**Locum Agreement**

This Agreement is made this …….. day of ………… 20 between [Locum] of [Locum Address] (the “Locum”) and ABC Financial Planning Ltd (ABC) of Address (the “Principal”).

1. **Background**

1.1 ABC Financial Planning Ltd (ABC) has two director/shareholders, James who is engaged in the day-to-day conduct of investment business and Moneypenny who is employed in an administrative capacity only and who is not authorized to provide Regulated Advice.

1.2 To ensure client interests do not suffer in any way by the absence of James for a period exceeding twenty one days (through Holidays or illness) or in the event of his death, we have made a formal arrangement with

………………………………………………………………………………………………………………………………. to carry out our regulated business obligations until such times as the Authorised Principal (James) returns to work or in the event of his death the business is transferred to the Locum’s business or formally terminated.

1. **Covenants:**
   1. This agreement is expected to run for an unlimited duration until brought to an end by either party giving the other a minimum of 30 days notice or the transfer of clients away from ABC as per (7) and (8) below. The agreement may come to an end immediately under breaches of (2.2.1) and (2.4.1) and within 30 days if any other terms of the agreement are breached by either party.
   2. Both ABC and the Locum are required to maintain appropriate **Professional Indemnity Insurance (PII)** in accordance to **Financial Conduct Authority (FCA)** requirements.
      1. PII obtained by ABC must include cover for any Locum whilst working with ABC clients.
      2. In the event ABC does not maintain PII or PII that includes the Locum ABC must inform the Locum and the Locum may terminate the agreement immediately.
   3. The Locum will act in a professional and competent manner when conducting business under this agreement.
   4. The Locum will **maintain their Authorisation by the FCA** or any future Authority taking over the role of the FCA and will maintain an appropriate **Statement of Professional Standing (SPS)** at all times.
      1. In the event that the Locum’s FCA Registration or SPS lapses the Locum must inform ABC immediately and this agreement will end.
   5. On termination of this agreement unless otherwise agreed the Locum will yield up to ABC all materials relating to ABC’s affairs. Should the Locum’s compliance manager require that they retain any records relating to ABC clients such retentions must be disclosed to ABC and agreed by ABC’s Compliance manager.
   6. Unless within the terms of this agreement the Locum will not approach or solicit business from clients of ABC.
   7. The Locum is entitled to charge fees as laid out in (5.5 and 5.9). These should be invoiced to ABC on a monthly basis.
   8. The Locum will inform ABC’s Compliance Manager any circumstances whether of their own doing or that of another which it is reasonable to think may lead to a claim being made against ABC:
      1. The Locum will prepare a report summarising the issues and submit it to ABC’s Compliance Manager.
      2. Where the aforementioned circumstances are directly as a result of the Locum’s actions the Locum agrees to carry out whatever steps are directed by ABC’s Compliance Manager to minimise the consequences of the issue.
   9. Provided the Locum has complied with (2.8) ABC will indemnify the Locum against any claim of Professional negligence or breach of an implied term of professional competence arising out of their work under this agreement.
2. **Access to client records:**
   1. Access to our software and client records is available through our own computer system held in our offices. If the Locum’s is required to access our systems for more than 14 days ABC will either provide access to their systems remotely or the hardware can be relocated to the Locum’s office. For shorter periods the hardware and access to records will be restricted to our own offices.
      1. If client data is transferred out of ABC Offices the Locum is responsible for maintaining such data securely and to comply with the General Data Protection Regulations (GDPR).
   2. Access to the data held electronically in ABC Office is protected by passwords and encryption certificates which will be provided by a director of ABC.
   3. In the event both directors of ABC are unable to provide help, ABC’s Compliance Manager can arrange access.
3. **For the first 21 days of ABC being unable to provide services:**
   1. The Locum is not expected to engage with clients of ABC unless: Specifically requested to do so by a director of ABC (Stuart or Heather).
4. **For periods of Locum activity of less than 28 days from the first client involvement by the Locum:**
   1. The Locum is not expected to take on any new clients approaching the business on behalf of ABC.
   2. The Locum is not required to take on new business from existing clients.
      1. If they chose to do this, they may charge their normal initial advice fees for such work if they initiate the work or the fees agreed with the client by ABC if already initiated.
   3. All such clients will remain the property of ABC for ongoing servicing thereafter.
   4. The Locum agreement is primarily in respect of servicing existing business.
   5. For servicing existing regulated business clients the Locum will be entitled to claim fees of:
      1. The lower of their fees based on an hourly rate or

50% of the annual ongoing payment to ABC. In the event that 50% of ABC annual ongoing fees are less than £500 the Locum may charge up to the lower of 100% of ABC annual fees or £500 subject to this being lower than their own fees.

* 1. In respect of meeting other regulatory requirements that do not involve regulated advice the Locum may ask ABC’s Compliance Manager to provide assistance at ABC’s Compliance Manager’s hourly rate.
  2. In respect of producing accounts the Locum may engage the designated accountants of the Locum at their agreed rates.
  3. In respect of Pension Transfer Business which the Locum is not authorised to carry out and where the advice has already been agreed to be supplied by ABC prior to the Locum taking control the Locum may engage the services of any specialist regulated individual or firm authorised to provide out such advice. In all other cases the Locum should decline to provide advice on such business.
     1. ABC will pay the specialists fees up to a limit of £3000 or
     2. The specialist firm may choose to take over the client and the client becomes a client of theirs where the client meets their fees directly.
  4. Payment of Locum or other specialist fees will be made by ABC not more regularly than monthly and wherever possible within 28 days of presentation of the Locum or specialist’s invoice showing in each case how fees have been calculated.

1. **For periods of Locum activity in excess of 28 days from the first client involvement by the Locum:**
   1. If the period of Locum activity has been more than 28 days the Locum may with the agreement of a director of ABC:
      1. Take on potential new clients who have approached ABC as a client of the Locum’s own business.
      2. If new clients are taken on under clause (6.1), ABC will have no call on such clients in future as they will belong to the Locum’s business. ABC will also have no liability in respect of such clients.
2. **In the event that Stuart Jefferies were to die and Heather remains alive:** 
   1. The Locum is expected to carry out whatever day to day business is necessary to meet the Regulatory requirements.
   2. Any new client approaches to ABC may be treated as approaches to the Locum’s firm.
   3. The Locum is expected to provide ABC’s Compliance Manager with a full list of ABC “Clients” which has been agreed with Heather.
   4. Providing the client/customer is happy to make the move the Locum may choose to transfer the clients and customers to their own business in return for:
      1. 50% share of any excess ongoing fee or commission payments above £500 earned from each client so transferred each year for the first five years after the transfer to the Locum’s business.
   5. If the Locum does not wish to take on clients or customers:
      1. The Locum will confirm this with ABC’s Compliance Manager.
      2. The Locum will communicate in writing to each client and customer that the business (ABC) has terminated and that they will need to find a new adviser.
         1. The Locum will direct clients/customers to at least two firms with no connection to the Locum and local to the client that may wish to take them on or to the Unbiased website.
         2. Whatever co-operation is necessary to facilitate the smooth transfer of business to the new advisor.
   6. It is appreciated that the majority of clients should provide a profitable ongoing opportunity for the Locum this is not going to be the case for all and the Locum should be under no obligation to retain clients/customers that are non-profitable under this agreement.
3. **In the event both ABC Directors die:**
   1. The Locum may take on any new clients approaching ABC as their own immediately.
   2. The Locum may transfer the clients to their own business:
      1. Providing clients are happy to make the move.
      2. No payments are expected to ABC under these circumstances.
   3. In the event the Locum does not wish to take on clients they should follow the procedure in (7.5).
4. **Responsibility for advice:**
   1. Until such times as the Locum agrees to move clients to their own business the responsibility for the advice resides with ABC.
   2. In order to protect both the Locum and ABC any advice given under this agreement by the Locum should be checked by ABC within 28 days of a Regulated Adviser returning to work.
   3. Where ABC questions the suitability of any advice given by the Locum the file will be subject to confirmation of suitability by ABC’s Compliance Manager.
   4. Where advice is deemed unsuitable:
      1. The Locum may appeal ABC’s Compliance Manager’s assessment either directly or to their own compliance consultant.
      2. Where the appeal is unsuccessful:
         1. The Locum will carry out whatever actions are necessary to make the advice compliant to the satisfaction of ABC’s Compliance Manager.
         2. The Locum will be responsible for meeting reasonable costs of correcting the advice.

**Definitions:**

**Principal:** ABC Financial Planning Ltd

* Directors:
* Authorised individuals:

**Locum/ Agent:** ………………………………………………………………

* Directors ………………………………………………………………
* Authorised individuals: ……………………………………………………………..
* **Regulated Business:** Any business that must be carried out by an Authorised individual.
* **Other Regulatory Requirements:** Regulatory returns, accounts, compliance issues and any required activity that does not involve client recommendations.

**Clients:** Those individuals or family groups of individuals where ABC has an arrangement to provide an ongoing service which is paid for by the clients on a regular basis either directly or via product/service providers. A client may comprise, Husband and Wife or just partners, children, pensions of these and trusts set up by these or from which they may be beneficiaries or potential beneficiaries.

ABC will maintain a list of “Clients”

**Customers:** Those individuals where ABC has provided advice on a one off basis and no agreement is in place to provide ongoing service, any payments that are received on an ongoing basis are less than £250/year and are usually £0.

This agreement is intended to be binding on both parties (Principal and Locum) and is governed by English Law.

Signed on behalf of ABC Financial Planning Ltd (the Principal)

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Signed on behalf of the Locum

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