Proskauer

Senior Managers – A Practical Guide to FCA Interviews

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FCA-authorised firms are responsible for ensuring that only those individuals considered "fit and proper" by the FCA are able to carry on regulated functions within those firms. Broadly speaking, firms should ensure that such individuals are able to demonstrate honesty, integrity, competence, capability and financial soundness.

A meeting or interview with the FCA in respect of certain key individuals has become more common and more rigorous over recent years. We have set out below some guidance on what to expect and how best to prepare for these meetings.

What to expect?

The content of the interview would depend on a case by case basis. However, generally we would expect the FCA to seek to address the following as a minimum:

- the prescribed responsibilities of the candidate;
- the candidate's experience and understanding of the role(s);
- the knowledge, skills and experience of the candidate;
- the firm's governance structure and culture, which is currently a high priority area for the FCA;
- the FCA's expectations of the candidate in the relevant role; and
- the main risks facing the firm and the candidate's role in mitigating such risk.

How can I prepare?

In order to address the above, candidates should ensure that they understand and can demonstrate the following:

- an understanding of the business and their role (i.e. what is the firm's business model or strategy? How does my role fit within the firm's model and proposed vision? How can I ensure I dedicate the necessary time to the role?);

- knowledge of the broader market (i.e. where does the firm sit in the widereconomic and market environment? What is the wider business of the firm andwhere do I fit in to this?);
- an ability to identify, assess, monitor and control or mitigate risks to the firm (i.e. what are the key risks to the business and the broader market? What role will I play in ensuring such risks are mitigated?);
- an understanding of the regulatory framework in which the candidate operates (i.e. what are my regulatory responsibilities as a senior manager? What are the regulatory responsibilities of the firm and how will I ensure ongoing compliance?);
- financial understanding (i.e. an understanding of the firm as a business, being able to interpret financial information where relevant and identify key issues); and
- an understanding of cultural issues and governance (i.e. how can I ensure within my role that a healthy, positive culture is maintained at the firm, with a clear governance structure?).

As mentioned above, there is no “one-size-fits-all” approach taken by the FCA in relation to candidate interviews which are ultimately tailored to the relevant candidate and firm on a case by case basis. However, the issues highlighted above are those that we would typically expect to be of focus for the FCA.

We have worked closely with clients to prepare for the introduction of the Senior Managers and Certificate Regime and we remain available to answer any questions on such matters. Please reach out to any of your Proskauer regulatory contacts listed to the left of the page.

Related Professionals

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