment linked pension policy.
4. Pensions and associated benefits	<ul style="list-style-type: none">√ To differentiate between <i>defined contribution</i> and <i>defined benefit</i> pension arrangements.√ To describe how an approved occupational pension scheme is set up.√ To explain the main legislative restrictions on the investment and operation of and the benefits arising from occupational pension schemes, AVCs, retirement annuities, ARFs, AMRFs, Buy Out Bonds and Personal Retirement Savings Accounts.√ To apply the Revenue Pensions Practice limitations on the maximum approvable benefits which can be provided for a member of an approved occupational pension scheme and calculate the maximum benefit in any individual case.√ To apply the Revenue Pensions Practice limitations on the maximum ordinary annual contribution which can be paid to an approved occupational pension scheme in respect of a member, and calculate the maximum ordinary annual contribution in any individual case.√ To define what a Small Self Administered Pension Scheme is and

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
	<p>illustrate the current Revenue Pensions Practice and statutory restrictions on the operation of such schemes.</p> <ul style="list-style-type: none">√ To assess the different retirement benefit options under different types of pension arrangements and to compare the advantages and disadvantages of alternative benefit options for a <i>consumer</i>.√ To assess the main options open to an employee who leaves services with an entitlement to a preserved benefit under his or her employer's occupational pension scheme.√ To demonstrate the tax relief afforded to ordinary and special contributions to an approved occupational pension scheme and to overseas pension arrangements, and calculate the relief for an employer special contribution paid to an approved occupational pension scheme in a particular case.
5. Retirement portfolios	<ul style="list-style-type: none">√ To explain the main different ways in which pension arrangements can invest in geared property investment.√ To define an exempt unit trust and explain what types of investors can invest in such a unit trust√ To explain what an ARF portfolio is, and identify who is entitled to transfer funds into an ARF.√ To identify the main statutory restrictions on ARF, PRSA and occupational pension scheme investments.√ To demonstrate the taxation treatment of distributions from an ARF.√ To define what a <i>Small Self Administered Pension Scheme</i> is and illustrate the current Revenue practice and statutory restrictions on investment powers of such schemes.√ To explain what a <i>chargeable excess</i> is, how it can arise, and calculate the chargeable excess in an individual case.√ To explain how a tax charge can arise on the payment of a lump sum under a pension arrangement, and calculate the tax liability in an individual case.
6. Personal taxation	<ul style="list-style-type: none">√ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule.√ To describe the main Income Tax reliefs and credits which can be claimed by a <i>consumer</i>, including pension tax reliefs.√ To demonstrate how termination and compensation payments are taxed, how the tax free part of termination payments is related to pension tax free lump sum entitlement, and to calculate the taxable part of a termination payment in an individual case.√ To calculate a <i>consumer's</i> Income Tax liability, given details of his or her earnings and reliefs.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
7. The process by which appropriate advice is given to the consumer about pension products and benefits	<ul style="list-style-type: none">√ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> on pension policies and benefits.√ To describe the main retirement pensions provided by the Social Insurance and Assistance schemes, and assess a <i>consumer's</i> potential entitlement to such benefits.√ To analyse information about a <i>consumer's</i> financial needs and resources in order to accurately identify, quantify and prioritise their retirement needs.√ To compare and contrast the features, benefits, limitations and risks of different generic types of pension products, so as to be able to recommend to a <i>consumer</i> a product or a portfolio appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.√ To compose a reason-why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any retirement planning <i>advice</i> given to the <i>consumer</i>.√ To explain why a regular review of a <i>consumer's</i> financial needs and resources should be conducted.
8. Inflation and financial mathematics	<ul style="list-style-type: none">√ To illustrate the impact inflation can have over time on a <i>consumer's</i> financial needs and resources, and on returns from pension products.√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.√ To define what the term <i>RIY</i> means and demonstrate how it can be used to compare different pension policies.
9. Best practice	<ul style="list-style-type: none">√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.√ To recognise the ethical issues arising in relation to the conduct of business.
10. Legislation, regulation and compliance	<ul style="list-style-type: none">√ To discuss why Governments seek to regulate financial services companies.√ To distinguish between <i>structural, systemic, prudential</i> and <i>consumer protection</i> regulation.√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.√ To describe the main functions of the National Consumer Agency

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Pensions

SUBJECT MATTER	COMPETENCIES
	in relation to the provision of financial services to <i>consumers</i> .
	√ To describe the different types of <i>insurance intermediaries</i> authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
	√ To explain the main regulatory requirements which directly apply to the activity of advising <i>consumers</i> in relation to pension policies and associated benefits, including in particular: <ul style="list-style-type: none">• the registration and authorisation requirements of <i>insurance intermediaries</i>;• the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;• the conditions of 'execution only' transactions;• obligations on investment firms, insurance intermediaries and investment business firms as designated <i>persons</i> under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;• the benefits provided to <i>consumers</i> by the Investor Compensation Scheme and the limitations of that scheme;• the details of the Financial Services Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;• the details of the Pensions Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;• the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008;• the Pensions Act whistle blowing obligations on relevant <i>persons</i> in relation to the operation of occupational pension schemes and PRSAs.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Savings and Investments

SUBJECT MATTER	COMPETENCIES
1. The concept of financial planning	<ul style="list-style-type: none">√ To analyse the main generic types of savings and investment needs a <i>consumer</i> may have at different life stages.√ To explain the concept of financial planning and assess the benefits it can provide to <i>consumers</i> in terms of meeting their financial plans and objectives.
2. The financial services market	<ul style="list-style-type: none">√ To explain the main functions which the financial system fulfils.√ To list the key participants of the financial services system.√ To describe the main financial services which financial institutions provide.√ To define what <i>capital markets</i> are and differentiate between the <i>primary</i> and <i>secondary</i> capital markets.√ To identify the main functions of the Irish Stock Exchange, including the main types of securities listed on the Exchange.
3. Legal principles	<ul style="list-style-type: none">√ To explain the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.√ To interpret the concept of <i>agency</i> and define the main duties of an agent to his or her <i>principal</i> and discuss how an agency may be terminated.
4. The economy	<ul style="list-style-type: none">√ To distinguish between <i>monetary</i> and <i>fiscal</i> policy.√ To differentiate between <i>Gross Domestic Product</i> and <i>Gross National Product</i>.√ To identify the different causes of inflation and deflation.√ To identify the different causes of unemployment.√ To discuss the main benefits of international free trade.√ To describe the main features of the European System of Central Banks.
5. Savings and Investment	<ul style="list-style-type: none">√ To discuss the main investment asset classes.√ To discuss alternative asset classes.√ To explain the concept of the <i>volatility</i> of investment returns and describe how this volatility may vary by the main investment asset classes.√ To discuss the concept of the <i>correlation</i> of investment returns between different investments.√ To explain the main advantages and disadvantages of collective investment over individual direct investment.√ To describe the main features of the different generic forms of

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Savings and Investments

collective investment funds, including differentiating between *open ended* and *closed ended* funds.

- √ To explain market efficiency and its implications for *active*, *passive* and *consensus* investment management styles.
- √ To assess the potential impact of different forms of risk which may be associated with an investment.
- √ To accurately appraise a *consumer's* attitude to investment risk.
- √ To describe the difference between *optimisation* and *maximisation* of investment returns.
- √ To describe *efficient portfolio theory* and its implication for how investment risk can be reduced by *diversification*.
- √ To identify the main restrictions which may apply to trustee investments under the Trustee (Authorised Investments) Act, 1958.
- √ To identify the main restrictions which apply to the investment of credit union assets.

6. Quoted shares

- √ To list the different types of ordinary and preferences shares, and describe their differing shareholder rights.
- √ To explain the different factors which can have an influence on quoted share prices, from time to time.
- √ To calculate and interpret the main ratios used to assess and compare quoted share values, including in particular *dividend yield*, *dividend cover*, *earnings per share*, *PER*, *EBITDA*, and *net asset value*.
- √ To explain the steps and costs for the *consumer* involved in buying or selling quoted shares, including settlement procedures.
- √ To distinguish between *discretionary*, *advisory* and *execution only* services provided by investment firms.
- √ To identify the different methods of registering ownership of quoted shares.
- √ To describe what the main ISEQ indices are.
- √ To assess different potential risks for a *consumer* investing in a quoted share.
- √ To define and calculate '*yield gap*' and '*equity risk premium*'.

7. Company law and accounting

- √ To describe how a company is formed.
- √ To differentiate between a private company and a public limited company (plc).
- √ To list the information contained in a typical company's Memorandum of Association and Articles of Association.
- √ To define the basic accounting principles which apply to the accounts of a typical trading company.

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Retail Financial Product: Savings and Investments

- √ To identify what information a typical trading company's Balance Sheet, Profit and Loss Account and Cash Flow statements contain and analyse this information to aid the assessment of the value of the company.
- 8. Quoted bonds**
- √ To define what a *bond* is and what it offers *consumers*
 - √ To identify the steps and quantify costs involved in a *consumer* buying or selling quoted bonds, including settlement procedures.
 - √ To explain the main terms used in relation to the return offered by a bond, including *running* or *flat yield*, *gross redemption yield* and *net redemption yield* and calculate these returns, approximately, in the case of a particular bond.
 - √ To list the factors that influence the returns offered by bonds, from time to time.
 - √ To describe the different potential risks for a *consumer* investing in a quoted bond.
- 9. Investment linked life assurance policies**
- √ To compare and contrast the main features, benefits, limitations and risks for a *consumer* of the different generic types of investment linked life assurance including regular savings plans and lump sum investment bonds.
 - √ To quantify the typical explicit charges of the different generic types of investment linked life assurance policies.
 - √ To explain the different ways in which investment linked life assurance policies can be arranged and owned and demonstrate the impact of each arrangement on entitlement to benefit under the policy.
 - √ To demonstrate the taxation treatment for the *consumer* of premiums and benefits under the different generic types of investment linked life assurance policies.
 - √ To assess the different risks for a *consumer* investing in an investment linked life assurance policy.
- 10. Tracker Bonds**
- √ To describe how generic types of life assurance and deposit Tracker Bonds are structured to provide the benefits promised to the investor.
 - √ To illustrate the main differences for the *consumer* in the taxation treatment of returns received from life assurance and deposit based Tracker Bonds.
 - √ To explain the different risks for a *consumer* investing in a Tracker Bond.
- 11. Collective investment scheme**
- √ To explain the different legal structures of, regulatory provisions applying to, and describe the main features, benefits, charges and risks for a *consumer* investing in the following forms of

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Savings and Investments

instruments	collective investment scheme instruments, i.e., life assurance investment bonds, unit trusts, designated investment companies, investment limited partnerships, UCITS, BES designated investment funds, and equivalent offshore funds.
12.Exchange Traded Funds (ETFs)	√ To define an Exchange Traded Fund (ETF) and discuss its advantages and disadvantages for a <i>consumer</i> as a means of investing in quoted shares.
13.Derivatives	√ To discuss the main features, benefits and risks for a <i>consumer</i> of investing in financial derivatives, linked to the movement in the value of quoted shares, including the following: <ul style="list-style-type: none">• Contracts for Difference (CFDs)• Covered Warrants• Options• Futures
14.Unquoted shares	√ To describe the main benefits and risks for a <i>consumer</i> investing in unquoted transferable shares, including in particular Film and BES company shares.
15.Personal taxation	√ To list the main schedules under which Income Tax is assessed and identify the types of income which fall under each schedule. √ To apply the main Income Tax reliefs and credits which can be claimed. √ To calculate a Capital Gains Tax liability that could arise on the disposal by a <i>consumer</i> of an asset and apply the main exemptions and reliefs which are available. √ To demonstrate the taxation treatment of a <i>consumer</i> investing in the following collective investment scheme instruments, i.e., unit trusts, designated investment companies, investment limited partnerships, UCITS, and BES designated investment funds and equivalent offshore funds. √ To demonstrate the taxation treatment of a <i>consumer</i> investing in a BES qualifying company and a Film qualifying company. √ To demonstrate how a <i>consumer</i> is taxed on profits arising from investing in derivatives, including Contracts for Difference, Covered Warrants, options and futures.
16.Business consumers	√ To identify the main legal and taxation differences between a partnership and a limited company. √ To compare and contrast the main features, benefits, restrictions and taxation treatment of <i>Approved Share Options, Unapproved Share Option schemes, SAYE scheme</i> and <i>Approved Profit Sharing Schemes</i> which employers may provide for employees.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Savings and Investments

17. The process by which appropriate investment advice is given to the consumer

- √ To identify the main items of information about a *consumer* which should be sought *before* providing investment *advice* to that *consumer* on savings and investment products.
- √ To analyse information about a *consumer's* financial needs and resources in order to accurately identify, quantify and prioritise their savings and investment needs.
- √ To compare and contrast the features, benefits, limitations and risks of different generic types of savings and investment products, so as to be able to recommend to a *consumer* an investment portfolio or product appropriate to that *consumer's* financial needs, resources and attitude to investment risk.
- √ To compose a reason why statement setting out in clear terms the reasons underlying any investment *advice* given to the *consumer*.
- √ To explain why a regular review of a *consumer's* financial needs and resources should be conducted.

18. Inflation and financial mathematics

- √ To illustrate the impact inflation can have over time on a *consumer's* financial needs and resources and on returns from savings and investment products.
- √ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.
- √ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.
- √ To calculate the *Net Present Value* of a simple investment proposition, using appropriate discounting tables.
- √ To define the terms *RIY*, *IRR*, and *CAR* and demonstrate how they can be used to compare different financial products.
- √ To describe and calculate measures of the volatility of investment returns.

19. Best practice

- √ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to *consumers*.
- √ To recognise the ethical issues arising in relation to the conduct of business.

20. Legislation, regulation and compliance

- √ To discuss why Governments seek to regulate financial services companies.
- √ To distinguish between *structural*, *systemic*, *prudential* and *consumer protection* regulation.
- √ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.

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Retail Financial Product: Savings and Investments

- √ To describe the main functions of the National Consumer Agency in relation to the provision of financial services to *consumers*.
- √ To list the main functions of the Director of Corporate Enforcement in relation to the regulation of corporate governance.
- √ To explain the regulatory role of the Irish Stock Exchange in relation to Member Firms.
- √ To describe the different types of intermediaries, authorised under the Investment Intermediaries Act, 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* in relation to savings and investment products, including in particular:
 - the registration and authorisation requirements of *insurance intermediaries*;
 - who prudentially regulates life assurance companies and the role of the Appointed Actuary;
 - the European Communities (Markets in Financial Instruments) Regulations 2007;
 - the European Communities (Insurance Mediation) Regulations, 2005;
 - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
 - the main provisions of the Rules of the Irish Stock Exchange Limited;
 - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
 - the conditions of 'execution only' transactions;
 - the Revenue reporting duties of intermediaries who arrange investment in offshore investment funds and foreign policies for Irish residents;
 - obligations on investment firms, insurance intermediaries and investment business firms as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
 - the provisions of Life Assurance (Provision of Information) Regulations, 2001;
 - the benefits provided to *consumers* by the Investor Compensation scheme and the limitations of that scheme;
 - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
 - the main insider dealing provisions of the Companies Act, 1990;
 - the main provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005, Part 4 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 and the Market Abuse Rules issued by the Central Bank of

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Ireland;

- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
1. The concept of insurance	<ul style="list-style-type: none">√ To explain the nature of general insurance and the insurability of risks.√ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.√ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.
2. Basic legal and insurance principles underlying general insurance	<ul style="list-style-type: none">√ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.√ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.√ To explain the concept of indemnity and its application to personal general insurance policies.√ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.√ To explain the operation of the principle of proximate cause in claims situations.
3. The insurance market and contractual considerations	<ul style="list-style-type: none">√ To explain the way in which the general insurance market operates.√ To describe the different types of intermediary and their responsibilities towards their clients.√ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.√ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.
4. Underwriting procedures and policy wording	<ul style="list-style-type: none">√ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.√ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.√ To describe the function and legal significance of proposal forms and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none">√ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.√ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.√ To describe the structure of general insurance policy wordings and common market exclusions and conditions.√ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.
5. Claims	<ul style="list-style-type: none">√ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.√ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.√ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.√ To describe the role of the legal system and its main parties in the claims settlement process.√ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.√ To explain circumstances when other parties are involved in the claims process and their role and responsibility (InjuriesBoard.ie, solicitors, loss assessors, loss adjusters, appraisers, surveyors and other experts).
6. Risk management process	<ul style="list-style-type: none">√ To identify the main techniques used in risk management.√ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).√ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.√ To analyse information about a <i>consumer's</i> personal situation or that of their business in order to identify means of applying risk prevention, reduction and avoidance techniques and retention options.
7. The process by which appropriate advice is given	<ul style="list-style-type: none">√ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.√ To describe the main items of information about a <i>consumer</i> that

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Personal General Insurance

SUBJECT MATTER	COMPETENCIES
to the <i>consumer</i> about a general insurance policy	<p>should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.</p> <ul style="list-style-type: none">√ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.√ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.√ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.√ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.
8. Best practice	<ul style="list-style-type: none">√ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.√ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.√ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.
9. In-depth knowledge of personal general insurance	<ul style="list-style-type: none">√ To describe and explain the scope and limitations of policy covers and standard options available.√ To explain the methods of underwriting, including appropriate reinsurance options.√ To describe and apply the relevant torts of negligence, trespass and strict liability.√ To outline and apply the personal general insurance claims procedures.
10. Legislation, regulation and compliance	<ul style="list-style-type: none">√ To discuss why Governments seek to regulate financial services companies.√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.√ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance

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Retail Financial Product: Personal General Insurance

SUBJECT MATTER

COMPETENCIES

Mediation) Regulations 2005.

- √ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.
- √ To describe the regulations which govern general insurance policies (e.g., scope of policy coverage, renewal).
- √ To describe the developments in the European Union that have influenced the provision of *advice* in relation to general insurance products and the means by which these have been brought into law in Ireland.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* on and effecting of a general insurance policy, including but not limited to:
 - the registration and authorisation requirements of *insurance intermediaries*;
 - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
 - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
 - obligations on insurance intermediaries as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
 - the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
 - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
 - the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
1. The concept of insurance	<ul style="list-style-type: none">√ To explain the nature of general insurance and the insurability of risks.√ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.√ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.
2. Basic legal and insurance principles underlying general insurance	<ul style="list-style-type: none">√ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.√ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.√ To explain the concept of indemnity and its application to commercial general insurance policies.√ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.√ To explain the operation of the principle of proximate cause in claims situations.
3. The insurance market and contractual considerations	<ul style="list-style-type: none">√ To explain the way in which the general insurance market operates.√ To describe the different types of intermediary and their responsibilities towards their clients.√ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.√ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.
4. Underwriting procedures and policy wording	<ul style="list-style-type: none">√ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.√ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.√ To describe the function and legal significance of proposal forms and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.

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Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none">√ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.√ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.√ To describe the structure of general insurance policy wordings and common market exclusions and conditions.√ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.
5. Claims	<ul style="list-style-type: none">√ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.√ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.√ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.√ To describe the role of the legal system and its main parties in the claims settlement process.√ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.√ To explain circumstances when other parties are involved in the claims process and their role and responsibility (InjuriesBoard.ie, solicitors, loss assessors, loss adjusters, appraisers, surveyors and other experts).
6. Risk management process	<ul style="list-style-type: none">√ To identify the main techniques used in risk management.√ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).√ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.√ To analyse information about a <i>consumer's</i> personal situation or that of their business in order to identify means of applying risk prevention, reduction and avoidance techniques and retention options.
7. The process by which appropriate advice is given	<ul style="list-style-type: none">√ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.√ To describe the main items of information about a <i>consumer</i> that

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
to the <i>consumer</i> about a general insurance policy	<p>should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.</p> <ul style="list-style-type: none">√ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.√ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.√ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.√ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.
8. Best practice	<ul style="list-style-type: none">√ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.√ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.√ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.
9. In-depth knowledge of commercial general insurance	<ul style="list-style-type: none">√ To describe and explain the scope and limitations of policy covers and options available.√ To recognise the enquiries required to establish the risk appetite and insurable risks faced by commercial organisations; highlighting issues which are of particular importance to commercial classes of insurance business.√ To explain the methods of underwriting, including appropriate reinsurance options.√ To outline the role of the insurance surveyor.√ To describe and apply the relevant torts of negligence, trespass, strict liability nuisance, defamation, libel and slander.√ To outline and apply the commercial general insurance claims procedures.
10. Legislation, regulation and compliance	<ul style="list-style-type: none">√ To discuss why Governments seek to regulate financial services companies.√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.

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Retail Financial Product: Commercial General Insurance

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none">√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.√ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.√ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.√ To describe the regulations which govern general insurance policies (e.g. scope of policy, renewals).√ To describe the developments in the European Union that have influenced the provision of <i>advice</i> in relation to general insurance products and the means by which these have been brought into law in Ireland.√ To explain the main regulatory requirements which directly apply to the activity of advising <i>consumers</i> on and effecting of a general insurance policy, including but not limited to:<ul style="list-style-type: none">• the registration and authorisation requirements of <i>insurance intermediaries</i>;• the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;• the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;• obligations on insurance intermediaries as <i>designated persons</i> under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;• the benefits provided to <i>consumers</i> by the Investor Compensation Scheme and the limitations of that scheme;• the details of the Financial Services Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;• the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
1. The concept of insurance	<ul style="list-style-type: none">√ To explain the nature of general insurance (including Private Medical Insurance) and the insurability of risks.√ To explain the concept of general insurance and the benefits it can provide to <i>consumers</i> in terms of protecting them against the consequences of adverse events.√ To analyse the risks faced by <i>consumers</i> in a comprehensive manner and to identify the extent of appropriate insurance solutions available in the market.
2. Basic legal and insurance principles underlying general insurance (including Private Medical Insurance)	<ul style="list-style-type: none">√ To illustrate the particular legal principles of <i>insurable interest</i> and <i>utmost good faith</i>.√ To describe the main requirements which these legal principles impose on <i>consumers</i> effecting general insurance policies, including in particular the duty to disclose material facts, and how these principles can impact on payment of claims and continuance of the policy.√ To explain the concept of indemnity and its application to different classes of general insurance policies.√ To apply the corollaries of indemnity, subrogation and contribution in commonly encountered situations where recovery rights may be exercised or dual insurance exists.√ To explain the operation of the principle of proximate cause in claims situations.
3. The insurance market and contractual considerations	<ul style="list-style-type: none">√ To explain the way in which the general insurance and private medical insurance market operates.√ To describe the different types of intermediary and their responsibilities towards their clients.√ To describe the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.√ To explain the concept of <i>agency</i> and to know the main duties of an agent to his or her <i>principal</i> and how an agency may be terminated.√ To demonstrate the fiscal treatment for the <i>consumer</i> of premiums and benefits under private medical insurance policies.
4. Underwriting procedures and policy wording	<ul style="list-style-type: none">√ To explain the general insurance underwriting process and the relationship between underwriting and the premium charged for general insurance policies.√ To describe the typical underwriting measures available to an underwriter when considering a general insurance proposal including restrictions such as the application of warranties.√ To describe the function and legal significance of proposal forms

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<p>and other insurance documentation and explain the importance of the accuracy and completeness of the information provided.</p> <ul style="list-style-type: none">√ To be able to frame questions (even if outside the scope of the proposal form) which encourage disclosure of the necessary material information for <i>consumers</i> to be provided with the most appropriate product and ensure that they fulfil their duty of utmost good faith.√ To explain insurer rating guides and their application in determining premiums charged to <i>consumers</i>.√ To describe the structure of general insurance policy wordings and common market exclusions and conditions.√ To define <i>reinsurance</i> and state what prompts its use in the underwriting process for general insurance policies and outline the main types of reinsurance.
5. Claims	<ul style="list-style-type: none">√ To explain the requirements on both the customer and the insurance company throughout the claims settlement process.√ To advise a <i>consumer</i> of the necessary procedures and documentation required to pursue a claim successfully.√ To explain why procedures are necessary that are designed to limit or prevent fraud or exaggeration of claims.√ To describe the role of the legal system and its main parties in the claims settlement process.√ To recognise and establish the extent to which the claim falls (or does not fall) within the scope of an insurance policy and explain why (or why not) to a <i>consumer</i>.√ To explain circumstances when other parties are involved in the claims process and their role and responsibility.
6. Risk management process	<ul style="list-style-type: none">√ To identify the main techniques used in risk management.√ To describe how risk management techniques can protect <i>consumers</i> and their business (physically and financially).√ To identify the main sources of risk management information, such as information provided by relevant government bodies and market associations.
7. The process by which appropriate advice is given to the consumer about a general insurance policy	<ul style="list-style-type: none">√ To describe the information and documentation required by insurance organisations for fulfilment of legal and regulatory requirements.√ To describe the main items of information about a <i>consumer</i> that should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a general insurance policy.√ To be able to analyse information about a <i>consumer's</i> general insurance needs in order to accurately identify, quantify and prioritise their general insurance needs.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<ul style="list-style-type: none">√ To accurately identify and compare the features, benefits and limitations of different generic types of general insurance policies so as to be able to develop effective solutions to meet a <i>consumer's</i> insurance needs.√ To draft a reason why statement for a <i>consumer</i> setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i> regarding a general insurance policy.√ To explain why a regular review of a <i>consumer's</i> general insurance needs should be conducted.
8. Best practice	<ul style="list-style-type: none">√ To explain the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.√ To explain the ethical issues arising in relation to the conduct of business and the most appropriate means of ensuring ethical behaviour.√ To advise a <i>consumer</i> in relation to the procedures involved in complaints handling and the use of alternative dispute resolution channels in general insurance.
9. In-depth knowledge of Private Medical Insurance	<ul style="list-style-type: none">√ To describe and explain the legal framework for conducting Private Medical Insurance business.√ To explain the scope and limitations of healthcare insurance policy covers and standard options available.√ To explain the methods of Private Medical Insurance and healthcare insurance underwriting.√ To explain and apply the Private Medical Insurance claims procedures.√ To explain and apply the taxation of premiums and benefits.
10. Associated insurances	<ul style="list-style-type: none">√ To describe and explain the scope and limitations of policy covers and standard options available for:<ul style="list-style-type: none">• Major medical expenses;• Dental insurance;• Health cash plans;• Travel insurance.
11. Legislation, regulation and compliance	<ul style="list-style-type: none">√ To discuss why Governments seek to regulate financial services companies.√ To distinguish between structural, systemic, prudential and <i>consumer</i> protection regulation.√ To describe the main functions of the Central Bank of Ireland, including its enforcement powers.√ To describe the role of the Health Insurance Authority in relation

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Private Medical Insurance and Associated Insurances

SUBJECT MATTER

COMPETENCIES

to the regulation of Private Medical Insurance in Ireland.

- √ To describe the different types of insurance intermediaries authorised under the Investment Intermediaries Act 1995 and registered under the European Communities (Insurance Mediation) Regulations 2005.
- √ To explain the requirements surrounding the authorisation and supervision of insurance undertakings.
- √ To describe the regulations which govern general insurance policies (e.g. scope of policy coverage, renewal).
- √ To describe the developments in the European Union that have influenced the provision of *advice* in relation to general insurance products and the means by which these have been brought into law in Ireland.
- √ To explain the main regulatory requirements which directly apply to the activity of advising *consumers* on and effecting of a general insurance policy, including but not limited to:
 - the registration and authorisation requirements of *insurance intermediaries*;
 - the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
 - the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland;
 - obligations on insurance intermediaries as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
 - the benefits provided to *consumers* by the Investor Compensation Scheme and the limitations of that scheme;
 - the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
 - the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
1. Legal	<ul style="list-style-type: none">√ To distinguish between <i>ownership</i> and <i>possession</i> of property and explain the two main different forms of ownership and possession of property.
2. Housing loans and home reversion agreements	<ul style="list-style-type: none">√ To describe the main features, benefits, restrictions and risks for the <i>consumer</i> of the different generic types of housing loans, including in particular the <i>capital & interest, endowment, pension</i> and <i>interest only</i> mortgages.√ To explain what a home reversion agreement is, its main features, benefits, restrictions and risks for the <i>consumer</i>, and how a home reversion agreement differs from a housing loan.√ To identify the main forms of security typically required by a mortgage lender in relation to providing housing loans to <i>consumers</i>.√ To explain the main benefits and risks for the <i>consumer</i> associated with endowment, pension and interest only mortgages.√ To explain the main benefits and risks for the <i>consumer</i> associated with home reversion agreements.√ To compare and contrast the different interest options offered by generic types of housing loans, including in particular <i>variable rate, fixed rate</i> and <i>tracker variable rate</i>.√ To explain how housing loans can be used for '<i>debt consolidation</i>', and describe the benefits, restrictions and risks for the <i>consumer</i> in consolidating other debts and loans into a housing loan.√ To explain the different ways housing loans and home reversion agreements can be used for '<i>equity release</i>', and describe the benefits, restrictions and risks for the <i>consumer</i> in obtaining capital in this manner.√ To discuss the different methods by which housing loan lenders may deal with <i>consumers</i> who have accumulated arrears on a housing loan, including procedures for initiating legal proceedings.
3. Taxation	<ul style="list-style-type: none">√ To explain the main details of, and apply the tax relief afforded to, mortgage interest for housing loans, including bridging loans.√ To calculate the tax relief afforded to investors on interest payments on housing loans in respect of rented residential property.
4. Associated insurances	<ul style="list-style-type: none">√ To compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance protection policies, endowment mortgage policies, pension policies, and general insurance policies which can be used to

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<p>provide for housing loan repayment in the event of death, disability or unemployment of the borrower, and/or to accumulate a fund to repay the housing loan by the end of the loan term.</p> <ul style="list-style-type: none">√ To assess the main features, benefits and limitations of the Structural Defect Insurance cover.√ To compare and contrast the main features, benefits and limitations of the different generic types of general insurance policies which can be used to insure a house and the contents of a house, mortgaged in connection with a housing loan.√ To identify the obligations on mortgage lenders, under the Consumer Credit Act, 1995, in relation to insurance of mortgaged property.√ To identify the obligations on mortgage lenders, under the Consumer Credit Act, 1995, in relation to the provision of mortgage protection insurance cover for housing loan borrowers.√ To assess the relative advantages and disadvantages for the housing loan borrower of arranging associated insurances under a block policy arranged by the mortgage lender, compared with arranging such cover on an individual policy basis.√ To describe the main restrictions on mortgage agents, in the Consumer Credit Act 1995, in relation to linking services in connection with the arrangement or provision of a housing loan.
5. The process by which appropriate advice is given to the consumer about a housing loan and associated insurances	<ul style="list-style-type: none">√ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a housing loan and/or associated insurances.√ To explain the various items of documentation a mortgage lender will typically seek from a <i>consumer</i> in order to process a housing loan application from that <i>consumer</i>.√ To list all the various explicit charges and costs a <i>consumer</i> is likely to bear when applying for and obtaining a housing loan, including the cost of any Payment Protection Insurance the credit institution may offer to arrange for the <i>consumer</i> in connection with the housing loan.√ To compare and contrast the features, benefits, costs, limitations and risks of different generic types of housing loans so as to recommend to a <i>consumer</i> a type of housing loan appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.√ To compare and contrast the features, benefits, costs, limitations and risks of different generic types of life assurance and general insurance which can be required as part of a housing loan, so as to recommend to a <i>consumer</i> the type of cover and method of arrangement appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.√ To compose a reason-why statement setting out in clear terms the reasons underlying any <i>advice</i> given to the <i>consumer</i>

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Housing Loans, Home Reversion Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	regarding a housing loan and/or the arranging of life assurance and/or general insurance related to the housing loan and the mortgaged property.
6. Compound interest	<ul style="list-style-type: none">√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.√ To define what the term <i>APR</i> means and demonstrate how it can be used to compare different housing loans.
7. Best practice	<ul style="list-style-type: none">√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.√ To recognise the ethical issues arising in relation to the conduct of business.
8. Regulation	<ul style="list-style-type: none">√ To discuss the main functions of the Central Bank of Ireland, including its enforcement powers.√ To explain the main regulatory requirements which directly apply to the activity of advising a <i>consumer</i> on and the arrangement of a housing loan or home reversion agreement:<ul style="list-style-type: none">• the authorisation requirements of <i>mortgage intermediaries</i>, under Part IX Consumer Credit Act 1995;• the different obligations and restrictions imposed on <i>mortgage intermediaries</i>, <i>mortgage lenders</i>, and <i>mortgage agents</i> by the Consumer Credit Act, 1995 in relation to housing loans and associated insurance requirements;• the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;• the provisions of relevant Codes of Conduct , issued by the Central Bank of Ireland;• the main functions of the National Consumer Agency in relation to the provision of financial services to <i>consumers</i>;• obligations on mortgage lenders as <i>designated persons</i> under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;• the details of the Financial Services Ombudsman Scheme, and how a <i>consumer</i> can access the Scheme;• the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Consumer Credit Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
1. Consumer contracts	<ul style="list-style-type: none">√ To explain the main elements of a valid contract, how a contract is discharged and the remedies for breach of contract.√ To describe the main forms of <i>consumer</i> credit agreements subject to Parts 2 to 7 of the European Communities (Consumer Credit Agreements) Regulations, 2010.√ To describe the impact of the European Communities (Unfair Terms in Consumer Contracts) Regulations, 1995 on <i>consumer</i> contracts.
2. Consumer credit agreements	<ul style="list-style-type: none">√ To describe the form and content of different types of <i>consumer</i> credit agreements, and how they differ from each other.√ To assess the main features of typical credit assessment and underwriting procedures used by creditors when advancing <i>consumer</i> credit.√ To identify the main forms of security which a creditor may require when advancing <i>consumer</i> credit.√ To discuss the information which must be provided by creditors and credit intermediaries to a <i>consumer</i> prior to the conclusion of a credit agreement with that <i>consumer</i>.√ To describe <i>consumer</i> rights and obligations under a <i>consumer</i> credit agreement.√ To discuss the different methods by which creditors may deal with <i>consumers</i> who have accumulated arrears on <i>consumer</i> credit agreements including procedures for initiating legal proceedings.
3. Associated insurances	<ul style="list-style-type: none">√ To compare and contrast the main features, benefits, limitations and risks of the different generic types of life assurance and general insurance policies which can be used to insure the credit outstanding and/or repayments under <i>consumer</i> credit agreements, in the event of death, disability or unemployment.√ To assess the relative advantages and disadvantages for the <i>consumer</i> of arranging associated insurances under a block policy arranged by the credit institution, compared with arranging such cover on an individual policy basis.
4. The process by which appropriate advice is given to a consumer about consumer credit and associated insurances	<ul style="list-style-type: none">√ To identify the main items of information about a <i>consumer</i> which should be sought <i>before</i> providing <i>advice</i> to that <i>consumer</i> about a <i>consumer</i> credit agreement.√ To explain the various items of documentation a creditor will typically seek from a <i>consumer</i> before offering to enter into a <i>consumer</i> credit agreement with that <i>consumer</i>.√ To list all the various explicit charges a <i>consumer</i> is likely to bear when applying for and entering into a <i>consumer</i> credit

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Consumer Credit Agreements and Associated Insurances

SUBJECT MATTER	COMPETENCIES
	<p>agreement, including the cost of any Payment Protection Insurance or other insurance the creditor may offer to arrange for the <i>consumer</i> or require the <i>consumer</i> to have in connection with the <i>consumer</i> credit agreement.</p> <p>√ To compare and contrast the features, benefits, limitations and risks of different generic types of <i>consumer</i> credit agreements so as to be able to recommend to a <i>consumer</i> a form of credit appropriate to that <i>consumer's</i> financial needs, resources and circumstances.</p> <p>√ To compare and contrast the features, benefits, limitations and risks of different generic types of life assurance and general insurance policies which can insure the credit outstanding and/or repayments on a <i>consumer</i> credit agreement, so as to be able to recommend to a <i>consumer</i> the type of cover and method of arrangement of such cover appropriate to that <i>consumer's</i> financial needs, resources and attitude to risk.</p> <p>√ To compose a reason-why statement setting out in clear terms the reasons underlying any <i>advice</i> given to a <i>consumer</i> regarding the provision of credit and/or the arranging of insurance on the credit outstanding on a <i>consumer</i> credit agreement.</p>
5. Compound interest	<p>√ To calculate a sum accumulated over a specified period at a specified rate of interest, using appropriate accumulation tables.</p> <p>√ To calculate a sum discounted over a specified period at a specified rate of interest, using appropriate discounting tables.</p> <p>√ To define what the term <i>APR</i> means and demonstrate how it can be used to compare different <i>consumer</i> credit agreements.</p>
6. Best practice	<p>√ To describe the importance of confidentiality in relation to the collection, maintenance and processing of personal data related to <i>consumers</i>.</p> <p>√ To recognise the ethical issues arising in relation to the conduct of business.</p>
7. Regulation	<p>√ To describe the functions of the National Consumer Agency in relation to the regulation of credit intermediaries.</p> <p>√ To explain the main regulatory requirements which directly apply to arranging credit for a <i>consumer</i>:</p> <ul style="list-style-type: none">• the European Communities (Consumer Credit Agreements) Regulations, 2010;• the authorisation requirements of <i>credit intermediaries</i>, under Part XI Consumer Credit Act 1995;• the role of the Central Bank of Ireland in relation to the imposition of charges in <i>consumer</i> credit agreements;

Appendix 3 – Minimum Competencies for Retail Financial Products

Retail Financial Product: Consumer Credit Agreements and Associated Insurances

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- the different obligations and restrictions imposed on *credit intermediaries* and credit institutions by the Consumer Credit Act, 1995 in relation to the provision and advertisement and arranging of *consumer* credit agreements which are subject to Parts 2 to 7 of the European Communities (Consumer Credit Agreements) Regulations, 2010;
- the European Communities (Distance Marketing of Consumer Financial Services) Regulations, 2004;
- the provisions of relevant Codes of Conduct, issued by the Central Bank of Ireland applying to credit providers;
- obligations on credit institutions as *designated persons* under the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010;
- the details of the Financial Services Ombudsman Scheme, and how a *consumer* can access the Scheme;
- the provisions of the Data Protection Acts, 1988 and 2003 related to the maintenance, disclosure and use of personal data and the Equal Status Acts 2000-2008.

Appendix 4 – Recognised Qualifications

Category of retail financial product	Qualifications which are recognised in respect of retail financial products and associated specified functions
1 Life Assurance	<ul style="list-style-type: none"> • Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Member, Associate or Fellow of the Irish Institute of Pensions Management (post 2006 syllabus) • Accredited Product Adviser* (Life Assurance) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
2 Pensions	<ul style="list-style-type: none"> • Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Member, Associate or Fellow of the Irish Institute of Pensions Management (post 2006 syllabus) • Accredited Product Adviser* (Pensions) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
3 Savings and Investment	<ul style="list-style-type: none"> • Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Member, Associate or Fellow of the Irish Institute of Pensions Management (post 2006 syllabus) • Registered Stockbroker (<i>Institute of Bankers School of Professional Finance</i>) • Accredited Product Adviser* (Savings and Investments) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
4 Personal General Insurance	<ul style="list-style-type: none"> • Certified Insurance Practitioner (<i>The Insurance Institute of Ireland</i>) • Associate or Fellow of the Chartered Insurance Institute • Accredited Product Adviser* (Personal General Insurance) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
5 Commercial General Insurance	<ul style="list-style-type: none"> • Certified Insurance Practitioner (<i>The Insurance Institute of Ireland</i>) • Associate or Fellow of the Chartered Insurance Institute • Accredited Product Adviser* (Commercial General Insurance) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
6 Private Medical Insurance and Associated Insurances	<ul style="list-style-type: none"> • Certified Insurance Practitioner (<i>The Insurance Institute of Ireland</i>) • Associate or Fellow of the Chartered Insurance Institute • Diploma in Private Medical Insurance (<i>The Insurance Institute of Ireland</i>) • Accredited Product Adviser* (Personal General Insurance) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Accredited Product Adviser* (Private Medical Insurance) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)

Appendix 4 – Recognised Qualifications

7	Housing Loans, Home Reversion Agreements and Associated Insurances	<ul style="list-style-type: none"> • Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Accredited Product Adviser* (Loans) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)
8	Consumer Credit and Associated Insurances	<ul style="list-style-type: none"> • Qualified Financial Adviser (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Accredited Product Adviser* (Loans) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>) • Accredited Product Adviser* (Consumer Credit) (<i>Institute of Bankers School of Professional Finance, LIA and The Insurance Institute of Ireland</i>)

Credit Unions	Additional Qualifications recognised by the Central Bank for credit unions
Credit Union acting as an insurance intermediary	<ul style="list-style-type: none"> • Credit Union Adviser (<i>LIA and Credit Union Development Association</i>) • Advanced Certificate in Credit Union Practice (<i>University of Ulster and Irish League of Credit Unions</i>)

Category of specified function	Additional qualifications recognised by the Central Bank in respect of specified functions
1 Assisting consumers in the making of a claim under contracts of life assurance or Determining the outcome of claims by consumers arising under contracts of life assurance	<ul style="list-style-type: none"> • Associate or Fellow of the Chartered Insurance Institute • Associate or Fellow of the Society of Actuaries in Ireland • Diploma in Life and Disability Underwriting (<i>The Insurance Institute of Ireland</i>) • Diploma in Life and Disability Claims (<i>The Insurance Institute of Ireland</i>) • Solicitor Member of the Law Society of Ireland • Barrister-at-Law called to the Bar of Ireland
2 Assisting consumers in the making of a claim under contracts of general insurance or Determining the outcome of claims by consumers arising under contracts of general insurance	<ul style="list-style-type: none"> • Associate or Fellow of the Chartered Institute of Loss Adjusters • Associate or Fellow of the Society of Actuaries in Ireland • Certified Diploma in Loss Adjusting (<i>The Insurance Institute of Ireland</i>) • Diploma in Loss Adjusting (<i>The Insurance Institute of Ireland</i>) • Solicitor Member of the Law Society of Ireland • Barrister-at-Law called to the Bar of Ireland

Appendix 4 – Recognised Qualifications

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| <p>3 Adjudicating on any complaint communicated to a regulated firm by a <i>consumer</i> which relates to <i>advice</i> about a <i>retail financial product</i> provided to that <i>consumer</i> or the arranging of a <i>retail financial product</i> for that <i>consumer</i> or the activities at 1 or 2 above.</p> | <ul style="list-style-type: none">• Licentiate of the Association of Compliance Officers in Ireland• Solicitor Member of the Law Society of Ireland• Barrister-at-Law called to the Bar of Ireland |
|--|--|

* The Accredited Product Adviser incorporates a number of previous recognised qualifications. Further information is available on the relevant professional educational bodies' websites.

Appendix 5 – Statement of Grandfathered Status

N.B. To be completed on the headed stationery of the *regulated firm*.

I confirm that _____ (full name of *grandfathered person*) has been grandfathered in respect of the following functions:

RETAIL FINANCIAL PRODUCTS	Full function	Part of a function
1. Life Assurance		
a) Temporary assurance policies		
b) Whole of life policies		
c) Life assurance savings and investment policies		
d) Tracker bond policies		
e) Permanent health insurance policies		
f) Industrial assurance business policies		
2. Pensions		
a) Occupational pension schemes		
b) Personal Pension Plans		
c) Personal Retirement Savings Accounts (PRSAs)		
d) Additional Voluntary Contributions (AVCs)		
e) Approved retirement funds (ARFs)		
f) Approved minimum retirement funds (AMRFs)		
g) Annuities		
h) Buy Out Bonds		
3. Savings and Investment		
a) Life assurance savings and investment policies		
b) Deposits with a term equal to or greater than one year		
c) Tracker bonds		
d) Collective investment schemes		
e) Listed shares and bonds		
f) Unlisted shares		
g) Derivatives		
4. Personal General Insurance		
5. Commercial General Insurance		
6. Private Medical Insurance and Associated Insurances		
7. Housing Loans, Home Reversion Agreements and Associated Insurances		
8. Consumer Credit and Associated Insurances		

Appendix 5 – Statement of Grandfathered Status

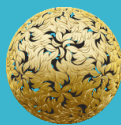
SPECIFIED FUNCTIONS							
1. Claims							
a) Life assurance claims							
b) Non-life insurance claims							
2. Reinsurance mediation							
3. Direct management and supervision of <i>accredited persons</i>							
4. Adjudicating on complaints							
<p>If grandfathered for only part of any of the above, please set out below the specific function for which grandfathered:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Function</th> </tr> </thead> <tbody> <tr> <td> Examples: 4. Personal General Insurance 7. Housing Loans, Home Reversion Agreements and Associated Insurances </td> <td> Examples: ■ Motor insurance only ■ Housing loans and associated insurances only </td> </tr> </tbody> </table>				Category	Function	Examples: 4. Personal General Insurance 7. Housing Loans, Home Reversion Agreements and Associated Insurances	Examples: ■ Motor insurance only ■ Housing loans and associated insurances only
Category	Function						
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Signed by: _____

Job Title: _____

On behalf of: _____

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