

We refer to Consultation Paper CP 45: "Review of Minimum Competency Requirements". We note that the Financial Regulator has welcomed comments from all interested parties.

We broadly welcome the proposals set out in the consultation paper. In order to protect customers and ensure appropriate and consistent standards of service, it is essential that those who provide insurance and investment services meet a satisfactory minimum standard. The following are some comments we have on the paper.

1. Moving from a three-year cycle of CPD to an annual requirement is sensible and administratively more convenient than monitoring a three-year cycle. It is also appropriate that only formal hours are counted. The proposed consequences that follow from a failure to comply are also appropriate.
2. In principle, we agree with the phasing out of grandfathering arrangements for certain individuals. The grandfathering criterion of four years was set at too low a level in 2007. Rather than phase out grandfathering entirely, our view is that a more stringent criterion should be imposed of fifteen years calculated up to 31 December 2010. This should ensure that grandfathering only applies to those who have gained considerable experience.
3. We are unclear as to the scope of the point made regarding investment management. We would welcome further information in this regard.
4. We do not agree that a supervising individual must be an individual inside the firm. In our view it is reasonable, and in keeping with the objectives of the minimum competency requirements, that a supervisor can be outside the firm, provided the supervisor holds the necessary qualifications and has appropriate supervisory controls.
5. CPD requirements should apply to those who provide services over the internet and those involved in the professional management of claims. Consistent standards should apply to all.
6. We see no reason to separately specify the area of policy amendments . It already falls within the scope of the requirements.

We would be happy to discuss the above further with you should you require.

Regards,