



Conduct Rules

Positive indicators

Relevant SMF can demonstrate appropriate involvement/oversight of training.

Training is interactive and uses realistic scenarios.

Examples/scenarios draw out nuances of how the rules apply to each type of role.

Line managers are involved in training delivery, not just HR or the project team.

Training is reinforced regularly and built into on-boarding.

Effectiveness of Conduct Rules training is assessed.

Training is put in the context of the overall regime.

Regime/Conduct Rules are presented as a step change in regulatory expectations.

Conduct is linked to F&P and performance assessments.

Negative indicators

Relevant SMF has limited knowledge of training approach and/or has delegated with limited oversight.

Simple computer-based training only – with little attempt to tailor to role.

Training only gives obvious examples of breaches – for example, fraud or not attending mandatory training - which do not draw out nuances.

Training is delivered by a HR, compliance or the project team with no line management involvement.

Training is a one-off exercise and/or not built into on-boarding.

No measures of the effectiveness of Conduct Rules training.

Training is not put in context of the overall regime.

Regime/Conduct Rules are presented as nothing new, simply 'what we do already'.

Conduct rule not linked to F&P or performance assessments.

For more information, read section 11 of the [SM&CR Guide for solo-regulated firms](#) (PDF).

The FCA also stress you can [listen to our podcast on Conduct Rules](#) for practical tips.

CHECKLIST OF TOOLS FOR EMPLOYEE CONDUCT RULES TRAINING

- Overview of SMCR for Employees at all Levels
- The Conduct Rules for employees and Senior Managers
- FCA Handbook Extract: What constitutes a breach (Exercise)
- Impact of SMCR/Conduct Rules on Employment Life Cycle
- Case study: scenarios aligned to each job and financial disciplines
- Whistleblowing Procedure
- Exercise to align job role with conduct rules



SENIOR MANAGER AND CERTIFIED PERSONS REGIME – HR CHECKLIST



Source: Ruth Cole and Others (Feb 2016)

What these mean to you personally

The Conduct Rules for Individuals aligned to your job role

SUMMARY OF CONDUCT RULES FOR INDIVIDUALS

Rule	Individuals must:	Applied by
CR1	Act with integrity	FCA and PRA
CR2	Act with due skill, care and diligence	FCA and PRA
CR3	Be open and cooperative with the FCA, the PRA and other regulators	FCA and PRA
CR4	Pay due regard to the interests of customers and treat them fairly	FCA Only
CR5	Observe proper standards of market conduct	FCA Only

PRA and FCA Conduct Rules Effective March 2016
Reproduced by City HR Association (Source: FCA Handbook 2015/31)

What these mean to your Senior Manager

Think of the impact on your Manager, your firm, the industry and yourself

SUMMARY OF ADDITIONAL CONDUCT RULES FOR DESIGNATED SENIOR MANAGERS

Rule		Applied by
SCR1	You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively	FCA and PRA
SCR2	You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system	FCA and PRA
SCR3	You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee this effectively	FCA and PRA
SCR4	You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice	FCA and PRA

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