

Guidance on applying for Corporate Chartered Status

Please read these notes before completing the application form. They contain important instructions relating to any application for corporate Chartered Financial Planners status.

The notes detail the criteria you must meet to be accepted as a Chartered firm, including required evidence and the obligations associated with corporate Chartered status.

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Obligatory criteria

– Refer to Section 2 of the application form

Please note: Applications for Chartered Financial Planners status will only be accepted from firms that meet the definition of a financial planning firm, defined as organisations “who are carrying on business as providers of financial planning services.”

Further, all of the following criteria must be met by applying firms:

1. A minimum of one of your firm’s board members (or highest management team) must personally hold the CII Chartered Financial Planner title.

“Board member” is defined as an executive board member of a limited liability company, a partner within a partnership (or designated member in a limited liability partnership (LLP)).

Where the principal business of the company or partnership is not financial planning and a specialist division has been created for the purpose of managing this part of the business, the CII may at its discretion, recognise a member of the highest management team appointed to run that division.

Full details on the eligibility criteria for individual Chartered Financial Planner status can be found at www.cii.co.uk/chartered-individual

2. One of your firm’s board or highest management team (who, as an individual, holds the Chartered Financial Planner title), must take on the role of Responsible Member

The Responsible Member is the nominated executive director/partner (or designated member in an LLP) or a member of the highest management team of a specialist financial planning division who:

- undertakes to complete the initial application;
- certifies that the statements it contains are accurate to the best of his/her knowledge;
- is responsible for ensuring the firm’s compliance with all of the requirements of the corporate Chartered title;

- undertakes that changes affecting Authorised Firm status will be promptly notified to CII Customer Service;
- undertakes the completion and submission of all annual declaration renewal data required;
- is the ongoing point of contact for corporate Chartered title purposes;
- may be subject to personal disciplinary proceedings if the firm breaches the rules, regulations and guidelines.

The Responsible Member must hold the Chartered title being sought by the company, LLP or division.

Note: To maintain the consent to use the Chartered title granted, the company, partnership or division must replace an outgoing Responsible Member without delay. Any such changes in Responsible Member must be notified to the CII immediately. A newly-appointed Responsible Member will be required to sign a declaration in similar form to that included on the application form. A copy can be found at www.cii.co.uk/charteredcomms

3. The entire board or highest management team, together with a minimum of 90% of customer-facing staff, must be members of the Personal Finance Society/CII.

In terms of the board this includes, where present, both executive and non-executive members.

In terms of customer-facing staff, all staff acting in an advisory capacity are required to be members (and, hence, signed up to the PFS/CII Code of Ethics) and beyond that, any member of staff that has customer contact should be included, such as para-planners, call centre staff and personal assistants who regularly liaise with clients. Typically, customer-facing staff would not include accountancy personnel, receptionists or the like, though it remains at the firm’s discretion as to whether to include these.

Ideally the CII would require 100% of customer-facing staff to be members, however, the 90% rule is a practical guide on membership requirements. By requiring, as a minimum, only 90% of customer-facing staff to be members, firms may exclude staff whose customer-facing activities are peripheral to the firm’s business activities. It also provides a degree of protection in respect of natural fluctuations in staff numbers, which could otherwise lead to a contravention of the membership requirement.

4. A full financial planning service must be offered and access to a Chartered Financial Planner must be available.

A full financial planning service is defined as providing advice across the spectrum of financial planning (including Pensions, Protection, Savings and Investment (Onshore and Offshore), Estate Planning and Tax Planning). Where a specialist firm is applying for Chartered status, e.g. an annuity/retirement income specialist, acceptance will be subject to a satisfactory referral procedure being in place (ideally to another Chartered firm), with full disclosure of the advice offering available.

Chartered firms are required to provide customers with access to an individually-qualified Chartered Financial Planner. In this regard, we would recommend that, as best practice, firms should in respect of the availability of individual Chartered title-holders:

- communicate this to customers during discussions, both face-to-face and over the phone;
- make details of individual Chartered title-holders publicly available (including geographical location and coverage), typically on the firm’s website and/or customer literature; and
- publicly display details of available individual Chartered title-holders in public areas of premises.

5. The firm must have an appropriate professional development programme in place and provide evidence of this with the application.

For guidance on the typical elements that could be found within a professional development programme, please see Appendix 1.

6. The firm must have in place core values and business practices that align with the PFS/CII Code of Ethics.

To view the PFS/CII Code of Ethics visit www.cii.co.uk/code

For an outline guide to the typical composition of core values and business practices, please see Appendix 2.

Discretionary criteria

– Refer to Section 3 of the application form

Having met the obligatory criteria you now need to satisfy enough of the following discretionary criteria to acquire a minimum of 50 points.

Option 1.1 opposite satisfies this requirement outright.

Alternatively, you can satisfy this requirement through a combination of the criteria offered under options 1.2-6.

Note: within criteria 1-5, points can only be awarded for one of the given options, i.e. 1.1 or 1.2.

1.	Board members (or highest management team where appropriate – see Guidance note 1.) holding the Chartered Financial Planner title	POINTS
1.1	<p>50% and over of the board or highest management team are Chartered title-holders in their own right.</p> <p>The CII will recognise Chartered titles from other awarding bodies as comparable to the CII's individual Chartered Financial Planner title providing:</p> <ul style="list-style-type: none"> the title held is directly relevant to the individual's principal area of work (for example the ICAEW Chartered Accountant title being held by the Finance Director); and the awarding Chartered body concerned has a Code of Ethics (or Code of Conduct) comparable to that of the CII. A listing of the Chartered titles which the CII will automatically recognise as equivalent can be found at www.cii.co.uk/chartered-tpt Other organisations will be considered on application. 	50
1.2	<p>25% and over of the board or highest management team are Chartered title-holders in their own right.</p> <p>As outlined in point 1.1 above, recognition can be given to Chartered titles from awarding bodies other than the CII.</p>	25
2.	Board members (or highest management team where appropriate – see Guidance note 1.) holding the Diploma in Financial Planning	POINTS
2.1	50% and over of the remaining members of the board or highest management team hold the CII's Diploma in Financial Planning (or comparable qualification such as the Advanced Financial Planning Certificate (AFPC)).	10
2.2	75% and over of the remaining members of the board or highest management team hold the CII's Diploma in Financial Planning (or comparable qualification such as the Advanced Financial Planning Certificate (AFPC)).	15
3.	Financial advisers holding the Chartered Financial Planner title	POINTS
3.1	1% and over of financial advisers who are not members of the board or highest management team are Chartered Financial Planners.	10
3.2	5% and over of financial advisers who are not members of the board or highest management team are Chartered Financial Planners.	15
3.3	10% and over of financial advisers who are not members of the board or highest management team are Chartered Financial Planners.	20
3.4	20% and over of financial advisers who are not members of the board or highest management team are Chartered Financial Planners.	30

Discretionary criteria

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4.	Financial advisers holding the Diploma in Financial Planning (excluding any financial advisers in respect of whom credits have been applied for under criteria 3.1-3.4)	POINTS
4.1	25% and over of financial advisers hold the CII Diploma in Financial Planning (or comparable qualification such as the Advanced Financial Planning Certificate (AFPC)).	10
4.2	50% and over of financial advisers hold the CII Diploma in Financial Planning (or comparable qualification such as the Advanced Financial Planning Certificate (AFPC)).	20
4.3	75% and over of financial advisers hold the CII Diploma in Financial Planning (or comparable qualification such as the Advanced Financial Planning Certificate (AFPC)).	30
5.	Non-advisory staff holding CII qualifications	POINTS
	<p>50% and over of non-advisory customer-facing staff are qualified with the CII. Eligible qualifications are: Certificate in Financial Planning (including Equity release, Life and Pensions, Long Term Care Insurance and Group Risk options), Financial Planning Certificate, Certificate in Financial Administration, Certificate in Mortgage Advice, Diploma in Financial Planning, Advanced Diploma in Financial Planning</p>	10
6.	Discretionary points	POINTS
	<p>Discretionary points awarded for submission of additional rationale to support the Chartered application detailing relevant processes which are not already included in the criteria set out above.</p> <p>This criterion enables firms to explain any processes they have in place which demonstrate their commitment to professionalism, ethical conduct, best business practice and consumer protection and which reflect the essence of corporate Chartered status, but which they have not had the opportunity to present as they do not fall within the above criteria.</p> <p>Note: The CII will provide a final Yes or No decision on the award of points relating to discretionary submissions. It will not be possible to enter into correspondence on the relative merits or otherwise of any individual submission.</p>	5

Supplementary information

1. Application of the Chartered title

Companies purporting to have the word “chartered” in their registered or other company names will not be accepted for a Chartered title.

The only permitted stylistic representation of Chartered titles is as follows:

- XYZ Ltd, Chartered Financial Planners; or
- X,Y & Co, Chartered Financial Planners; or
- X and Y, Chartered Financial Planners; or
- X,Y & Z, Chartered Financial Planners

A Company may apply to use a trading style incorporating words including “Chartered”. Applications should be addressed to the Secretariat department.

Under no circumstances are Chartered titles to be shortened, e.g. Chartered Financial Planners must always be written in full as Chartered Financial Planners never as CFP.

Companies in England, Wales and Northern Ireland should also be aware that Companies House has a policy of not accepting company names with the word “Chartered” in the name as this could be perceived as implying that the company has been awarded a royal charter.

Full details relating to the use of a Chartered title and corresponding logo can be viewed online at www.cii.co.uk/charteredcomms

2. Trading names/Trading styles

A trade name, also known as a trading name, trading style or a business name, is the name under which a business trades for commercial purposes. It may have a separate registered, legal name used for contracts and other formal situations, e.g. its official Companies House incorporated name. The trade name cannot be registered as a separate company.

Where a company has provided a trading name in their application, the certificate granting them corporate Chartered status will be made out in their trading name, alongside their legal name.

For materials produced by the company, where it is using a trading name, it is under an obligation to always state additionally the legal name under which it was granted chartered status, including where applicable (for companies in the UK), the Companies House registration number.

This must be printed on all its stationery documents, e.g. letter-headed papers, etc. An example of a trading name is Oliver Twist Ltd trading as Twisters, Chartered Financial Planners – Company number 012345678.

3. Partnerships where 100% of Partners are Chartered title holders

Where 100% of the partners are Chartered title-holders holding the same Chartered title as the firm is to be described (e.g. all must hold Chartered Financial Planner in a firm of Chartered Financial Planners), then that partnership may describe itself as a firm of Chartered Financial Planners without being required to complete the full corporate Chartered title application process. This will not, however, entitle the firm to use of the CII corporate Chartered marque. In order to use this marque, the firm must formally apply to become a Chartered firm as set out in the aforementioned guidance notes, satisfying the specified acceptance criteria and being subject to the associated scheme requirements.

If at any time the number of Chartered title-holders holding the same title falls below 100% the firm must cease to use the description immediately. While there is no requirement to formally apply for the use of the Chartered title concerned under this scheme, it will be necessary nevertheless to register with the CII by completion of the application form (completing Sections 1, 3A and the Declaration only) that a partnership intends to use the designation concerned. The registration request must be completed by a partner appointed to be the Responsible Member. That partner will be subject to the Disciplinary Procedures outlined in point 4 below in so far as they apply. The Responsible Member will be required to complete an annual declaration of continued compliance with the 100% rule and of the continuing compliance with the CII’s CPD requirements for the company’s individual members. The usage of the Chartered title concerned is subject to such direction regarding the accepted uses and style as the CII may lay down from time to time. The CII is the registered trademark owner of the title Chartered Financial Planners.

4. Monitoring and disciplinary procedures

By applying for corporate Chartered Financial Planners status you declare that your firm (and its staff) complies with the stated requirements now and will do at each subsequent renewal. To ensure compliance with the scheme criteria the CII retains the right to validate any declarations made. This can include, but is not limited to, requests for additional supporting documentary evidence and the undertaking of personal visits to a firm’s premises. Personal visits/telephone interviews may be undertaken on initial application, at any subsequent renewal or at any time between renewals, at the discretion of the CII. Any failure to comply with the specified requirements of corporate Chartered status can result in a refusal to award this or its immediate withdrawal. The CII will also liaise with other organisations such as the regulator, both within the UK and overseas, to monitor the activity of Chartered firms to ensure the scheme rules are not being contravened.

The disciplinary procedures for individual members are contained in the Laws of the CII (defined as the Charter, Bye-laws, Regulations and Codes or other requirements of the Institute from time to time published). The Code of Ethics and the terms and conditions relating to membership of the CII/PFS are especially relevant in this context. These may be viewed at www.cii.co.uk/code. The Responsible Member is responsible for compliance with the requirements of this scheme and may be liable to disciplinary sanctions where a disciplinary panel has found there to be a relevant breach to the laws of the CII. It should be noted that where such a breach has been held, the CII reserve the right to withdraw from the company or partnership, the Chartered title conferred.

5. Corporate Chartered Title Directory

On being granted the Chartered title applied for, details of the company, partnership or limited liability partnership will appear in a directory to be published for public reference.

Appendix 1

– Professional Development Programme

a. What is an appropriate Professional Development Programme?

An appropriate professional development programme for corporate Chartered status eligibility outlines employee professional development needs and aligns these with the requirements of the organisation. Its purpose is to improve employees' capability, expertise and skill-set in line with your business objectives and regulatory requirements.

It is clearly defined and identifies:

- the programme objectives;
- ways in which the objectives will be achieved;
- clear timeframes for achievement;
- how the achievement of the objectives will be measured and monitored; and
- the desired business outcomes for the professional development activities.

A minimum requirement for an appropriate professional development programme is for there to be a performance development review system in operation to identify employee development needs and link these to the business objectives.

For all UK regulated financial advice firms, there is a minimum requirement for a Training and Competence scheme (refer to www.fsa.gov.uk) to be in operation and, therefore, this would be an integral part of the appropriate professional development programme.

b. What information will you need to provide with your corporate Chartered application to evidence you have an appropriate professional development programme?

In the absence of an existing documented professional development programme, the guidance opposite is intended to enable you to confirm your professional development activity. We would expect any professional development programme to address all of the areas detailed

1. Professional Development activities and support

- a) Information on the type of professional development activities that are undertaken within the organisation by employees at all levels and non-executive directors.
- b) Information on the support both formal and informal to facilitate employee development in addition to professional qualification support e.g. on-the-job coaching, mentoring

2. Examples of Professional development/qualification development pathways

- a) Structure chart with any minimum qualification or exam unit requirement.
- b) Copy of any information provided to employees about career or professional development opportunities.
- c) Details of any management training provided to employees in management or supervisory roles.
- d) Details of other qualification support provided, for example, non CII professional qualifications, NVQs, academic qualifications.

3. Study support

Information on the support provided to employees studying for qualifications e.g. study time, financial exam support, training.

4. CPD activities

- a) A summary of recent Continuing Professional Development (CPD) activities undertaken by qualified CII members within the organisation e.g. training courses, seminars, technical updates.
- b) Information on what the benefit of this CPD activity was both to the individual and to the organisation.

5. Performance review system

- a) Details of the performance review system in place.
- b) Details of the training required this year to support the business objectives.
- c) What are the timeframes?
- d) Information on the process for identifying whether the training objectives have been met?

6. Training & Competence (T&C) scheme

- a) Do you have a T&C scheme in place?
- b) Can you confirm that your T&C scheme complies with FSA guidelines, including the requirement for all staff to reach a minimum level of competence?

Appendix 2

– Core values and business practices

1. Implementing a set of core values and business practices

Firms establish a set of core values to help staff, customers and others to understand the purpose and approach of the firm to its business. Once staff are familiar with these values, they can align their business practices to support the corporate philosophy.

Evidence suggests that maintaining a fixed value system alongside a flexible approach to business strategy can contribute to an organisation's success.

All firms have values, whether they are conscious of them or not. But the more active a firm is in devising and implementing its values and beliefs, the greater control it will have over its corporate persona. Firms in the professional advice sphere should aspire to values associated with integrity and professionalism, transparency and openness, and the pursuit of quality.

Business practices are the methods, processes and rules employed or followed by a firm to help it achieve its objectives. Aligned with the values, these are driven by ethical and customer-focused considerations.

Firms should examine their existing business practices to ensure they are fair, efficient, effective and responsive to change. They should seek out examples of best practice, both elsewhere in the advice sector and in the wider commercial community, and implement whatever improvements are appropriate to their own circumstances.

2. Evidencing your values and business practices

These typically take the form of a series of statements, for example: "We will at all times act in an ethical and truthful manner."

A Chartered firm's values and business practices should align with the CII Code of Ethics. The Code sets down the principles which all members should follow in the course of their professional duties. In summary this requires that you and your firm must:

1. Comply with this Code and all relevant laws and regulations.
2. Act with the highest ethical standards and integrity.
3. Act in the best interests of each client.
4. Provide a high standard of service.
5. Treat people fairly regardless of:
 - race or racial group;
 - sex or sexual orientation;
 - religion or belief;
 - age;
 - and disability.

To access full details of the CII Code of Ethics visit www.cii.co.uk/code