Summary of ch\_14.pdf

Chapter 14: Requirement in Relation to Agents - Summary

# Overview

This chapter establishes strict requirements for firms appointing individuals as agents to carry out credit-related regulated activities. It mandates that firms can only appoint non-authorized individuals as agents under specific conditions, ensuring proper control, exclusivity, and full responsibility for the agent's conduct.

# Key Points and Main Findings

## Application

* Scope: Applies to all firms conducting credit-related regulated activities
* Target: Specifically addresses appointment of individuals (single human beings) who are not authorized or exempt persons

## Core Requirements for Agent Appointments (CONC 14.1.2 R)

* Exclusivity requirement: Individual must work as agent only for the appointing firm, not for any other principal
* Written contract mandatory containing:  
    
  Effective control measures over the agent's activities  
  Requirements for agent to clearly identify themselves as representing the firm
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* Requirements for agent to clearly identify themselves as representing the firm
* Financial responsibility: For debt collection, payments received by agent are treated as received by the firm
* Full liability: Firm accepts complete responsibility for agent's conduct when acting on firm's behalf
* Effective control measures over the agent's activities
* Requirements for agent to clearly identify themselves as representing the firm

## Compliance and Oversight (CONC 14.1.4 R)

* Policy requirements: Firms must establish, implement, and maintain adequate policies and procedures to ensure agent compliance
* Conflict management: Firms must take reasonable steps to identify conflicts of interest between agents and clients

# Important Details and Conclusions

* Permission requirements: Firms must hold Part 4A permission for every activity their agents perform that would require permission if performed directly by the firm
* Continuous obligations: All conditions must be met both at the time of appointment and throughout the entire agency relationship
* Individual vs. entity: The regulations specifically apply to individual human beings, not corporate entities or other legal persons
* Customer transparency: Agents must make their representative status and the principal firm's identity clear to all customers

This framework ensures proper oversight and accountability in credit-related activities conducted through agents, protecting consumers while maintaining clear lines of responsibility.