

**Chartered Banker**

Professional Standards Board

# Advanced Standard

for Professional Bankers

JANUARY 2018

***Requirements***

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#DrivingProfessionalism



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## **Advanced Standard** for Professional Bankers

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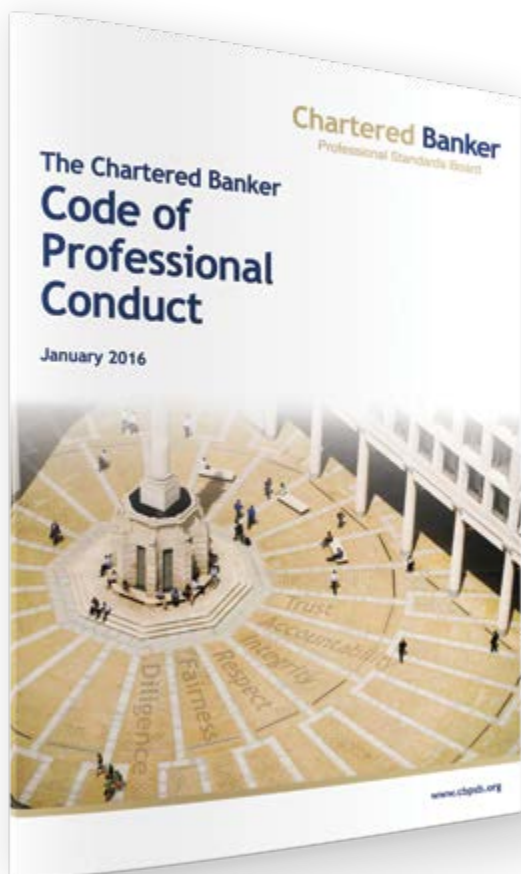


# Overview

## Introduction

The Chartered Banker Professional Standards Board (CB:PSB) was launched in October 2011. It aims to enhance and sustain a strong culture of ethical and professional development across the UK banking industry by developing a series of professional standards which are underpinned by the Chartered Banker Code of Professional Conduct (the Code).

Complementing a series of more recent reforms led by government, regulators and the industry itself, the CB:PSB intends to help build, over time, greater public confidence and trust in individuals, institutions and the banking industry overall, and enhance pride in the banking profession.



The Code, which all CB:PSB firms subscribe to, sets out the values, attitudes and behaviour expected of all professional bankers. The Code is consistent with the terminology in the FCA/PRA Individual Conduct Rules. It exceeds regulatory requirements by setting out how individuals should follow best practice and demonstrate their personal commitment to professionalism in banking, by:

- 1 treating all customers, colleagues and counterparties with respect and acting with **integrity**;
- 2 developing and maintaining their professional knowledge and acting with **due skill, care and diligence**; considering the risks and implications of their actions and advice, and holding themselves accountable for them and their impact;
- 3 being **open and cooperative** with the **regulators**; complying with all current regulatory and legal requirements;
- 4 paying **due regard to the interests of customers and treating them fairly**;
- 5 **observing** and demonstrating **proper standards of market conduct** at all times;
- 6 acting in an honest and trustworthy manner, being alert to and managing potential conflicts of interest; and
- 7 treating information with appropriate confidentiality and sensitivity.

The FCA/PRA Individual Conduct Rules (published in July 2015) wording is shown in **bold**.

# Overview

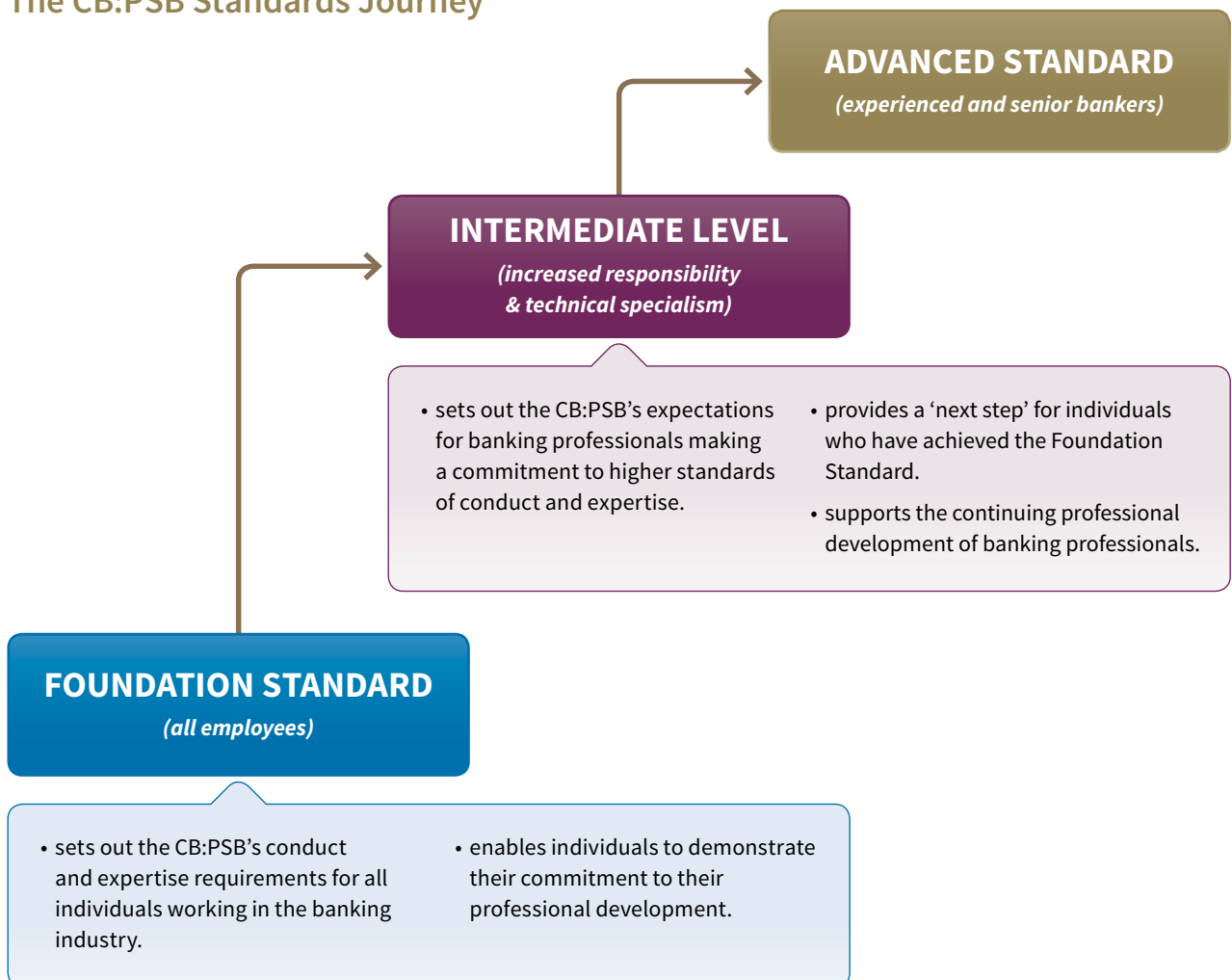
## Overview of the Advanced Standard

The CB:PSB's Advanced Standard for Professional Bankers, follows the publication of the Foundation Standard (2012, revised 2016) and the Intermediate Standard (2017). Set at an exacting level, and for senior and experienced practitioners, the Advanced Standard sets out the CB:PSB's expectations for banking leaders' conduct and expertise.

The Advanced Standard completes the first series of professional standards developed for modern bankers and builds on both the Foundation and Intermediate Standards.

It is also aligned with the Individual Accountability Regime and can support those within the Certification Regime and Senior Managers Regime to meet and exceed regulatory requirements. Those achieving the Advanced Standard will be able to demonstrate their own professionalism and will contribute to rebuilding the banking profession. To reinforce the status of the Advanced Standard, the CB:PSB agreed that it should be linked to the award of Chartered Banker status (see pages 6 & 7), awarded by the Chartered Banker Institute.

## The CB:PSB Standards Journey



# Overview *Continued*

## Applies To

The Advanced Standard is aimed at professional bankers, throughout an organisation, with responsibilities for developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the values, attitudes and behaviour set out in the Code. Bankers achieving this standard will enhance and sustain public confidence and trust in banks and bankers, and pride in the banking profession.

Banking leaders are expected to meet the Requirements of the Advanced Standard in full. Its application is not limited to those covered by the Senior Managers and Certification Regimes – it may also include significant numbers of professional bankers with leadership and managerial responsibilities. It is also likely to include individuals identified as future leaders.

The Advanced Standard is primarily written for CB:PSB firms and their staff. It may also be useful to a wide range of stakeholders who support CB:PSB firms and the development of professionalism in banking. This includes:

- **professional bodies;**
- **non-CB:PSB firms operating in the UK financial services industry;**
- **training providers, consultancies and others assisting with the professional development of individuals;**
- **regulators; and**
- **government authorities and stakeholders.**

## Format

The Advanced Standard is set out in two separate documents:

- REQUIREMENTS** — outlines the Professional Conduct and Professional Expertise needed to meet the Standard and ensure that an individual has the ability to perform a leadership role. Professional Performance Outcomes illustrate the required level of workplace competence.
- GUIDANCE** — explains how the Requirements may be met, on an annual basis, in terms of learning and development activities, assessment and experience. The provision of Guidance seeks to ensure consistency, as far as possible, in implementation of the Advanced Standard.

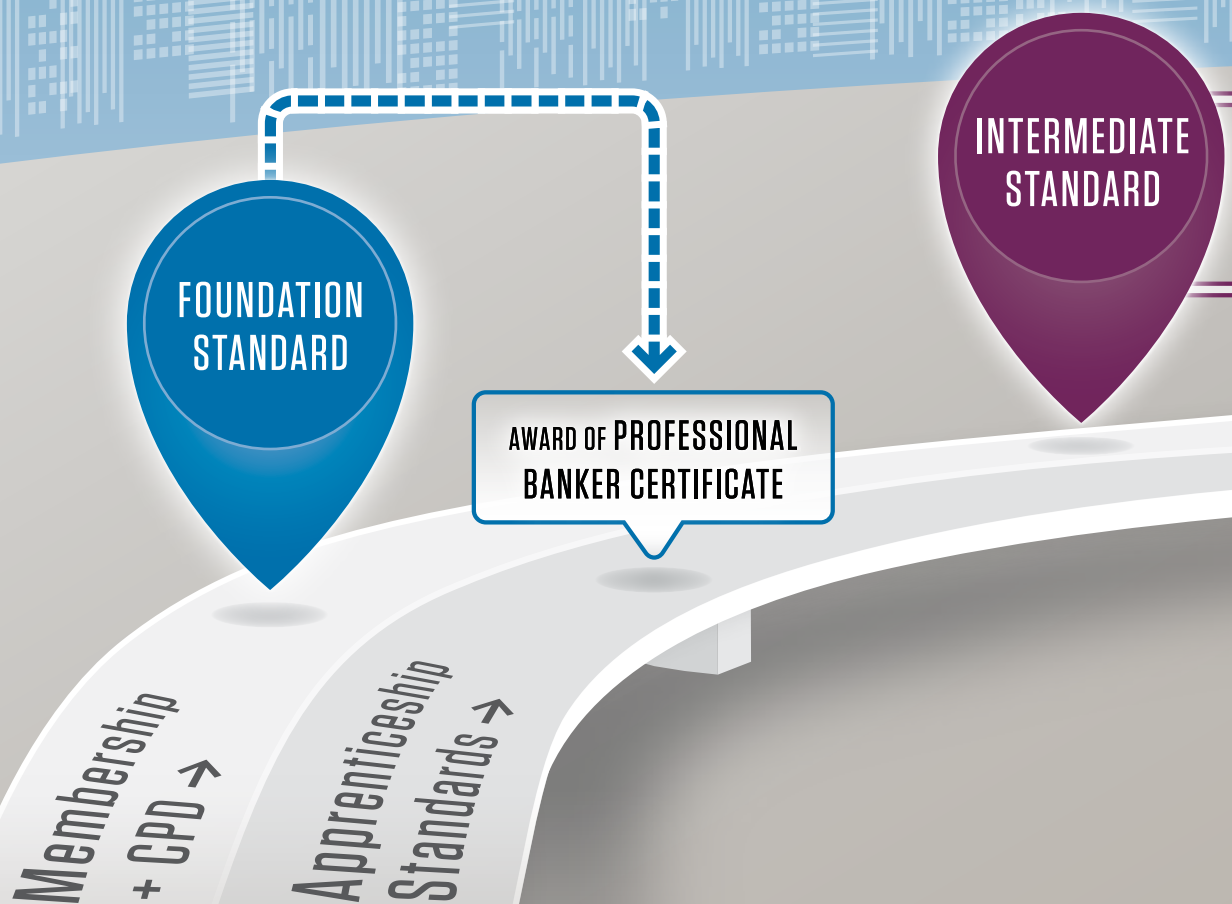
The CB:PSB recognises that it is for firms to determine how the Advanced Standard may be best implemented and sustained in their organisation, consistent with the Requirements and Guidance. The Professional Standards Team will provide advice and assistance to CB:PSB firms seeking to implement the Advanced Standard.



# Professional Pathways

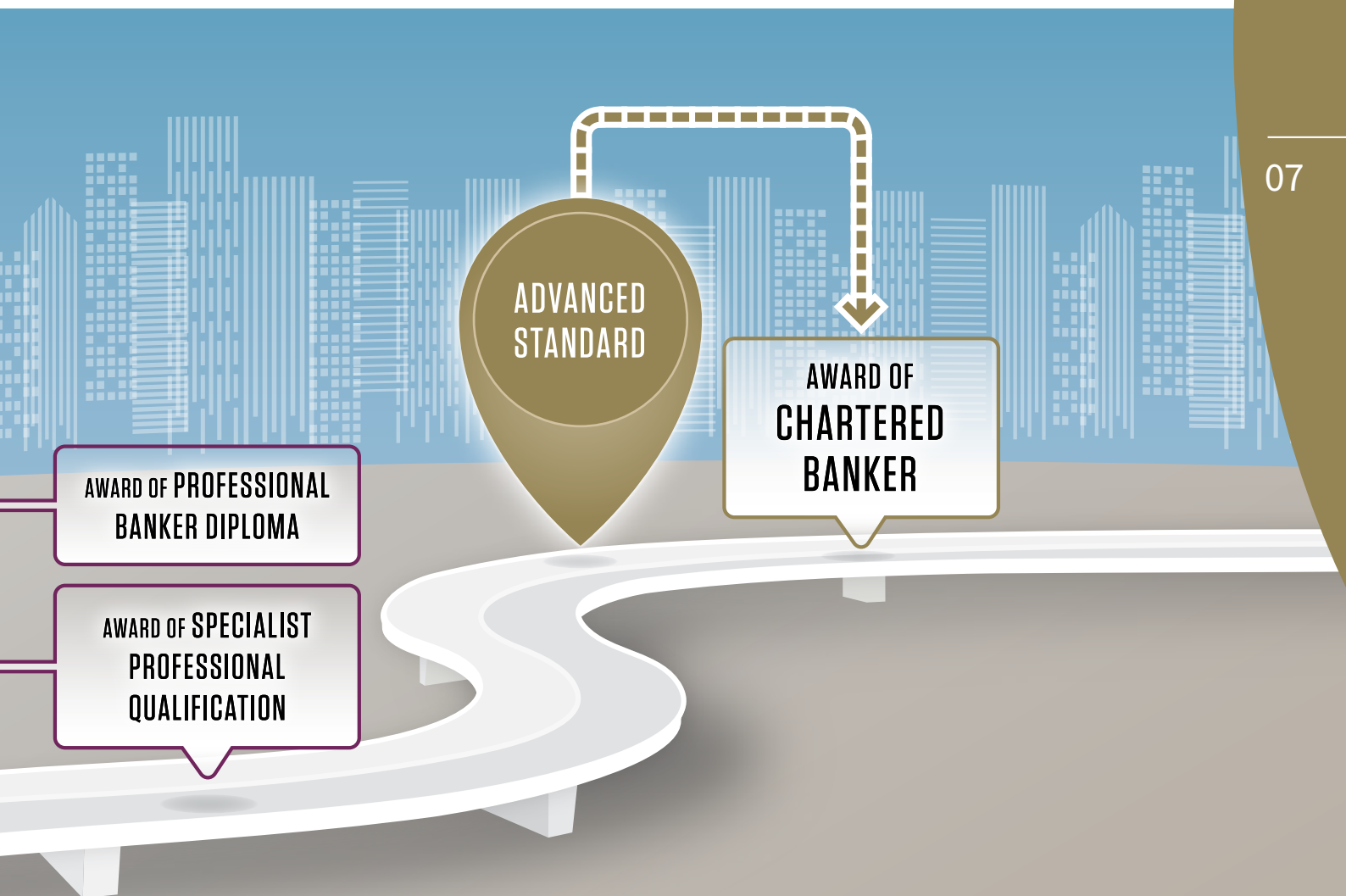
CB:PSB firms and the Chartered Banker Institute have developed pathways which link professional standards to professional qualifications and professional body membership. This facilitates the on-going professional development of the banking workforce and is a key determiner in rebuilding the banking profession. Research shows that customers value professional standards<sup>1</sup> and expect their bankers to be professionally qualified<sup>2</sup>.

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# Chartered Banker Status

On achievement of the Advanced Standard, individuals may progress to Chartered Banker status via the accelerated 'Chartered by Experience' programme provided by the Chartered Banker Institute. Individuals awarded Chartered Banker status will be required to meet the Institute's annual CPD requirements to maintain their status.



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Key:



Professional Standards



Professional Qualifications

<sup>1</sup> YouGov 'Reputation of Banking' survey – Sample size: 2,106 adults, Fieldwork was undertaken between 27th and 31st October 2016.

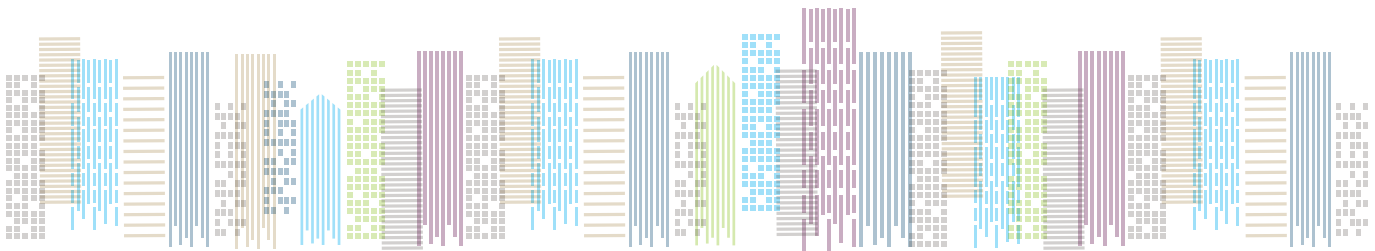
<sup>2</sup> Chartered Banker Institute/YouGov 'Qualifications' survey – Sample size: 2,076 GB adults, Fieldwork was undertaken between 13th and 16th March 2015.

# Professional **Conduct** Requirements

## Professional Conduct Requirements

Banking leaders should demonstrate a comprehensive level of professional skill, supporting the development and demonstration of appropriate values, attitudes and behaviour consistent with the Chartered Banker Code of Professional Conduct (the Code) and the FCA/PRA Individual Accountability Regime, in the areas set out below:

- a) Lead and support organisational culture, demonstrating ethical and professional judgement and a customer-focused approach, based on the values, attitudes and behaviour set out in the Code.
- b) Apply organisational models and frameworks for decision-making and risk management which balance economic, social, ethical and legal considerations.
- c) Demonstrate effective leadership and manage performance (of self and others), by nurturing talent and building the future capability of the banking profession.
- d) Develop effective relationships with colleagues, customers and stakeholders based on integrity, inclusivity and respect.
- e) Role model behaviour consistent with the Code, influencing others to do the same and appropriately challenging behaviours that are inconsistent with the Code.
- f) Lead the application of processes for identifying, reporting and resolving ethical dilemmas, including conflicts of interest and complaints.
- g) Manage conflicting priorities by working collaboratively to deliver sustainable business performance and improvement.
- h) Influence and deliver strategic goals, including transformational change and innovation, ethically and professionally.





# Professional **Expertise** Requirements

## Professional Expertise Requirements

Banking leaders should demonstrate a comprehensive level of professional knowledge in the areas set out below, regardless of role, function and organisation:

- a) The purpose, functions, changing roles and business models of banks and other financial institutions and their impact on the economy and society, with particular reference to credit creation.
- b) The general business and economic environment, the risks associated with these and their impact on banks' customers, operations and performance.
- c) The principles of effective governance, leadership, risk culture/management, direction and control in the context of a bank's obligations to its stakeholders.
- d) The regulatory conduct rules and how these may be effectively embedded and monitored.
- e) Risk governance and risk appetite, key sources of risk, and how these may be effectively identified, assessed, monitored and mitigated.

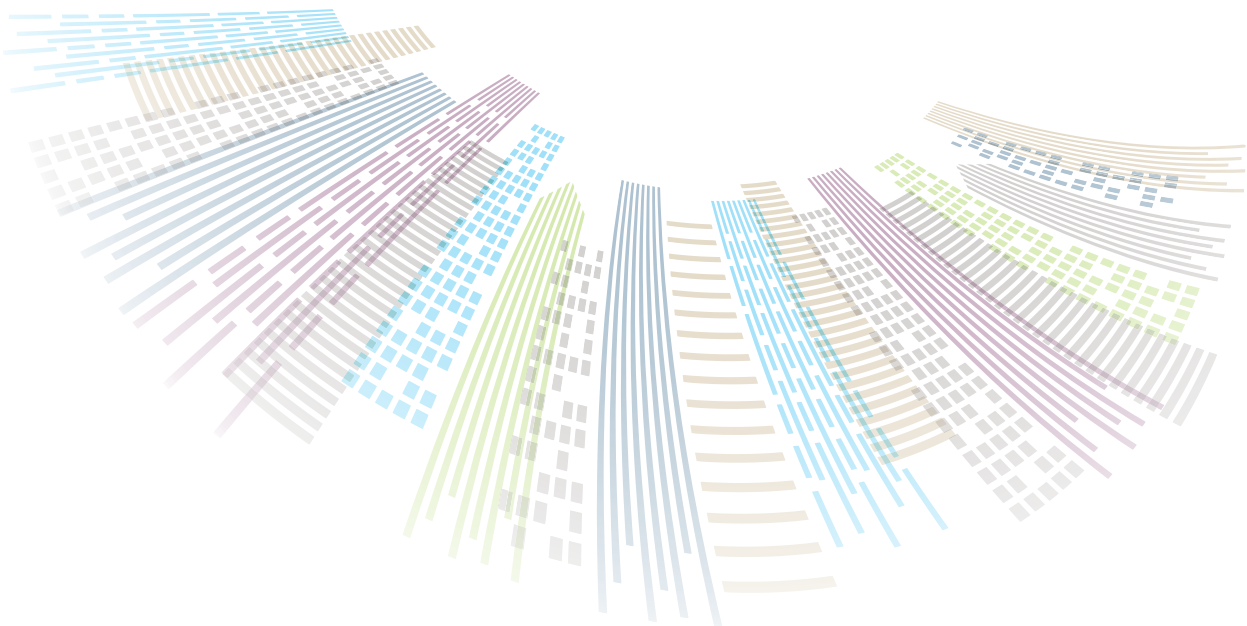
Banking leaders should demonstrate a comprehensive level of professional knowledge in the areas set out below, **relevant to role, function and organisation**:

- f) The legal and regulatory frameworks that apply to banking and how they influence the operation of a bank.
- g) Different types of banking products and services, their performance and associated risks.
- h) The principles of effective strategy development and implementation, including change management.
- i) The opportunities and emerging threats to banks and banking that arise from innovation.

# Professional **Performance** Outcomes

## Professional Performance Outcomes

- Banking leaders should actively promote and embed a culture of customer-focused, ethical professionalism that is consistent with the Code and the FCA/PRA Individual Accountability Regime, and inspire colleagues and peers to do likewise.
- Banking leaders should promote, as widely as possible, public confidence and trust in banks and bankers, pride in the banking profession and sustainable banking.
- Banking leaders should demonstrate their awareness of, and ability to apply, different approaches to leadership and management to ensure positive outcomes for customers, colleagues and other stakeholders, and an ability to critically reflect on their own leadership styles and performance.
- Banking leaders should take responsibility and accountability for their own actions and for ensuring the effective long-term performance of their organisation, or the part(s) of it for which they are responsible, in line with the conduct and expertise outlined above.
- Banking leaders should manage complexity and help create customer-focused banking of the future by balancing the risks and opportunities of technical innovation.



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# Notes

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# Chartered Banker

Professional Standards Board

## Advanced Standard

For Professional Bankers

### *Requirements*

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#### Effective Date

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This version of the Advanced Standard is effective from January 2018.

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#### Review Date

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The Advanced Standard will be reviewed in 2021.

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The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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Chartered Banker Institute is a trading name of The Chartered Institute of Bankers in Scotland.

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