

### **Q: What should our Compliance Manual cover?**

The Compliance Manual should clearly identify the compliance **policies** and the **procedures** that are maintained by the firm in order to maintain compliance with applicable regulations – focussing on conditions of authorisation rather than financial crime (which would be covered in the AML Manual).

A Compliance Manual should work as a ‘top-level’ document, describing the approach taken by the firm to address the full scope of the applicable regulatory requirements but also referencing separate documents that provide the next level of operational detail.

The scope of a Compliance Manual that could be maintained by an Electronic Money Institution or a Payment Institution could include the following chapters:

1. Scope of the Regulations
2. Principles for businesses<sup>1</sup>
3. Compliance function and arrangements
4. Governance arrangements and Head Office
5. Risk management arrangements
6. Internal controls and Internal Audit
7. EMD / PSD Individuals
8. Outsourcing arrangements
9. Controllers (Qualifying Holdings)
10. Close Links
11. Additional activities
12. Record keeping arrangements
13. Reporting requirements
14. Notifications to the FCA
15. Regulatory fees
16. Accounting and Statutory Audit
17. Capital requirements
18. Safeguarding arrangements
19. Use of Distributors and Agents
20. Data Protection
21. Wind down planning
22. Consumer Duty.

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<sup>1</sup> FCA Handbook Principles for Business (“PRIN”)