

THE CNMV OPENS A PUBLIC CONSULTATION REGARDING THE TECHNICAL TRAINING GUIDE FOR FINANCIAL INSTITUTIONS' EMPLOYEES

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- The guide aims to improve the protection of financial services clients.
- Better employee training will enable clients to make better informed investment decisions.
- The project is presented after having listened to groups affected by new requirements.

The National Stock Market Commission (CNMV) has today begun a public consultation regarding [the Technical Guide for the assessment of knowledge and capabilities of personnel informing and advising financial institutions.](#)

This guide clarifies the criteria to be applied by the CNMV when evaluating the knowledge and capabilities of personnel who inform and advise on institution sales networks, as required by Mifid II.

The purpose of this guide is to improve the level of staff training in the best interest of clients or investors, entities and employees:

1. Clients will understand the risks of the products they invest in, thanks to a correct information and advice in order to make better informed decisions
2. The institutions ensure that their personnel are properly trained to carry out their duties and obligations in accordance with the regulations
3. Personnel that offers investment services is guaranteed to have the knowledge and experience necessary to perform their duties and responsibilities correctly

The CNMV has developed this guide after having opened a debate with all the affected groups following the principles of flexibility and proportionality as well as high standards in the content of the training. The ultimate goal is to ensure that sales personnel have the training and skills to properly inform and advise clients so that they can make informed investment decisions.

The deadline for comments is May 10.

GUIDE CONTENT:

What is the guide content?

The document establishes the specific knowledge required for financial institution sales network personnel who provide information and advisory services to clients and the characteristics of internal or external training to ensure that staff acquire such skills. Also the organizational requirements to ensure and demonstrate compliance with the guide.

When does it enter into force?

The guide will enter into force on 1 January 2018

Who is it aimed at?

All personnel providing information and advisory services in credit institutions, Investment service entities, Management Companies of Collective Investment Institutions and closed investment entity managers that provide investment services.

What knowledge should the personnel have in order to offer information services to clients?

Employees who provide information should have knowledge of:

- Financial markets
- The characteristics of the services they provide and their scope
- The products they sell
- What kind of customers they are aimed at
- The risk
- The tax charges and implications
- The effect of economic figures on the possible development of products
- Forecast limits
- The rules of market abuse and money laundering.

What knowledge should the personnel have in order to offer advisory services to clients?

In addition to all the above, personnel providing advice must be trained in:

- The requirements and obligations of suitability established in Mifid
- The assessment of materials offered to the client
- The structure of the market for each type of product
- Basic knowledge of valuation
- Fundamentals of portfolio management as well as the implications of diversification.

Is there a minimum experience requirement?

In addition to the training requirements, there is a need for a minimum of 6 months full-time experience.

What happens if the employee does not have the appropriate training?

When personnel do not have the training, they will not be able to provide investment services, except under the direct supervision of an employee who does. This circumstance cannot be extended for more than 4 years.

And if they have the training but no experience?

They will not be able to provide investment services, except under the direct supervision of an employee who does.

How many hours should there be in the courses that accredit the training?

The minimum hours for training courses will be 80 for personnel offering information and 150 for advisory personnel. However, taking into account the nature and complexity of the service to be provided and under the responsibility of the administrative body, the institution may reasonably establish a lower number of hours.

How many hours should be included in ongoing training?

The annual minimum ongoing training will be 20 hours for personnel providing information and 30 for advisory personnel. However, taking into account the nature and complexity of the service to be provided and under the responsibility of the administrative body, the institution may reasonably establish a lower number of hours.

What organizational requirements does the guide establish?

The administrative body will be responsible for compliance with that established in the guide and will set control procedures that ensure compliance with the criteria established; control that will be carried out by the regulatory compliance unit.

What responsibility do institutions have for the training of their employees?

The entities' responsibility is to ensure that the staff has the knowledge and skills provided in the guide.

In order to be accredited, they must choose amount of the three possibilities described below and ensure that the correct evaluation of staff knowledge, equivalence of qualifications and compliance with the requirements of ongoing training

How can institutions accredit the knowledge of their personnel?

Institutions will have three possibilities to prove that their employees have the appropriate knowledge:

- A title or certification from the list to be drawn up by the CNMV
- Another external qualification, with the responsibility of checking the equivalence of training and assessment with the guide requirements.
- Internal qualification of the institution that complies with the guide requirements also under its own responsibility.

What happens to the training that institutions have already offered personnel?

Internal training already acquired may be taken into account if it is believed to comply with the guide contents.

How will the CNMV exercise supervision?

The CNMV will integrate the verification of the requirements established in this guide into its usual supervision activities (horizontal or remote).

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