

## Regulatory news alert

### MiFID II - CSSF Circular 17/670

### specifying the criteria regarding external training on knowledge and competence

**17 October 2017**

On 13 October 2017, the *Commission de Surveillance du Secteur financier* (CSSF) published Circular 17/670 specifying the minimum training requirements and knowledge assessment that must be included in external trainings, as well as details on the application file that external service providers have to use to get the accreditation to certify such entities compliant on these topics.

The publication of this Circular follows the earlier publication of CSSF Circular 17/665 at the beginning of August aiming to implement ESMA's guidelines on the assessment of knowledge and competence of 22 March 2016.

#### **1. Key provisions of the external training**

To meet the assessment requirements on knowledge and competence:

- Professionals can train their employees and assess their knowledge internally according to a formalized procedure; in this case, an audit can be done later on by the CSSF.
- Alternatively, professionals can ensure that their staff attended a training provided by an external service provider who has the accreditation by the CSSF.
- A combination of the two options mentioned above is also possible.

External service providers:

- External service providers wishing to offer external professional trainings and to be included on the certified CSSF list have to present their training program in an application file addressed to the CSSF.
- The training program must include all the subjects as stated in CSSF Circular 17/665.
- The training program must be addressed to all staff providing investment advice or providing information on investment services or products to customers.
- It should be noted that the CSSF only accepts application files that present a complete training offer. This training can be divided into different modules.

- The application file must identify a minimum number of training hours for each subject, taking into account that the level and the intensity of the knowledge and competence expected must be higher for the staff providing investment advice than those required for the staff only providing information on investment services or products to customers.
- The CSSF specifies that for each subject a reasonable and coherent number of training hours has to be allocated in order to allow the complete acquisition of the necessary knowledge and competence.

## 2. Criteria to receive the accreditation by the CSSF

- The minimum training duration (including all the subjects) is set at 60 hours.
- The training can be a mix of digital training (distance) and class room training.
- A final assessment of the competencies is not required from the external service provider, each professional however needs to be able to demonstrate to the CSSF that they have reached a certain knowledge level.
- All training supports, even of digital trainings, need to be delivered to the all the training participants in a “durable” format and need to be kept by them for at least a period of 5 years.
- A training participant who changes employers or role does not need to be retrained unless the role requirements change.

## 3. Application file

Furthermore, the CSSF Circular also describes which documents need to be compounded to receive this accreditation, not limited to the below:

- A precise and complete identification of the applicant
- The statutes, the date of creation and the date of registration
- A detailed description of the human and material resources dedicated to the trainings
- A detail description of the identification, prevention and management policy of potential conflict of interest
- The price of the training and a copy of each advertising material

## Next Step

The circular is applicable since its publication on the CSSF Website (13 October 2017).

## How can Deloitte help?

Deloitte has developed a host of MIFID II training programs that can be tailored to your needs and help you meet CSSF requirements, from online training at your desk (Deloitte D.Learn) to on-site personalized sessions.



Deloitte actively monitors MiFID II developments and subsequent publications on an ongoing basis. We analyze all relevant published documents in order to identify any changes and to provide the most updated view to our clients.

We offer to organize an informal workshop in your offices to answer your questions, and discuss the latest regulatory updates as well as potential operational impacts and remediation scenarios for your firm.

Please do not hesitate to contact the Deloitte MIFID II task force to prepare a workshop tailored to your requirements.

# Your contacts

**Simon Ramos**

Partner | Advisory & Consulting IM Leader

T +352 45145 2702

[siramos@deloitte.lu](mailto:siramos@deloitte.lu)

**Pascal Martino**

Partner | Advisory & Consulting Banking Leader

T +352 45145 2119

[pamartino@deloitte.lu](mailto:pamartino@deloitte.lu)

**Paul Schilling**

Director | Human Capital Advisory Services

T +352 45145 4331

[pschilling@deloitte.lu](mailto:pschilling@deloitte.lu)

Deloitte Luxembourg

560, rue de Neudorf

L-2220 Luxembourg

Tel: +352 451 451

Fax: +352 451 452 401

[www.deloitte.lu](http://www.deloitte.lu)

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