

BECOMING AN APPROVED PERSON



NFU Mutual
INSURANCE | PENSIONS | INVESTMENTS

WHAT IS AN APPROVED PERSON?

WHAT IS AN APPROVED PERSON?

An approved person is someone who is approved to perform a controlled function for an authorised firm (NFU Mutual) or an appointed representative firm. In order to be approved to perform a controlled function, an individual must:

- satisfy the FCA and /or PRA that he/she can meet, and maintain, the criteria for approval (the fit and proper test (FIT)); and then
- perform their controlled function in accordance with a set of standards (the Statements of Principle and Code of Practice for Approved Persons (APER))

WHAT IS A CONTROLLED FUNCTION?

Controlled functions are those roles in a regulated business that have a particular regulatory significance. The table below outlines the controlled functions within NFU Mutual and highlights the one which we apply for, so that you can be appointed as one of our Agents.

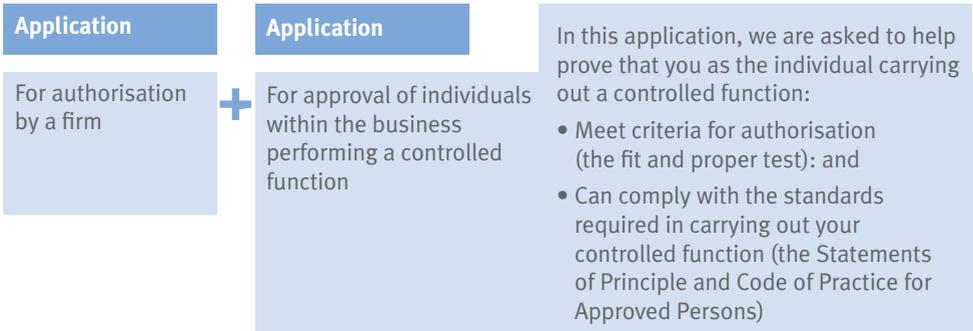
Controlled Function	Description of Controlled Function (CF)
Governing Functions*	
1	Director function
2	Non-Executive Director function
3	Chief Executive function
4	Partner function
Required Functions*	
8	Apportionment and Oversight
10	Compliance Oversight
11	Money Laundering Reporting (MRO)
12	Actuarial Function
12A	With-Profits Actuary Function
Systems & Controls Function*	
28	Systems and Controls Function
Significant Management Function*	
29	Significant Management Function
Customer Function	
30	Customer Function

*Significant Influence Functions

HOW DO I BECOME AN APPROVED PERSON?

You do not apply to the regulators on your own behalf to be an approved person.

NFU Mutual (Your Principal) applies for this on your behalf.



WHAT IS THE FIT AND PROPER TEST?

This is not an exam you have to pass. It is a benchmark used to assess your suitability to perform a controlled function. The most important considerations are your:

- Honesty, integrity and reputation
- Competence and capability
- Financial soundness

There is an annual check against the FIT criteria, if your circumstances change at any time, please do not hesitate in notifying your Sales Manager immediately. This check also satisfies the financial requirements that we are required to carry out on our Appointed Representative (see 'Becoming an Appointed Representative Print Ref: J13326/APR/1013).

AN EXAMPLE OF HOW WE MIGHT ASSESS ONE OF THESE CONSIDERATIONS

I was bankrupt 15 years ago, does that mean I won't be approved?

Not necessarily. If the regulators are told something which suggests that an individual might not be fit and proper, they will consider how relevant and how important it is. It does not automatically mean that the individual will not be approved. They will consider the full circumstances of each case before deciding. Where there are any concerns, they will give you a Warning Notice setting out these concerns and we will have the opportunity to make representations about these in writing and/or in person before they make a final decision.

NON-DISCLOSURE OF INFORMATION

It is important that you disclose everything when applying. If in doubt, please disclose information that may or may not be relevant.

NFU Mutual and the regulators expect you to be open and honest. It will count in your favour if the regulators need to look at your application more closely due to any anomalies discovered either by us or them. The success of your application could be affected if it is found that you have withheld information or provided false or incomplete facts. Knowingly and recklessly giving the regulators information which is false or misleading may be a criminal offence (under section 398 of the Financial Services and Markets Act 2000).

WHAT ARE THE STATEMENTS OF PRINCIPLE AND CODE OF PRACTICE FOR APPROVED PERSONS?

The Statements of Principle are high level standards that apply to:

- approved persons
- the controlled function you have been approved to perform

The Code of Practice for Approved Persons provides guidance, by the way of practical examples, as to whether an approved person's conduct complies with the Principles. Please view these as it is important to understand the principles. The Statements of Principle and Code of Practice for Approved Persons (APER) are outlined to you on the next page.

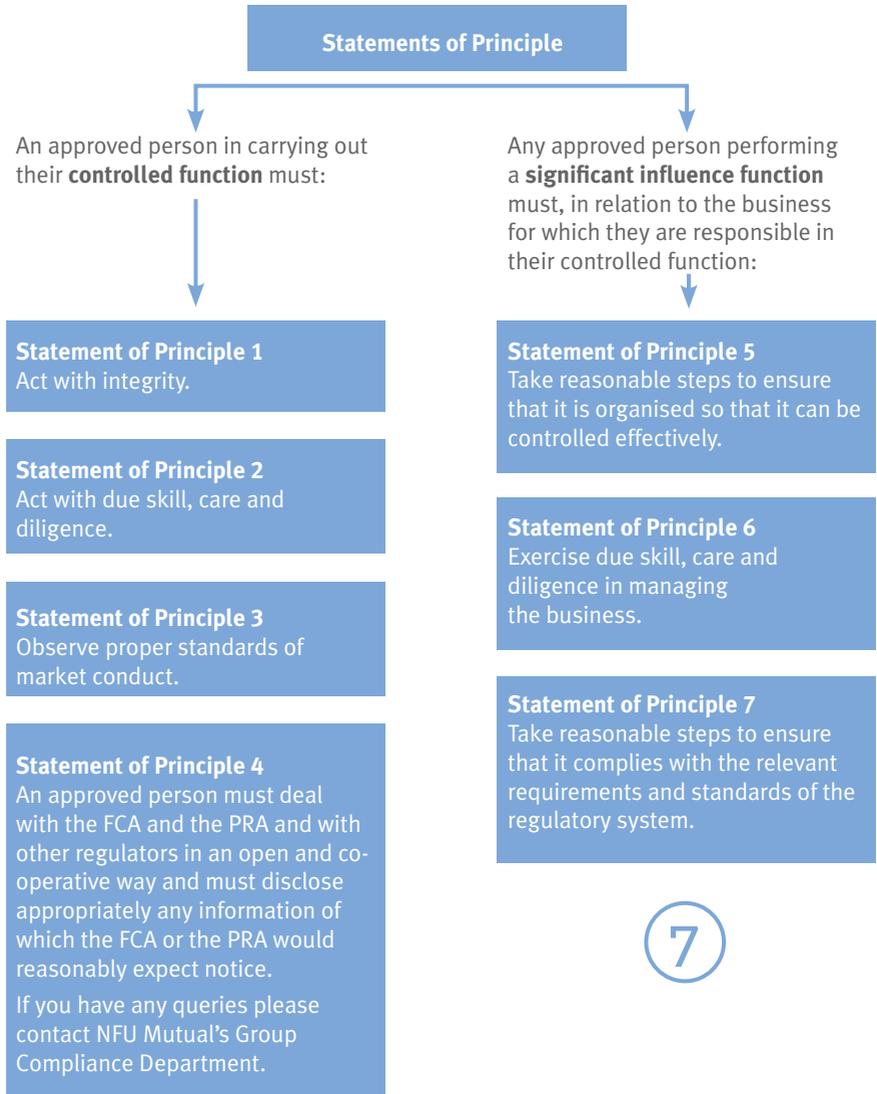
WHAT HAPPENS IF AN APPROVED PERSON DOES NOT COMPLY WITH THE REGULATORY REQUIREMENTS?

If an approved person does not comply with the regulatory requirements then they may be fined or publically reprimanded by them. They also might seek to take away their approved person status which would impact on their future employment prospects in the financial services industry.



STATEMENT OF PRINCIPLE FOR APPROVED PERSONS

The FCA have 7 principles that apply to all approved persons holding a significant influence function. The Principles are set out in simple terms and are the high level standards that all approved persons must meet.



BECOMING AN APPROVED PERSON

[nfumutual.co.uk](https://www.nfumutual.co.uk)



NFU Mutual

NFU Mutual is The National Farmers Union Mutual Insurance Society Limited (No 111982). Registered in England. Registered office: Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. A member of the Association of British Insurers.

J13327/APP/1013