

Chapter 28

Insurance distribution: specific knowledge, ability and good repute requirements



**28.1 Minimum knowledge, ability and
good reputation requirements for
carrying out insurance distribution
activities**

Application

- 28.1.1

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(1) This chapter applies to a *firm* with *Part 4A permission* to carry on *insurance distribution activities*.

(2) ■ SYSC 28.2 (except ■ SYSC 28.2.1R(1)) does not apply to an *authorised professional firm* with respect to its *non-mainstream regulated activities*.
- 28.1.2

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In this chapter, relevant employees are employees or other *persons*:

(1) directly involved in the carrying on of the *firm's insurance distribution activities*; or

(2) within the management structure responsible for the *firm's insurance distribution activities*; or

(3) responsible for the supervision of a relevant employee acting in the capacity as set out in (1).

[Note: article 10(1) and the fifth paragraph of article 10(2) of the *IDD*]
- 28.1.3

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In this chapter 'employee':

(1) is not restricted to an individual working under a contract of employment; and

(2) includes (without limitation) any natural or legal person whose services are placed at the disposal of the *firm*, under an arrangement between the *firm* and a third party; and

(3) also includes *appointed representatives* and their employees.
- 28.1.4

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Rules specified in sections ■ SYSC 28.2 (knowledge and ability), ■ SYSC 28.4 (record-keeping) and ■ SYSC 28.5 (other requirements to consider) relate to the requirements in:

■ SYSC 3.1.6R;

■ SYSC 5.1.1R;

■ SYSC 3.2.20R, ■ SYSC 9.1.1R and ■ SYSC 9.1.1AR;

■ TC 4.2 (Specified requirements for firms carrying on insurance
distribution activities); and

article 22 of the *AIFMD level 2 regulation*.