
Overview

This standard is about identifying activity that is potentially non-compliant with regulations. You must encourage staff to bring suspicions of non-compliant activity to your attention. You must assess the seriousness of the potential breach, giving consideration to any delay in identifying it, and determine the risk posed. You must inform the regulatory bodies of the breach. You must identify and implement remedial action, with realistic deadlines, as appropriate. You must keep accurate records of breaches reported to regulatory bodies and any action taken.

Performance criteria

You must be able to:

1. identify activities that are potentially non-compliant with regulations
2. assess the significance of the potential breach, taking into account the potential financial losses to customers or your organisation
3. determine the frequency and duration of the potential breach
4. identify the implications of the potential breach for your organisation's systems and controls
5. investigate any delay in identifying the potential breach
6. determine whether the potential breach is an actual breach of the regulations
7. keep accurate records of breaches reported to regulatory bodies, and any remedial action taken or intended
8. inform regulatory bodies about any circumstances relevant to the breach, identification of the rule, requirement or offence and the steps taken to remedy the breach
9. agree deadlines with all stakeholders for remedial action to be completed where required

Knowledge and understanding

You need to know and understand:

1. how to identify breaches or potential breaches in regulations
2. how to identify the seriousness and impact of a breach and respond proportionately
3. how to determine the frequency of a breach
4. impact on your organisation which may be caused by a delay in identifying a breach
5. disclosable information which needs to be reported
6. when to inform regulatory bodies or external agencies of a breach
7. need to keep accurate records of breaches
8. the importance of timely investigation and resolution of a breach
9. regulatory requirements applicable to your organisation

Glossary

Regulatory bodies

This term should be extended (where appropriate) to any authority, body or person having, or who has had, responsibility for the supervision or regulation of any regulated activities or other financial services, whether in the United Kingdom or overseas.

Regulations

This term encompasses (where appropriate) the range of obligations including rules, principles, codes and guidance plus all primary and secondary legislation, as well as supervision to which your organisation is accountable.

Breach

Breach - An incidence of non-compliance, which may or may not, depending upon the regulatory requirements, need reporting to the regulatory authorities

Developed by	FLSP
Version Number	2
Date Approved	January 2016
Indicative Review Date	December 2020
Validity	Current
Status	Original
Originating Organisation	Financial Skills Partnership
Original URN	FSPCOMP18
Relevant Occupations	Finance; Finance Managers and Chartered Secretaries ; Financial Institution and Office Managers; Financial institution managers
Suite	Compliance
Keywords	Compliance; investigation; breach; regulatory bodies;
