

PURPOSE

The purpose of this Policy is to ensure that all individuals performing roles on behalf of Impact Financial Services Ltd are fit and proper to do so, in line with:

- FCA Principles for Businesses
- FCA Fit and Proper Test for Employees and Senior Personnel
- Senior Managers & Certification Regime (SM&CR)
- Consumer Duty (PRIN 2A)

The Firm recognises that the fitness and propriety of its staff and advisers is fundamental to client protection, regulatory compliance and trust in the Firm.

SCOPE

This Policy applies to:

- Directors and senior management
- Certified persons
- Advisers (CAS and non-CAS)
- Complaints Officers
- MLRO and Compliance roles
- Any individual engaged in regulated activity or client-facing roles

FIT AND PROPER CRITERIA

In assessing fitness and propriety, the Firm considers three core elements, as required by the FCA:

3.1 Honesty, Integrity and Reputation

The Firm will consider whether the individual:

- has been honest and transparent in dealings with the Firm, clients and regulators
- has been subject to any criminal, civil, disciplinary or regulatory findings
- has a history of misconduct, fraud, dishonesty or misrepresentation
- has been dismissed or disciplined for conduct-related matters
- has been the subject of adverse regulatory findings or sanctions

Any failure to disclose relevant information may itself be treated as a Fit & Proper concern.

3.2 Competence and Capability

The Firm will ensure that individuals:

- hold appropriate qualifications and authorisations for their role
- have sufficient skills, knowledge and experience
- complete mandatory training and CPD requirements
- demonstrate competence through supervision, file checks and performance monitoring

Individuals must only undertake activities within the scope of their competence and permissions.

3.3 Financial Soundness

The Firm will consider whether the individual:

- has been declared bankrupt, subject to an IVA, or had unsatisfied judgments
- demonstrates financial responsibility appropriate to their role
- presents any financial vulnerability that may pose a risk to clients or the Firm

Financial difficulty does not automatically result in a failure of the Fit & Proper test, but must be assessed proportionately.

INITIAL FIT & PROPER ASSESSMENT

Prior to appointment or engagement, individuals must complete a Fit & Proper Declaration, confirming:

- honesty and integrity
- competence and qualifications
- financial soundness
- disclosure of any relevant matters

The Firm may obtain supporting evidence, including:

- FCA references
- credit checks (where appropriate)
- criminal background checks (where proportionate)
- qualification verification

No individual may commence regulated activity until the assessment has been completed and approved.

ONGOING ASSESSMENT AND MONITORING

Fit & Proper status is not a one-off assessment.

The Firm will:

- reassess Fit & Proper status at least annually
- reassess following: complaints, disciplinary action, regulatory issues, significant changes in personal circumstances
- monitor performance, conduct and competence on an ongoing basis

SELF-DISCLOSURE OBLIGATIONS

All individuals must promptly notify the Firm of any matter that may affect their fitness and propriety, including:

- criminal investigations or convictions
- regulatory enquiries or sanctions
- financial difficulty (e.g. bankruptcy, CCJs)
- conflicts of interest
- conduct or disciplinary matters

Failure to disclose relevant information is considered a serious breach of this Policy.

CONCERNS, BREACHES AND REMEDIAL ACTION

Where concerns arise, the Firm may:

- conduct further investigation
- impose enhanced supervision
- require additional training
- restrict or suspend activities
- withdraw certification or role approval
- terminate the individual's role or engagement
- notify the FCA where required

Actions taken will be proportionate, documented and justified.

SENIOR MANAGEMENT AND GOVERNANCE

The Management Team is responsible for:

- approving Fit & Proper assessments
- ensuring appropriate records are maintained
- escalating matters to the FCA where required
- ensuring alignment with SM&CR responsibilities

Fit & Proper assessments form part of the Firm's governance and risk framework.

RECORD KEEPING

The Firm maintains records of:

- Fit & Proper declarations
- assessments and reviews
- supporting evidence
- decisions and actions taken

Records are retained securely and are available for FCA inspection.

INTERACTION WITH OTHER POLICIES

This Policy operates alongside:

- Due Diligence / AML Policy
- Complaints Policy
- Training & Competence (T&C) Framework
- Disciplinary Policy
- SM&CR Governance

POLICY REVIEW

This Policy:

- is reviewed at least annually
- is updated following regulatory change or material events
- is approved by the Management Team / Board

SUMMARY STATEMENT

Impact Financial Services Ltd will only permit individuals who are honest, competent, capable and financially sound to undertake regulated activity. Fit & Proper assessments are ongoing, risk-based and central to the Firm's commitment to good outcomes for clients.

Impact Financial Services Limited

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FCA Number: **1025644** | Company No: **15712648**
Authorised and regulated by the Financial Conduct Authority