

ICA Specialist Certificate in Conduct Risk Syllabus

Understanding Conduct Risk

- Development of the Conduct Agenda
 - UK
 - Internationally
 - How does conduct risk fit in with regulatory evolution?
 - Drivers of development
 - What does conduct risk look like today and how is it managed?
- Core components of conduct risk
 - Customer Focus and outcomes
 - The right culture
 - Leadership and management
 - Systems and controls
 - Evidence/MI
 - Risk model/risk management
- The broader Governance, Risk and Compliance context
 - What does this mean in practice?
 - The Senior Managers Regime in the UK
 - Enforcement action

What does Good Conduct Risk look like for a Firm?

- Definition of company conduct
 - Examples - UK and international
 - How do you decide what yours is?
 - Key to understanding your firms conduct risk definition
 - Risk appetite
 - Benefits of good conduct
- What does good look like?
 - Strong leadership
 - Transparency with customers
 - Proactive service
 - Customer centricity
 - Conduct framework
 - Risk champions
- Risks to good conduct
 - Silos
 - Attitude to regulation
 - Relationship with regulator
 - Libor and Forex - A review

- Know your responsibilities and accountabilities
 - Where does it fit into firms corporate governance
 - Role of the Conduct Risk Manager
 - The Board and Line Management
 - Role of HR
 - Making judgments on risks that arise in relation to conduct
- Senior Managers Regime - an example of 'good' outcome (UK)
 - Who's affected?
 - Prescribed responsibilities
 - Certification regime
 - Link with 'conduct'
 - Integrity as both a behaviour and a regulatory requirement

What does Good Conduct Risk look like for Customers?

- Definition of customer conduct
- The importance of establishing and maintaining trust
- Meeting the customer's objectives - The outcomes focused approach
 - Customer objectives
 - Products and pricing
 - Trustworthiness
- Examples/indications of good conduct
 - Transparency and disclosure with customers
 - Proactive service
 - Customer centricity
 - Meeting consumer outcomes
- Examples and indicators of poor conduct
 - Approach to responsibilities imposed by regulation
 - Lack of transparency and disclosure with customers
 - Lack of customer centricity
 - Failure to meet consumer outcomes
- What is 'fair'
 - The Treating Customers Fairly outcomes
 - Products and promotions
 - Sales processes
 - After sales support
 - Complaint handling
- Benefits to the consumer

The Importance of Good Market Conduct

- Definition of market conduct
- The need for good market conduct
 - Regulatory objectives
 - Market conduct as a regulatory objective
 - Market confidence
 - Customer trust
 - Firm's reputation
- Requirements and why they are there
 - Transparency
 - Fairness
 - Integrity
- What is good market conduct?
 - Strong leadership
 - Good reputation
 - Strong commercial performance
 - Positive customer relationship
 - Benefits of good market conduct
- Impacts of poor market conduct
 - Damage to market integrity
 - Lower levels of investment
 - Ineffective competition in financial markets and poor consumer retention
 - Less liquidity in markets
 - Poor reputation
 - Attitude to regulation and regulatory arbitrage
 - Relationship with regulator
- Benefits to the consumer

The qualification will also include additional material which examines key influences on the conduct agenda, such as regulatory developments and case studies.