



Designated Professional Body Rules

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Part 1

1 Purpose and application

- 1** RICS is a Designated Professional Body (DPB) under the *Financial Services and Markets Act 2000* (FSMA) and has made Rules to regulate the carrying on of DPB Regulated Activities by DPB Licensed Firms in the United Kingdom (UK).
- 2** These Rules are made under Article 4(a) of the Royal Charter and are approved by the UK Financial Conduct Authority (FCA) for the purposes of Part XX of FSMA.
- 3** For the avoidance of doubt these Rules do not apply:
 - a.** to a Firm that is an Authorised Person, that being a Firm which is directly authorised and regulated by the FCA and subject to the FCA's Handbook of Rules and Guidance;
 - b.** to an Authorised Professional Firm, that being a Firm which is directly authorised and regulated by the FCA and subject to the FCA's Handbook of Rules and Guidance in connection with carrying on non-mainstream Regulated Activities;
 - c.** in respect of any Regulated Activities that a Firm carries on as an Appointed Representative or an Introducer Appointed Representative; or
 - d.** in respect of any Regulated Activities which a DPB Licensed Firm carries on as an Appointed Representative or an Introducer Appointed Representative.
- 4** A DPB Licensed Firm must not carry on any Regulated Activities other than those for which it is licensed under these Rules and for which it is therefore an Exempt Professional Firm.

2 Definitions

- 5 The following definitions apply in the interpretation of these Rules (in addition to all definitions in RICS Bye-Laws and Regulations that shall, unless the context otherwise requires, apply to these Rules):

Advice	The provision of a personal recommendation to a customer, either upon their request or at the initiative of the Ancillary Insurance Intermediary, in respect of one or more insurance contracts.
Ancillary Insurance Intermediary	Any natural or legal person, other than a credit institution or an investment firm as defined in points [1] and [2] of Article 4[1] of Regulation [EU] No 575/2013 of the European Parliament and of the Council, who, for remuneration, takes up or pursues the activity of insurance distribution on an ancillary basis, provided that all the following conditions are met: <ul style="list-style-type: none"> a. the principal professional activity of that natural or legal person is other than insurance distribution; b. the natural or legal person only distributes certain insurance products that are complementary to a good or service; and c. the insurance products concerned do not cover life assurance or liability risks, unless that cover complements the good or service which the intermediary provides as its principal professional activity.
Appointed Representative, including Introducer Appointed Representative	A person who is exempt from the need for authorisation under FSMA by virtue of a contract with an Authorised Person as defined in s39 of FSMA.
Authorised Person	A person who is authorised by the FCA under Part IV of FSMA or otherwise an authorised person for the purposes of FSMA.
Authorised Professional Firm	A professional firm that is authorised by the FCA under Part IV of FSMA.
Branch	An agency or a branch of an intermediary that is located in the territory of a Member State other than the home Member State.

Client	<ul style="list-style-type: none"> a. persons who use, have used, or may be contemplating using any of the services provided by a DPB Licensed Firm in the course of carrying on DPB Regulated Activities; b. persons who have rights or interests that are derived from, or otherwise attributable to, the use of any such services by other persons; or c. persons who have rights or interests that may be adversely affected by the use of any such services by persons acting on their behalf or in a fiduciary capacity in relation to them.
Close links	As defined in Article 13 point 17 of Directive 2009/138/EC, being a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.
DPB	A Designated Professional Body under Section 326 of FSMA.
DPB Firm Representative	The individual appointed to carry responsibility for the DPB Licensed Firm's compliance with these Rules and to be the individual named in the Financial Services Register against the DPB Licensed Firm's entry. The DPB Firm Representative must be a member of RICS.
DPB Licence	The licence granted to a DPB Licensed Firm to enable it to carry on Regulated Activities.
DPB Licensed Firm	An Exempt Professional Firm licensed by the Institution to carry on Regulated Activities under these Rules.
Durable medium	<p>Any instrument that:</p> <ul style="list-style-type: none"> a. enables a customer to store information addressed personally to that customer in a way accessible for future reference and for a period of time adequate for the purposes of the information; and b. allows the unchanged reproduction of the information stored.
Exempt Professional Firm	A person to whom, under s327 of FSMA, the general prohibition imposed by section 19 of FSMA does not apply.
Firm	The whole or part of any body corporate, a partnership, a limited liability partnership or an unincorporated practice of a sole practitioner concerned with the business of surveying or providing other related services that is regulated by RICS.
FCA	The UK Financial Conduct Authority and its successors.



FCA Rules	The FCA's Handbook of Rules and Guidance as amended from time to time.
FSMA	The <i>Financial Services and Markets Act 2000</i> as amended from time to time.
Financial Services Register	The public record maintained by the FCA as required under s347 of FSMA. This record includes the record of Exempt Professional Firms carrying on general insurance distribution activities.
General insurance contract	Any contract of insurance within Part 1 of Schedule 1 to the <i>Financial Services and Markets Act 2000 (Regulated Activities) Order 2001</i> made under FSMA.
General insurance distribution activities	Any of the following Regulated Activities: <ul style="list-style-type: none"> a. dealing in general insurance contracts as agent; b. arranging [bringing about] deals in general insurance contracts; c. making arrangements with a view to transactions in general insurance contracts; d. assisting in the administration and performance of general insurance contracts; e. advising on general insurance contracts; and f. agreeing to carry on Regulated Activities [a] to [e] above.
Head of Regulation	The person nominated by the RICS Regulatory Board to carry out RICS' functions under these Rules.
Insurance distribution	The activities of: <ul style="list-style-type: none"> a. advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of insurance; b. concluding such contracts; or c. assisting in the administration and performance of such contracts, in particular in the event of a claim, including the provision of information concerning one or more insurance contracts in accordance with criteria selected by customers through a website or other media and the compilation of an insurance product ranking list, including price and product comparison, or a discount on the price of an insurance contract, when the customer is able to directly or indirectly conclude an insurance contract using a website or other media.
IDD	The Insurance Distribution Directive [no 2016/97].

Insurance-based investment product	<p>An insurance product that offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations, and does not include:</p> <ul style="list-style-type: none"> a. non-life insurance products as listed in Annex I to Directive 2009/138/EC [Classes of non-life insurance]; b. life insurance contracts where the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or disability; c. pension products which, under national law, are recognised as having the primary purpose of providing the investor with an income in retirement, and which entitle the investor to certain benefits; d. officially recognised occupational pension schemes falling under the scope of Directive 2003/41/EC or Directive 2009/138/EC; or e. individual pension products for which a financial contribution from the employer is required by national law and where the employer or the employee has no choice as to the pension product or provider.
Member	A Fellow, Professional member, Associate member, Honorary member of RICS or member of the Attached Classes.
Nominated representative	A member of RICS' staff, a member or any other person with the necessary expertise nominated by the Regulatory Board or Head of Regulation to carry out RICS' functions under these Rules.
Principal	<p>A:</p> <ul style="list-style-type: none"> a. sole practitioner; b. partner, a director or a member of a limited liability partnership; c. person whose job title includes the word 'partner' or 'director'; or d. person who performs the function of a sole practitioner, a partner, director or member of a limited liability partnership.
Regulated Activities	Those Regulated Activities specified in the <i>Financial Services and Markets Act 2000 (Regulated Activities) Order 2001</i> that may be carried on by a DPB Licensed Firm under these Rules.
Regulatory Board	The Board established by RICS Governing Council to exercise the regulatory functions of RICS.



Remuneration	Any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial or non-financial advantage or incentive offered or given in respect of insurance distribution activities.
Rules	The DPB Rules as amended from time to time.

Other terms and expressions used but not defined in these Rules have the meaning assigned to them in FSMA and the IDD.

3 Regulatory Board and the Head of Regulation

- 6 The Regulatory Board will exercise RICS' powers and responsibilities for all regulatory policy matters under these Rules.
- 7 The Head of Regulation will exercise RICS' powers and responsibilities for all licensing and registration functions under these Rules.
- 8 Both the Regulatory Board and Head of Regulation may delegate to a nominated representative any of its functions under these Rules.

4 Application process and continued eligibility

- 9** A Firm wishing to carry on Regulated Activities must apply to the Head of Regulation or a nominated representative providing such information and in such form as may be stipulated by the Head of Regulation to enable them to determine whether the Firm may be a DPB Licensed Firm.

Basic conditions

- 10** An applicant Firm must satisfy the Head of Regulation or a nominated representative on application for a DPB Licence that it complies with the following conditions, and must continue to comply with them at all times during the period of the DPB Licence:
- the Firm must:
 - have the minimum number of principals as prescribed by the RICS Regulatory Board from time to time;
 - be regulated by RICS; and
 - satisfy the conditions of being an Ancillary Insurance Intermediary (All).
 - have and maintain the required level of professional indemnity insurance for the Regulated Activities it wishes to carry on;
 - have no direction or order made under s328 or s329 of FSMA applicable to the applicant;
 - have no reason to believe that the applicant or any individual DPB Firm Representative or principal of the applicant should not be granted a DPB licence; and
 - not distribute Insurance Based Investment Products (IBIPs).
- 11** As part of its application, a Firm must disclose any close links.

On-going obligations

- 12** In considering an application and continued eligibility for a DPB Licence, the Head of Regulation or a nominated representative must take into account compliance by the DPB Firm Representative and all principals of the applicant Firm with:
- a.** RICS Bye-Laws, Regulations and Rules;
 - b.** the conditions set out in s327 of FSMA;
 - c.** any rules made under s332(1) of FSMA;
 - d.** proposed arrangements for the applicant to carry on Regulated Activities; and
 - e.** any other information available to it that has a bearing on the applicant's suitability to carry on Regulated Activities.
- 13** In particular the applicant Firm must on application and during the period of the DPB Licence:
- a.** provide all information requested by the Head of Regulation or a nominated representative in connection with its application and its conduct of Regulated Activities;
 - b.** inform the Head of Regulation of any finding against it by a disciplinary body of RICS or any other regulatory body, court or statutory authority;
 - c.** carry on Regulated Activities in accordance with RICS Bye-Laws, Regulations and Rules with particular reference to:

- i.** complaints-handling procedure;
 - ii.** the holding of Clients' money (including the requirement to segregate client money) – see *Clients' money: General advice for firms*;
 - iii.** conflicts of interest;
 - iv.** Continuing Professional Development;
 - v.** notification of terms of engagement; and
 - vi.** the requirements of the Client Money Protection Scheme (CMPS).
- d.** agree that RICS may share relevant information on the applicant with government or other regulatory bodies as appropriate to fulfil its responsibilities as a DPB;
- e.** appoint a member as the DPB Firm Representative and provide his or her name and contact details to RICS;
- f.** pay the appropriate application and annual fees for a DPB Licence set by the Regulatory Board and any other fees, costs or fines levied by the Board for non-routine investigation, monitoring or review activities in relation to the Firm;
- g.** account to its Clients for the receipt of any pecuniary reward or other advantage (such as a commission) received from anyone other than the Firm's Clients in connection with any of its Regulated Activities;
- h.** notify RICS within 7 days of any change to its ability to meet the basic conditions in Rule 10 or fulfil the obligations in this Rule or any condition attaching to a DPB Licence;
- i.** keep records of its dealings with Clients that enable it to:
- i.** monitor its own compliance with these Rules; and
 - ii.** demonstrate such compliance with these Rules to the Head of Regulation or a nominated representative.
- j.** have adequate systems of training and internal monitoring of Regulated Activities to enable it to comply with these Rules, the conditions set out in s327 of FSMA and the rules made under s332(1) of FSMA;
- k.** take account of RICS' upcoming professional statement *Anti-bribery and corruption incorporating anti-money laundering*, the *Proceeds of Crime Act 2002* and the *Criminal Finances Act 2017*;
- l.** ensure that all complaints are dealt with in accordance with RICS' guidance note *Complaints handling*, 1st edition, which includes requirements such as:
- i.** keeping a record of all complaints relating to Regulated Activities from whatever source; and
 - ii.** ensuring that all complaints are replied to within the timescales specified.
- m.** must not use any unregistered intermediaries to distribute products.
- 14** Nothing in these Rules limits the generality of RICS Bye-Laws, Regulations and Rules.



5 Issue or refusal of Licence

15 The Head of Regulation or a nominated representative may issue a DPB Licence to a Firm confirming the following:

- its status as a DPB Licensed Firm;
- the period covered by the DPB Licence;
- the scope of Regulated Activities the Firm may carry out; and, if relevant
- any conditions attached to the DPB Licence.

A Firm must be notified of the issue or refusal of a licence within three months of the submission of a completed application

16 RICS will notify the FCA in accordance with Rule 17 that a Firm is a DPB Licensed Firm licensed to carry on general insurance distribution activities and should be placed on the Financial Services Register.

17 RICS will inform the FCA of:

- the name and address of the DPB Licensed Firm; and
- the name of the DPB Firm Representative.

18 A DPB Licensed Firm must not carry on general insurance distribution activities unless the Firm is included on the Financial Services Register.

19 If the Head of Regulation or a nominated representative decides that an applicant Firm does not qualify for a DPB Licence it must reject the application, giving reasons.

6 Conduct of business

- 20** A DPB Licensed Firm must comply with the relevant conduct of business Rules for the Regulated Activities that it carries on.
- 21** A DPB Licensed Firm must comply with the relevant Rules on disclosure of its regulatory status specified in the conduct of business Rules for the Regulated Activities that it carries on.



7 DPB Firm Representative

- 22** A DPB Licensed Firm must designate a DPB Firm Representative to be the main liaison point between the DPB Licensed Firm and the Head of Regulation (or the Head of Regulation's nominated representative).
- 23** The DPB Firm Representative must be an RICS member.
- 24** Any changes to the details of the DPB Firm Representative must be notified to RICS within 7 days.
- 25** The DPB Firm Representative must ensure that:
- the DPB Licensed Firm establishes and maintains adequate risk management systems and controls in respect of its Regulated Activities to enable it to comply with these Rules; and
 - the DPB Licensed Firm submits to RICS any information requested by the Head of Regulation or a nominated representative under these Rules.
- 26** If the DPB Licensed Firm carries on general insurance distribution activities, the DPB Firm Representative will be the person responsible for the Firm's general insurance distribution activities.

8 Powers of monitoring and investigation

- 27** The Head of Regulation or a nominated representative will monitor each DPB Licensed Firm's suitability to hold a DPB Licence. Monitoring may take the form of a periodic return, written or oral enquiries, visits to the Firm's premises or any other suitable method as determined by the Regulatory Board from time to time and as notified to DPB Licensed Firms.
- 28** A DPB Licensed Firm must provide to the Regulatory Board and/or the Head of Regulation or a nominated representative any information it reasonably requests to enable it to fulfil RICS' responsibilities as a DPB.
- 29** The Regulatory Board, the Head of Regulation or a nominated representative may visit the premises of the DPB Licensed Firm with or without notice in the exercise of its powers and responsibilities under these Rules.



9 Licensing decisions

- 30** The Head of Regulation or a nominated representative may, based on information it receives from a DPB Licensed Firm or another relevant source, or as a result of its own monitoring or investigation activities, make or amend conditions for a DPB Licence.
- 31** The Head of Regulation or a nominated representative may suspend or withdraw a DPB Licence if it has grounds for believing that the holder no longer qualifies for a Licence.
- 32** When issuing a decision under Rules 30 or 31, the Head of Regulation or a nominated representative must:
- give reasons for the decision;
 - state whether or not the decision takes immediate effect; and
 - advise the Firm of its right to a review under Rule 38.
- 33** A DPB Licensed Firm may surrender its DPB Licence by giving 28 days' notice to the Head of Regulation or a nominated representative. In such cases, the Head of Regulation or a nominated representative may require the DPB Licensed Firm to:
- submit information on its conduct of DPB Regulated Activities;
 - pay outstanding charges that have been levied under these or related Rules; and/or
 - agree to a monitoring visit by a nominated representative.
- 34** In any such circumstance the DPB Licensed Firm must co-operate with the Head of Regulation to agree and implement an orderly run off of any DPB Regulated Activities carried on by that Firm.

10 Reinstatement of a DPB Licence

- 35** A Firm that has previously held a DPB Licence may apply for reinstatement of the licence subject to payment of a non-refundable reinstatement fee and completion of an application in the form required by the Head of Regulation or a nominated representative.
- 36** The Head of Regulation or a nominated representative may require an applicant for reinstatement of a licence to:
- submit information on its proposed conduct of Regulated Activities;
 - pay outstanding charges that have been levied under these or related Rules; and/or
 - agree to a monitoring visit by a nominated representative.
- 37** If the Head of Regulation or a nominated representative decides that a Firm applying for reinstatement of a DPB Licence does not qualify for a DPB Licence it must reject the application, giving reasons.



11 Right of review

- 38** An applicant for a DPB Licence or a DPB Licensed Firm may apply to the Registration Panel of the Conduct and Appeal Committee for a review of a decision under Rules 19, 30, 31 or 37. The application for review must be made in writing within 28 days of service of the decision, accompanied by such further evidence as the Firm wishes to provide in response to the stated reasons.
- 39** The Registration Panel will follow the process and procedure as set out in the *Disciplinary, Registration and Appeal Panel Rules* 2009, version 7.
- 40** Any review under Rule 39 shall be a fresh consideration of the application and the powers available to the Registration Panel in such circumstances shall be the same as the power available to the Head of Regulation in Rules 19, 30, 31 or 37.
- 41** The Registration Panel may make an order for costs when determining a review application in accordance with the *Disciplinary, Registration and Appeal Panel Rules* 2009.

12 Notification

- 42** The Head of Regulation or a nominated representative will report suspension, withdrawal or surrender of a DPB Licence to the FCA, resulting in the immediate notification to the FCA and the removal of the Firm's name from the Financial Services Register, if applicable.
- 43** The Head of Regulation or a nominated representative may refer suspension or withdrawal of a DPB Licence, or a failure by a DPB Licensed Firm to meet any requirements under these Rules, or any other information it considers appropriate for consideration of disciplinary action by RICS.
- 44** The Head of Regulation or a nominated representative may share with government and other regulators such information on a DPB Licensed Firm's licensed status, its conduct of Regulated Activities or its compliance with UK law, RICS Bye-Laws, Regulations and Rules as is relevant to that regulator's statutory or regulatory responsibilities.

Part 2

Schedule 1

1 General Insurance Conduct of Business Rules introduction and application

- 1.1 This Schedule forms part of the Designated Professional Body Rules, version 3 and applies to Firms that have been granted a DPB Licence to carry on general insurance distribution activities.
- 1.2 Definitions in the RICS Bye-Laws, Regulations, Rules of Conduct and DPB Rules also apply to this Schedule.

2 Basic conditions

2.1 Compliance with these Rules

- 2.1.1 A DPB Licensed Firm that has a DPB Licence to carry on general insurance distribution activities must do so in accordance with the DPB Rules, including this Schedule.
- 2.1.2 A DPB Licensed Firm must carry on general insurance distribution activities only to the extent, and on such terms, that it is permitted to do so by the Licence issued to it under DPB Rule 10.
- 2.1.3 The following shall not be considered to constitute insurance distribution or reinsurance distribution:
 - a. the provision of information on an incidental basis in the context of another professional activity where:
 - i. the provider does not take any additional steps to assist in concluding or performing an insurance contract; and
 - ii. the purpose of that activity is not to assist the customer in concluding or performing a reinsurance contract.
 - b. the management of claims of an insurance undertaking or of a reinsurance undertaking on a professional basis, and loss adjusting and expert appraisal of claims;
 - c. the mere provision of data and information on potential policyholders to insurance intermediaries, reinsurance intermediaries, insurance undertakings or reinsurance undertakings where the provider does not take any additional steps to assist in the conclusion of an insurance or reinsurance contract;
 - d. the mere provision of information about insurance or reinsurance products, an insurance intermediary, a reinsurance intermediary, an insurance undertaking or a reinsurance undertaking to potential policyholders where the provider does not take any additional steps to assist in the conclusion of an insurance or reinsurance contract.

2.2 Professional indemnity insurance (PII)

- 2.2.1 A DPB Licensed Firm carrying on general insurance distribution activities must have professional indemnity insurance in accordance with the requirements set out in the *Rules of Conduct for Firms* (Rule 9) and any RICS professional indemnity insurance policy that covers such activities but with a limit of indemnity equivalent to at least €1,250,000 for each and every claim and at least €1,850,000 in the annual aggregate. The PII must cover the whole territory of the Union. This is in line

with the requirements of the Insurance Distribution Directive and the cover may be subject to further adjustments in the future to be determined by the European Commission. The cover requirement only applies when the policy is taken out, renewed or extended.

2.3 Remuneration

- 2.3.1** A DPB Licensed Firm must ensure that any staff carrying on an insurance distribution activity must not be remunerated, or remunerate or assess the performance of any members of staff in a way that conflicts with their duty to act in accordance with the best interests of its customers.
- 2.3.2** A DPB Licensed Firm shall not make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to itself or its employees to recommend a particular insurance product to a customer when the DPB Licensed Firm could offer a different insurance product that would better meet the Client's needs.

2.4 Professional requirements

- 2.4.1** A DPB Licensed Firm that carries on general insurance distribution activities must establish on reasonable grounds that:
- a.** persons within its management structure who are responsible for its general insurance distribution activities and all other persons directly involved in general insurance distribution activities demonstrate the knowledge and ability necessary for the performance of their duties connected to these activities;
 - b.** all the persons in its management structure and any staff directly involved in general insurance distribution activities:
 - i.** are of good repute;
 - ii.** always act honestly, fairly and professionally in accordance with the best interests of the Client; and
 - iii.** possess an appropriate level of knowledge and competence to carry on any insurance distribution activities.
- 2.4.2** In considering a person's repute under Rule 2.4.1 b(i) above, the DPB Licensed Firm must ensure that the person:
- a.** has not been convicted of any serious criminal offences linked to crimes against property or related to financial activities (other than spent convictions under the *Rehabilitation of Offenders Act 1974* or any other national equivalent); and
 - b.** has not been adjudged bankrupt (unless the bankruptcy has been discharged), under the law of any part of the United Kingdom or under the law of a country or territory outside the United Kingdom.
- 2.4.3** In determining whether a person possesses an appropriate level of knowledge and competence to carry on insurance distribution activities (as set out at 2.4.1 b(iii) above), consideration should be given to the requirement to undertake professional training or development every year, which must relate to the undertaking of insurance distribution activities.

2.5 Communications

- 2.5.1** A DPB Licensed Firm must ensure that any marketing communications are clearly identifiable as such. All communications with Clients must be clear, fair and not misleading.

2.6 Clients best interests

- 2.6.1** A DPB Licensed Firm must act honestly, fairly and professionally in accordance with the best interests of its customer.



3 Status disclosure and terms of engagement

- 3.1** In good time, and before the conclusion of the contract, a DPB Licensed Firm must provide the Client with terms of engagement in a durable medium setting out the services to be provided. The information shall be communicated to the Client:
- on paper;
 - in a clear and accurate manner, comprehensible to the Client;
 - in English (or as otherwise agreed with the Client); and
 - free of charge.
- 3.2** The DPB Licensed Firm is permitted to provide the information in a durable medium other than paper where its use is appropriate in the context of the business conducted with the Client, and the Client has been provided with the choice between information on paper and another durable medium and has chosen the latter. Where the Client chooses to receive the information other than in writing, the durable medium used must comply with the definition of durable medium set out in these Rules.
- 3.3** The DPB Licensed Firm is permitted to provide the information by means of a website if it is addressed personally to the Client, or where its use is appropriate in the context of the business conducted with the Client and the Client has consented to this and been notified electronically of the address of the website and where to access the information on the website. This information should remain available on the website for as long as the Client may reasonably need to consult it.
- 3.4** When the information is provided to the Client on a durable medium other than paper or through a website, a paper copy must be provided to the Client upon request and free of charge. Furthermore, for these durable mediums to be considered appropriate in the context of the business conducted with the Client, the Client must provide an email address as evidence of regular access to internet.
- 3.5** In instances where the DPB Licensed Firm concludes the contract over the telephone, the information given to the customer by the DPB Licensed Firm prior to the conclusion of the contract, including the insurance product information document, shall be provided in accordance with the requirements in the *Distance Marketing Directive 2002 (DMD)*. The DPB Licensed Firm must provide all the information set out here to the Client before asking the Client whether they want to proceed with the purchase. In addition to the information here, the DPB Licensed Firm shall provide details of any right to cancel the insurance contract and the time period within which the Client would need to exercise any right to cancel.
- 3.6** Where the customer has chosen to obtain prior information on a durable medium other than paper, the information shall be provided by the DPB Licensed Firm to the customer immediately after the conclusion of the insurance contract.
- 3.7** The terms of engagement must include:
- contact information:
 - the name and address of the Firm and the fact that it is an Ancillary Insurance Intermediary; and
 - the name of the individual having day to day conduct of the Client's business and, where applicable, the name of the individual responsible for its overall supervision.
 - information about the nature of the service:
 - whether the Firm will only provide information and arrange insurance, or whether it will also advise the Client and make recommendations about specific insurance contracts; and
 - whether the Firm provides information (and, where applicable, provides a recommendation):

- on the basis of a fair analysis of the market; or
 - from a limited number of insurers; or
 - from a single insurer only.
- c.** remuneration:
- i.** the DPB Licensed Firm must provide details of any Remuneration received in relation to the insurance contract.
- d.** advice and standards for sales where no advice given:
- i.** prior to the conclusion of an insurance contract, the DPB Licensed Firm shall specify, on the basis of information obtained from the customer, the demands and the needs of that customer and shall provide the customer with objective information about the insurance product in a comprehensible form to allow that customer to make an informed decision;
 - ii.** any contract proposed shall be consistent with the customer's insurance demands and needs;
 - iii.** where advice is provided prior to the conclusion of any specific contract, the DPB Licensed Firm shall provide the customer with a personalised recommendation explaining why a particular product would best meet the customer's demands and needs;
 - iv.** the details referred to in section 3.7 shall be modulated according to the complexity of the insurance product being proposed and the type of customer;
 - v.** whether or not advice is given and irrespective of whether the insurance product is part of a package pursuant to Article 24 of this Directive, the DPB Licensed Firm shall provide the customer with the relevant information about the insurance product in a comprehensible form to allow the customer to make an informed decision, while taking into account the complexity of the insurance product and the type of customer;
 - vi.** when the DPB Licensed Firm informs the Client that it gives advice on the basis of a fair analysis of the market under Rule 3 d(i), the Firm is obliged to give that advice on the basis of an analysis of a sufficiently large number of insurance contracts available on the market, to enable it to make a recommendation in accordance with professional criteria as to which insurance contract would be adequate to meet the Client's needs; and
 - vii.** a copy of these terms of engagement signed by the Client (or unsigned if not returned by the Client) must be placed on the Client's file and form part of the records maintained to demonstrate compliance with the DPB Rules.
- e.** product information:
- i.** regardless of whether or not advice is given, the DPB Licensed Firm must provide the Client with information about the insurance product in a comprehensible form to allow the Client to make an informed decision. The standardised format setting out the required information is set out in Appendix A. This form must be used in every instance for a customer. The responsibility for producing the IPID lies with the manufacturer of the insurance product as determined by the IDD, but it is the Firm's responsibility to ensure that the information set out is correct and consistent with the Client's demands and needs.
 - ii.** the insurance product information document shall:
 - be a short and standalone document;
 - be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
 - be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;
 - be written in the official languages, or in one of the official languages, used in the part of the Member State where the insurance product is offered or, if agreed by the consumer and the DPB Licensed Firm, in another language;



- be accurate and not misleading;
 - contain the title ‘insurance product information document’ at the top of the first page; and
 - include a statement that complete pre-contractual and contractual information on the product is provided in other documents.
- iii.** the insurance product information document shall contain:
- the type of insurance;
 - a summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and a summary of the excluded risks;
 - the means of payment of premiums and the duration of payments;
 - main exclusions where claims cannot be made;
 - obligations at the start of the contract;
 - obligations during the term of the contract;
 - obligations in the event that a claim is made;
 - the term of the contract including the start and end dates of the contract; and
 - the means of terminating the contract.
- iv.** DPB Licensed Firms must make the necessary arrangements to be able to obtain information in relation to the insurance product and the product approval process, including the identified target market, as well as an understanding of the characteristics of each insurance product it advises on or proposes.
- v.** a firm dealing with a commercial customer:
- may choose to provide some of or all of the appropriate information in an IPID, a policy summary or a similar summary if it considers this to be a comprehensible form in which to provide that information; and
 - should include the IPID information (regardless of whether an IPID itself is provided).
- vi.** cross-selling:
- where an insurance product is ancillary to a good or a service which is not insurance, as part of a package or the same agreement, the DPB Licensed Firm shall offer the customer the possibility of buying the good or service separately. This paragraph shall not apply where an insurance product is ancillary to an investment service or activity as defined in point 2 of Article 4(1) of Directive 2014/65/EU, a credit agreement as defined in point 3 of Article 4 of Directive 2014/17/EU of the European Parliament and of the Council (15), or a payment account as defined in point 3 of Article 2 of Directive 2014/92/EU of the European Parliament and of the Council;
 - the section shall not prevent the distribution of insurance products which provide coverage for various types of risks (multi-risk insurance policies);
 - where 3.7 e(v) applies, the DPB Licensed Firm shall ensure that it specifies the demands and needs of the customer in relation to the insurance products that form part of the overall package or the same agreement.
- f.** information about the Firm’s regulatory status:
- i.** the following statement should be included:
- ‘This Firm is not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry out insurance distribution activity which is broadly advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Royal Institution of Chartered Surveyors (RICS). The Register can be accessed

via the Financial Conduct Authority website: www.fca.org.uk/firms/financial-services-register.'

- g.** complaints arrangements:
 - i.** the name of the individual to whom any complaint should be made;
 - ii.** details of the Firm's complaints-handling procedure, which must be in the form required by Rule 7 of the *RICS Rules of Conduct for Firms 2007* and within any guidance on the same; and
 - iii.** details of any approved and appropriate complaints handling and redress scheme that are available for out-of-court settlement of disputes.
- h.** compensation arrangements:
 - i.** notification that a valid claim against the Firm for direct loss of client funds, and which is not met in full by the Firm, may be met by RICS' Client Money Protection Scheme.

4 Disclosure to the Client on transaction

- 4.1** Before any specific contract of insurance is concluded (including at renewal, and, if necessary, upon amendment) the DPB Licensed Firm must:
 - a.** ensure that terms and conditions of engagement as set out in section 3 of the Schedule have been provided to the Client in a durable medium; and
 - b.** (subject to Rule 3.1 of this Schedule) provide the Client with information on the service or product in a durable medium.
- 4.2** The information set out in 4.1 a. and b. must be of sufficient detail and clarity as to be readily understandable to the Client, and in English or any other language agreed with the Client.
- 4.3** The information to be provided to satisfy Rule 3.7b. of this Schedule is:
 - a.** a statement of the Client's demands and needs based in particular on the information given by the Client;
 - b.** confirmation of whether or not the Firm has provided a recommendation to the Client; and
 - c.** if the DPB Licensed Firm has given a recommendation to the Client, an explanation of the reasons for the recommendation.
- 4.4** The amount of detail given in the statement and explanation required by 4.3 a. and c. above should be proportionate to the complexity of the insurance contract in question.
- 4.5** A DPB Licensed Firm may give the information required in this Schedule orally if the Client requests it or requires immediate cover, but the information must nevertheless be provided in a durable medium immediately after conclusion of the contract. Where a DPB Licensed Firm wishes to undertake contracts through distance communication, that is where their contact with the Client is only by letter, telephone, e-mail or any other communication which is not face-to-face, until after the point at which the contract is concluded, then the Distance Marketing Directive, as implemented through the *Financial Services (Distance Marketing) Regulations 2004* will apply. The *Distance Marketing Regulations 2004* require Firms to provide pre-contract information and cancellation rights.

5 Dealing with Clients' money

- 5.1** Where a DPB Licensed Firm wishes to hold Client's money, it must first register with RICS and pay the appropriate fee. The DPB Licensed Firm must then comply with RICS Rules and guidance on holding Clients' money including holding Clients' money in segregated accounts.



6 Complaints from non-clients

- 6.1** A complaint may arise from different sources, such as consumer organisations and others acting on behalf of a client. Firms should ensure that their procedures can be properly applied, regardless of the source of the complaint.

7 Other EU Member States – Passporting for general insurance distribution activities

- 7.1** Prior to establishing a branch or providing general insurance distribution activities in another EU Member State, a DPB Licensed Firm must notify the FCA of its intention in accordance with the requirements set out in the FCA Rules.

Appendix A: Insurance Product Information Document (IPID)

Standardised presentation format for the IPID:

Xxxxx Insurance

Insurance Product Information Document

Company: <Name> Insurance Company Product: <Name> Policy

[Statement that complete pre-contractual and contractual information on the product is provided in other documents]

What is this type of insurance?

[Description of Insurance]

What is insured?

- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx
- ✓ Xxxxx

What is not insured?

- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx
- ✗ Xxxxx

Are there any restrictions on cover?

- ! Xxxxx
- ! Xxxxx
- ! Xxxxx
- ! Xxxxx
- ! Xxxxx

Where am I covered?

- ✓ Xxxxx

What are my obligations?

- Xxxxx
- Xxxxx
- Xxxxx
- Xxxxx

When and how do I pay?

Xxxxx

When does the cover start and end?

Xxxxx

How do I cancel the contract?

Xxxxx



Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

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North America

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Asia Pacific

ASEAN

ricsasean@rics.org

Greater China (Hong Kong)

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Greater China (Shanghai)

ricschina@rics.org

Japan

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Oceania

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South Asia

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