| **Compliance Checklist** | |
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| **New business submission form - comprehensive** | |
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| **COMPLIANCE CHECKLIST** | **QUALITY OF ADVICE CHECKLIST** |
| **Onboarding Mandatory elements on the client file**   |  |  | | --- | --- | | **Element** | **Seen\*** | | Engagement letter confirming adviser charge |  | | AML documents |  |   **Mandatory Fact-find elements on the client file are present (and for existing client, have been refreshed):**   |  |  | | --- | --- | | **Element** | **Seen** | | Circumstances |  | | Financial objectives |  | | Health |  | | Assets and Liabilities |  | | Knowledge and experience |  | | Income levels |  | | Cost of living levels |  |   **Mandatory Risk Profiling elements on the client file (and for existing client, has been refreshed)**   |  |  | | --- | --- | | **Element** | **Seen** | | Attitude to Risk |  | | Capacity for Loss |  | | Need to take risk |  |   **Mandatory Analysis elements on the client file**   |  |  | | --- | --- | | **Element** | **Seen** | | Pre-transaction investment / protection data where applicable (e.g. ceding scheme data where applicable) |  | | Illustrations and KFDs |  | | Transaction specific support material (eg tvas / critical yield for drawdown). |  |   **Mandatory Suitability / annual review letter elements on the client file**   | **Element** | **Seen** | | --- | --- | | Scope of advice |  | | Limitations of advice |  | | Confirmation of circumstances, including health |  | | Confirmation of net asset position |  | | Confirmation of cost of living levels and how these are met through income and / or capital |  | | Statement of objectives |  | | Confirmation of investment knowledge and experience |  | | Confirmation of attitude to take risk |  | | Confirmation of capacity for loss |  | | Recommendation |  | | Justification for recommendation |  | | Risks implicit within the recommendation |  | | Consequence of stated risks |  | | Clear comparison of before and after charges for switch cases |  | | Where there is a negative cost outcome on switch cases a clear clarification of that fact |  | | For negative cost outcome cases the justification for imposing that on the client |  | | Cooling off notice |  | | Adviser charge in £££s |  | | | **Advice issue established** | **Yes / No** | | --- | --- | | ***Terms of engagement*** |  | | The terms of engagement is clear on price and services to be delivered initially and ongoing |  | |  |  | | ***Fact Finding including risk profiling*** |  | | Personal circumstances |  | | Health |  | | Financial objectives |  | | Assets and Liabilities |  | | Net expenditure needs over a pre and post horizon time horizon |  | | Attitude to risk |  | | Capacity for loss |  | | Need to take risk |  | | Where the amount of risk needed is different from the level of intrinsic attitude to risk, there is a clear note of a client discussion and agreement |  | |  |  | | ***Analysis*** |  | | For DB transfers a TVAS was obtained, and the file shows an analysis of the various options relative to the client’s financial objectives and personal circumstances |  | | For investment switch business the ceding and prospective funds are adequately analysed |  | | For complex, non-standard investments (e.g. structured investments, UCIS, AIM etc.), due diligence shows identification and understanding of the risks including the probability and impact of the risk happening. |  | | Any other reasonable analysis given the circumstances |  | |  |  | | ***Suitability*** |  | | *Financial objectives* |  | | Income and expense based |  | | Identifies critical planning issues |  | | *Risk assessment* |  | | Deals with attitude, capacity, need, relative to objectives |  | | *Tax efficient opportunities have been identified* |  | | Pension contributions |  | | ISAs |  | | CGT allowance usage |  | | Bond and / vs OEIC usage |  | | VCTs / EISs / BPRs |  | | *Generational planning* |  | | Identification of amounts required - next generations |  | | IHT liability |  | | The use of trusts and other investment vehicles / opportunities to mitigate IHT / increase devolution to subsequent generations |  | | *Investment for events* |  | | Retirement |  | | Projects (school fees, weddings, LTC etc) |  | | Insuring (protection) objectives including IHT mitigation |  | | *Recommendation itself* |  | | Justification for recommendation |  | | Cost comparison for investment based advice cases |  | |