

2013/2014 ANNUAL

# REPORT

AND ACCOUNTS

**CISI**   
CHARTERED INSTITUTE FOR  
SECURITIES & INVESTMENT



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 INVESTORS  
IN PEOPLE

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Company Registration No. RC000834

Registered Charity No.1132642 (England & Wales) SC040665 (Scotland)

August 2014

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The composition of all committees is as at 31 March 2014



Raffles Place Metro, Singapore concourse billboard, one of a series of our prominent advertising campaigns



Integrity Word campaign at Bank underground station





Chairman Alan Yarrow, Chartered FCSI(Hon) launching Integrity at Work 4 at the Annual Integrity Debate

## Chairman's Statement

Whilst the banking crisis seems to have faded as central banks have taken some aggressive, innovative initiatives, we have now been left with the behavioural aspects of the industry.

We read a lot about LIBOR and I dare say will read more about foreign exchange, however, the main element that runs through all those shocking stories is the disappointing behaviour of the individuals involved, made all the worse by totally inappropriate email traffic which only underlines the lack of good judgment.

The question at the forefront of everyone's mind is how could this possibly have happened?

It only goes to confirm that the Institute's initiative for encouraging a higher degree of professionalism in both the retail and wholesale industries is the right one. Whilst none of our members, to our knowledge, has been involved in either issue, it does not alter the fact that we all get tarred with the same brush.

Simon Culhane and his team have been focusing progressively more on the outward image of the CISI in the hopes that the wider public will have a better understanding of the principles which we, as an Institute, and you, as members, not only believe, but also practice.

The CISI is making good progress and is achieving a far higher level of recognition in those important circles of policy formation.

We have been emphasising the importance of membership of a professional body, not only for the industry, but also for the individual. We do believe that a member of a reputable institute who has agreed to adhere to a code of conduct and behaviour can call on that institute for some protection should he feel compromised by his employer not pursuing its business correctly.

I am pleased to report that, in recognition of long service to our industry, the Institute decided to offer free life membership for those who have reached the age of 70 and a minimum of ten years' membership.

Finally, I would like to take this opportunity to thank the many hundreds of volunteers who give their time for the benefit of others and to the CISI staff for their hard work over the last year.

A handwritten signature in black ink, appearing to read 'Alan Yarrow', followed by a horizontal line.

Alan Yarrow, Chartered FCSI(Hon)  
Chairman



## Chief Executive's Report

2013/14 was another successful and busy year. The Institute advanced on many fronts, undertook new activities such as delivering Statements of Professional Standing (SPSs), widened its reach - especially regarding integrity - embarked on a series of public advertising campaigns, and made a significant donation to the CISI Educational Trust, whilst meeting its financial targets.

The core functions of the Institute remain unchanged, and are:

1. To promote, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.
2. To develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas.
3. To act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investments in securities.

Last year we noted a significant trend in our core markets towards greater professionalism, by which we mean the application of skills, knowledge and integrity. Over the last 12 months this has become more established, and has spread outward from wealth managers and stockbrokers to the larger banks.

However, in terms of examinations, there was a fall of 7% overall to 38,000 with the greatest drop in the Operations areas.

On the other hand, there is clear evidence that individuals are keeping themselves updated with CPD usage sharply up, recording an average of over 10,000 downloads of CISI TV and 10,000 Professional Refresher modules each month. This peaked in March, with more than 12,000 downloads viewed and 17,000 modules taken.

The third ingredient of professionalism, integrity, was also at the forefront during the year with in excess of 7,500 IntegrityMatters tests being taken, whilst the Institute delivered its IntegrityMatters seminars to more than 10,000 employees of two major banks.

In the West, especially the UK, public trust in financial institutions, particularly banks, remains low. This has led to a Parliamentary Commission on Banking Standards, which reported in July 2013. As a result, the Chairmen of the major UK banks asked Sir Richard Lambert FCSI(Hon) to create a framework to improve standards and restore trust. Sir Richard reported in March 2014 and proposes the creation of a Banking Standards Body that will encourage and cajole all bankers, retail through to wholesale, to be more professional.

Professional bodies have a significant role to play here and, whilst we would have liked Sir Richard to go further and recommend mandatory membership of a relevant professional body, we are encouraged by his report and the change in attitude from banks towards professionalism. We are seeing signs of much greater interest in our membership offering.

The UK regulator, the Financial Conduct Authority (UKFCA), is acutely aware of the need to restore trust and its emphasis on looking at a firm's culture, alongside its compliance with rules, is a notable and welcome change from its predecessor body, the UKFSA.

This drive towards greater professionalism continues across the world, where regulators are increasingly taking a long-term view, regarding the introduction of qualifications as the first - rather than the only - step in raising standards. We are seeing increased interest in membership, with the UAE Capital Markets Authority, which made qualifications mandatory five years ago, now on the cusp of requiring membership of the Institute from 2015.

With a greater rise in the importance of integrity, we are starting to see an increase in the number of members who are being referred to the CISI Disciplinary Panel, which met on three occasions during the year to discuss five cases, one of which resulted in the expulsion of the member.

The Institute stands for the highest levels of personal integrity, which is why the Membership Committee has amended the rules to make it a requirement for all members to have taken and passed an integrity assessment.

Whilst this has not been universally popular, many members understand that this is not a question of their own integrity, but will allow members of the Institute to clearly differentiate themselves from other bodies. The CISI is now the only financial body in the world that doesn't just talk about acting with integrity, but demonstrates it, with the Institute's membership being composed entirely of people who have been successfully examined in Integrity.

## Examinations

Although the number of examinations taken during the year fell, there was a better than expected take-up of wealth examinations and those traditionally taken by customer facing staff in investment banking.

In response to the falling numbers of Operations examinations, the Institute has been developing an expanded range for this important suite, which will include new modules on Platforms, Pensions Administration and Separation of Client Funds.

The Institute has also expanded its range into schools and was delighted in December 2013 by its successful application for a full A-Level equivalent, which qualifies for Government funding and is recognised by UCAS for 120 points. We also gained acceptance of a GCSE equivalent qualification. These successes are significant as they allow the Institute to offer practical financial qualifications to school leavers, who can immediately utilise their skills in financially related jobs.

2013/14 was also the year in which our starting qualification, Fundamentals of Financial Services took off, with around 4,000 students taking the examination in Colombo under a Government initiative that sought to raise the general financial educational knowledge for those leaving school. We hope to repeat and expand the group this year.



Students in Nugegoda, Sri Lanka studying for their advanced level exams

## International

The take up of the Institute's core qualifications increased outside the UK by 61%, (flattered by a project of introductory examinations sat by the Sri Lankan students).

There continues to be strong demand for CISI qualifications across the Middle East, with nearly all the Gulf countries' regulators introducing minimum competency levels. Encouragingly, the UAE, which pioneered compulsory examinations in the Gulf and which is where our office is located, has shown significant demand from the non-mandatory sector, accounting for over 70% of the total.

Our Singapore office also look after ASEAN countries, where we are starting to see much greater interest in qualifications, particularly from neighbouring countries such as the Philippines, which has seen the creation of many Operations posts to service the large international investment banks.

India has had an improved year, with a wider spread of firms taking qualifications, and we now have a strategic alliance with the Bombay Stock Exchange.

CISI qualifications are formally recognised by 27 regulators (as at 31 March 2014) and we expect this to increase further during 2015. We are actively working with the regulators in many other parts of the world, including Russia, Africa, Europe, the Caribbean and Latin America.



Simon Culhane, Chartered FCSI at the Securities & Commodities Authority, UAE

## Publications

Last year was the first year where, following concern from firms about the variable quality of some learning materials available from a variety of sources, the Institute sold workbooks, with its examinations, as a discounted package. This means that the Institute is committed to providing the learning materials for over 95% of its exams, regardless of how many are taken.

Simultaneously, we have now invested in providing, free of charge, sample papers which are set at the same level of difficulty for 17 of the most popular examinations.

## Membership

Membership decreased slightly last year, after the boost of the previous year from the Retail Distribution Review. However, our retention of members continues to be very strong part of the attraction has been the wide range of CPD activities we offer, particularly the ability to watch these a few days later on CISI TV. Twelve months ago the number of downloads was about 3,000 a month and this has climbed spectacularly to more than 10,000 on a regular basis - with more than 12,000 in March.

Another popular free membership benefit has been the e-delivery of Professional Refreshers, comprising a suite of over 55 highly topical subjects ranging from the traditional, such as Anti Money Laundering and Anti-Bribery, to cutting edge, such as Cyber crime, UCITS, and Banking Standards. These topics are bite-sized, taking between 30 and 90 minutes to complete and conclude with a test. Successful participants receive a certificate and credit to their CPD log. As with CISI TV, because delivery is via the internet, these are available to all members, regardless of geography. Firms are also realising the value of these modules, with some purchasing them directly, which has contributed to a significant rise in their usage, from 2,500 in April 2013 to over 15,000 in March 2014.

Members also continue to benefit from three regular publications: Change (the Regulatory Update), the Investment Management Review and the members' magazine S&I Review, with the latter now including a new quarterly academic journal.

## Continuing Professional Development (CPD)

Whilst there is some debate in the banking industry over whether or not it is a profession, there is no doubt that the wealth sector has embraced the key tenets of professionalism, including the necessity to maintain competence. The Institute has been a leader in the principles of CPD, such as underlying types of learning - active, reflective, directive and helping others.

However, to avoid confusion with the UKFCA which, as part of the Retail Distribution Review, uses the slightly simpler definition of structured and unstructured learning, we are aligning the Institute's system to meet the UKFCA's objectives.

Over 6,000 CISI members need to meet UKFCA requirements and have applied through the CISI for their individual Statement of Professional Standing. Separately, our CPD auditors have reviewed and scrutinised more than 18% of our members' CPD, of which over 99% are successfully verified.

For the third consecutive year, CISI members regarded the CPD scheme as the top membership benefit which has continued to evolve, such as allowing even more activities to be 'auto-logged' directly and for firms to access records as 'SuperUsers' to monitor the CPD of staff; particularly important for those regulated through the Retail Distribution Review.

## Key Difference

Whether it is exams, interest groups, regional committees, or the governance of the Institute, the CISI is immensely fortunate to enjoy the active assistance of over 750 volunteers who contribute so fully towards every aspect of Institute life.

As I have noted before, and make no apology for doing so again, their passion and commitment ensures that the Institute remains relevant, focused and exceptionally cost effective.



## Financial

The Institute is a charity working in the private sector and does not receive any public or UK Government funding. Although it operates with the same financial planning and budgeting disciplines that would be found in leading companies, it does not have any shareholders, nor does it distribute dividends. This allows it to plan for the longer term and take into account the public benefit, alongside the need to remain solvent and return a surplus over the medium term, which is reinvested each year for future growth.

The Institute derives its income from revenue received from qualifications, learning support materials and membership, which it offers globally.

The financial results for the year were very satisfactory and ahead of budget, partly due to the better than expected growth in the UK which resulted in a greater number of higher value examinations being taken. Publications were especially buoyant, helped by the requirement for every individual to have their own workbook. There was also a useful contribution from our work on integrity.

This strong financial position allowed the Institute to increase its donation to the CISI Educational Trust by £350k on top of its commitment that all monies raised through fees paid to sit IntegrityMatters as part of the Institute's membership requirement would be donated to the Trust.

The Institute recorded an operational surplus of £881k (£553k in 2012/13) on an increased turnover of £12.6m, compared with £11.8m for 2012/13.

Income increased by £815k, while expenditure increased by £485k.

The Institute has reserves of almost £9m, which is invested under the oversight of the Investment Committee. A portion of these reserves (45%) is invested in equities, with the remainder deposited in banks which hold a minimum of AA rating. The gains from the investments during the year totalled £93k (£301k in 2012/13).

The combination of the operational surplus and the investment gains resulted in an overall surplus of £974k, bringing the level of retained funds to £8.97m.

## Institute People

It takes a special sort of person to work at the Institute, which is a blend of three cultures; the need to have the desire for quality, a passion for service and the pragmatic realities of operating in a competitive environment. Currently, the Institute employs 124 people, of whom 24 reside outside the UK.

We are especially fortunate that we have a group of personable and professional people who delight in providing a top quality service.

For over a decade I have worked alongside Ruth Martin, who has announced that she will be stepping down from her role as Managing Director from January 2015, after 12 years with the Institute.

Ruth has managed, with distinction, a number of key areas including membership policy, qualifications, and publications and has been very much part of the genesis behind several of the Institute's successes and initiatives, ranging from the introduction of computer based testing, to the acclaimed CPD scheme. Ruth established our offices in the UAE and India, led the CISI to Chartered status and set up the Quality Assurance structures that have enabled us to work effectively with so many regulators. I am delighted that she intends to help the Institute as a Senior Adviser.

It is a pleasure to work with a group of people who care deeply about the Institute and its members, the advancement of education and helping individuals achieve their potential. It is a delight to be with them as we help the Institute grow to become the global premier Professional Body for those working in the wealth and capital markets industry.



Simon Culhane, Chartered FCSI  
Chief Executive



*Signing of the agreement to sponsor a teaching post at Archbishop Beck Catholic College in Liverpool. (Front) Colette O'Brien, Ruth Martin, Councillor Jane Corbett and Paul Dickinson (Back) Stephanie Wells, Mark Norris, Alex Cannon, Ciara Brodie, Roy Adams, Chartered FCSI, Tony O'Neill*



Charitable Objective 1: To promote, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.

ATTAIN COMPETENCE



Joint winners of the overall Investment Operations Certificate: Joice Tjen, IB Service & Operations, RBS, Manish Jajodia ACSI, Subject Matter Expert, HSBC Electronic Data Processing India Pvt (Manish Jajodia ACSI also won an award for Exchange-Traded Derivatives) and Mei Hui Tan, WM Operations, Morgan Stanley



Annual Award Ceremony



Emily Myers, joint winner of the OTC Derivatives award



Martin Ericsson, Analyst, Lazard, best scorer in the Corporate Finance Regulation paper award and best scorer in the Corporate Finance Technical Foundations paper award receiving the overall winner of the Corporate Finance Certificate award from Sir David Howard FCSI(Hon).

## ATTAIN COMPETENCE

The CISI's core mission in its qualifications work is to assist with upgrading professionalism and skills. The candidature for the CISI's examinations was smaller than last year, reflecting industry restructuring, but in some areas well ahead of expectation. It was very pleasing to see an increase in candidate numbers sitting the Investment Advice Diploma (IAD), the benchmark Level 4 qualification for retail advisers, whilst the Level 7 Chartered Wealth Manager Qualification attracted over 600 candidates.

Within the UK, the IAD, the benchmark examination introduced as part of the Retail Distribution Review (RDR), continued to grow, surpassing expectations. Many firms are using the IAD to encourage staff towards high levels of skills and knowledge even before they take on the role of an adviser in their firm. Generally, all front office adviser exams globally showed an increase.

Economic factors, particularly the continued trend of banks moving their operational roles offshore, contributed to a decline in candidature for the Investment Operations Certificate (IOC) this year, and a significant shortfall against the plan. A programme to refresh the IOC is underway, including three new units, in Platforms, Separation of Client Funds and Pensions.

## New Exams Launched in the Year

A strong focus of our qualifications work this year has been the fostering of an interest in financial services in young people, both in the UK and internationally. Our Level 2 award, Fundamentals of Financial Services, aimed at school leavers and employees in junior roles, was launched and in its first year has attracted an impressive 5,834 candidates, with particular success in Sri Lanka.

For the schools and college market we have launched a GCSE equivalent Level 2 qualification, Certificate in Fundamentals of Business and Finance. This is specifically developed to be taught to 14-16 year olds in schools and colleges in the UK and included in the Key Stage 4 performance tables, as has the A Level equivalent, Diploma in Finance Risk and Investment.

We have continued our fruitful collaboration with international regulators, as they seek to promote professionalism within their financial services. This year we launched an exam for the Palestine Capital Market Authority and have been developing two examinations for the Cyprus Securities and Exchange Commission.

## March 2014 Awards Ceremony

Over 350 award winners, their guests, industry leaders and dedicated educators all came together on 20 March 2014 in the impressive surroundings of Mansion House, London. We were delighted to welcome winners from all over the globe, including Singapore, India, Dubai, Isle of Man, the Channel Islands and Europe.

Particular acknowledgement was paid to Martin Ericsson, who won awards in three categories - joint winner of Corporate Finance Regulation, Corporate Finance Technical Foundations and Certificate in Corporate Finance Overall Winner - and to Lewis Young, our youngest ever winner at 18, who won the award for the Certificate for Introduction to Securities & Investment (Schools). The overall winners of the IOC exam this year were awarded in honour of Pen Kent FCSI(Hon) who died in December after a long and distinguished career at the Bank of England. This event was sponsored by RBC Wealth Management.

## Qualifications and Regulatory Collaboration

An increasing number of regulators recognise the CISI's technical exams as part of their training and competence regimes. This year the Financial Services Board (FSB) of South Africa has recognised several CISI qualifications at the 'generic' level and the Islamic Finance Qualification (IFQ) was accredited by the Finance Accreditation Agency (FAA) of Malaysia. We were also delighted that the Monetary Authority of Singapore (MAS) renewed its approval of some of our Level 4 examinations. Meanwhile, we have continued to work closely with Banque Du Liban (Lebanon) and the Securities and Commodities Authority in the UAE (SCA).

Nearer to home, we have supported the Isle of Man Financial Supervision Commission and the Jersey Financial Services Commission as they implemented their equivalent Retail Distribution Reviews, providing support and advice to candidates and firms, and issuing 250 certificates to advisers compliant with the relevant requirements.



Alan Burr, Chartered FCSI, Senior Adviser of the CISI Exchange-Traded Derivatives/OTC Derivatives subject panel with Andy Bradford ACSI, CISI workbook author and IT in Investment Operations subject panel member



Manish Jajodia ACSI receiving the Pen Kent Award from Scott Dobbie CBE FCSI(Hon), Senior Adviser, Deutsche Bank.



*Nigel Challis FCSI(Hon), Common Councillor, City of London Corporation, Scott Dobbie CBE FCSI(Hon), Senior Adviser, Deutsche Bank, Ruth Martin, Managing Director, CISI and Alan Ramsay FCSI(Hon).*



*CISI Board members Frank Moxon CF, Chartered FCSI, Managing Director, Hoyt Moxon with Martin Watkins, Chartered FCSI, Director, Financial Market Infrastructures, EY*



*David Advani, Chartered FCSI, and Nicholas Bealer, Chartered FCSI, CISI Corporate Finance Forum Committee member*



*John Board, Dean, Henley Business School, University of Reading speaking at the CISI Awards Ceremony*

## Working with other organisations collaboratively in qualifications work

The CISI is committed to partnership working, which includes joint qualifications with the Lebanon and will also embrace collaboration with the Chartered Bankers (Scotland), as well as, for example, our joint Corporate Finance work with the ICAEW.

## Accredited Training Providers (ATPs)

The CISI continues to be expertly supported by its Accredited Training Providers (ATPs). There are now 15 ATPs in the UK, and over 60 internationally, all of which have gone through a rigorous approval process. The expertise and dedication of our training partners is one of the pillars of the success of our candidates and they work closely with the CISI to help raise standards and ensure relevance.

Workbooks are compiled from the syllabuses produced by our examination panels for each subject. A key part of the production process is the detailed reviews that are now undertaken by our ATPs, whose comments are pivotal in the complex review of our materials. Their feedback, along with other subject specialists' comments, ensures that we continue to produce accurate, timely and topical workbook content.

During the year, to recognise all round consistent excellence in training, we awarded Fitch Learning Premier Provider status. We hope to make further awards in the coming year.

## Key training providers which train for CISI qualifications



PREMIER TRAINING PROVIDER

# FitchLearning



ACCREDITED TRAINING PROVIDER



**BPP**  
PROFESSIONAL  
EDUCATION

**KAPLAN**  
FINANCIAL



CISI Senior Production Executive Carolyn Williams with workbook author Dr Natalie Schoon ACISI

## Examinations Board

The CISI's Examination Board met twice during the year and performs a dual role. In its capacity as guarantor of the CISI's quality assurance of its examinations, it receives and discusses the reports from the Qualifications Assessment Boards, which provide an overview of the performance of the CISI's qualifications; reviews candidate feedback and advises the CISI Board of the Institute's compliance with Ofqual's conditions. As representative of the many stakeholders for the CISI, the Examination Board discussed and endorsed plans for the development of qualifications during the forthcoming year.

## Learning Resources

Learning support through authoritative manuals and elearning revision has become increasingly important.

### Workbooks

There was a distinctly International feel to new workbooks and elearning projects in 2013/14, with several of our established titles translated into Arabic and Spanish. These included:

- Fundamentals of Financial Services (Arabic and Spanish)
- Palestine Securities Sector Rules and Regulations (Arabic)
- Qatar Financial Markets Authority Regulations (Arabic)

In addition, a new workbook entitled International Certificate in Wealth and Investment Management was released in both English and Spanish.

For the first time, we produced two titles for our Diploma qualification:

- Global Operations Management
- Regulation and Compliance

We also launched a new Level 4 workbook - Managing Operational Risk in Financial Institutions – and during the year, more than 26,000 workbooks were purchased.

The most popular titles during 2013/14 were UK Financial Regulation, UK Regulation and Professional Integrity, Introduction to Securities & Investment, and Securities and Derivatives subjects from our Capital Markets programme.

## Examinations Board

### Chairman:

Sir David Howard FCSI(Hon) (pictured)	Chairman, Charles Stanley
Gavin Aspden	Director, Qualifications, ICAEW
John Barrass	Deputy CEO, WMA
John Board	Dean, Henley Business School, University of Reading
Frank Canosa, Chartered FCSI	Consultant, Representing BBA
Andrew Carter, Chartered MCSI	Manager – Learning & Development, Towry
Catherine Edwards	Director of Qualifications, ACCA
Liz Field	Former CEO, Financial & Legal Skills Partnership
Kerrie Fleetwood	Senior Compliance Manager, IFDS
Neal Franklin, Chartered FCSI	Head of Compliance & Risk, BNP Paribas
Lynne Hill, Chartered MCSI	Consultant, Lynne Hill Consulting
Sandra Jacobs	Senior Manager – Approved Persons Process, RBS
Marcus Johnson, Chartered FCSI	Chief Executive, NW Brown
David Kanolik MCSI	Training Development Manager, IMA
Peter Lee	Managing Director, Morgan Stanley
William Macdonald, Chartered MCSI	Managing Director, Craigcrook Management Services
Clare Minchington	Managing Director, ACCA
Victoria Nye	Director of Training & Education, IMA
Denis O'Connor FCSI	Managing Director, AFME
Shaun Robertson	Head of Learning, ICAEW
Kevin Rothwell, Chartered FCSI	Consultant, Kevin Rothwell Consultancy & Training
Clive Shelton, Chartered FCSI	Risk & Compliance Director, IFDS
Nicholas Swales, Chartered FCSI	Regional Head, North East, Rathbones
Graham Withers, Chartered FCSI	Investment Director, Rathbones



## Sample Papers

Candidates preparing for the CISI's examinations have the benefit of a range of products to assist them as they study, including workbooks and the revision tool, Revision Express. This year, for the first time, these have been supplemented by examination standard sample papers for the 17 exams which have the highest candidature. The sample papers are made up of questions previously set in a live examination, so we can be assured that candidates have a truly exam standard exemplar as they prepare for the test.

## eLearning

Revision Express Interactive continues to be a key revision aid for candidates, with almost 5,000 licences purchased over the year.

New international elearning titles released this year:

- International Introduction to Securities & Investment (Arabic)
- Fundamentals of Financial Services (Arabic and Spanish)
- Risk in Financial Services (Spanish)
- International Certificate in Wealth and Investment Management (English and Spanish)

The programme to increase the number and complexity of revision questions continued, with just under 500 included across all subjects, closely reflecting the level of questions candidates would expect to find in an examination.

## External Specialists

For qualifications alone, nearly 400 practitioners volunteer their time and expertise to help maintain the relevance and accuracy of the CISI's examinations; this practitioner relevance drives all our qualifications work.

Each exam subject has a panel of practitioners and there are more than 40 panels in different subject areas that contribute to the work of six Qualifications Assessment Boards, with one overarching Examinations Board.

In June 2013, as a small token of our thanks, we were delighted to host a reception for our external specialists at Middle Temple in London.

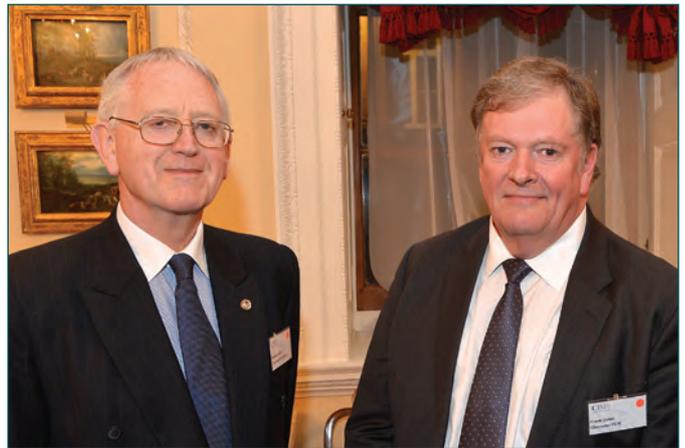
## Education and Pre-employment

Over the past year there have been a number of exciting educational developments, including Government approval of the CISI's new GCSE equivalent, the Level 2 Certificate in Fundamentals of Business & Finance for 14-16 year olds. In addition, the number of UCAS points associated with the A Level equivalent, the Level 3 Diploma in Finance, Risk & Investment for 16-19 year olds, has increased from 60 to 120, making this fully equivalent to A Level. Both qualifications have been confirmed for inclusion in the Department for Education performance tables for September 2014 starts – a first for the CISI.

Professional apprenticeships are becoming increasingly popular, with the CISI Investment Operations Certificate available to take as a knowledge component within a Level 3 Apprenticeship in Providing Financial Services. The Government has announced major reforms to apprenticeships moving forward and the CISI is working with a number of firms and training providers to develop a new employer-led 'trailblazer' Apprenticeship in Financial Operations.



*CISI external specialists at Middle Temple to mark their contribution*



*CISI Senior Adviser Stephen Clark, Chartered FCSI(Hon) with Frank Dolan, Chartered FCSI, Investment Director, Novatis Asset Management, Deputy Chairman of Wealth Management Forum Committee and Accredited Body Committee member*



*CISI Exam Panel member and question writer Paul Bhanji, Chartered MCSI, Vice President, Morgan Stanley*



*Alex Cannon, CISI Head of Educational Development with Rathbones' Liverpool apprentices at the launch of the CISI financial terms 'Jargon Buster'*



Alex Cannon, CISI Head of Educational Development presenting at Guernsey Grammar School and Sixth Form College



Students from Hautlieu School in Jersey on work placement at RBC



Educational trust award winner, Mariyan Dimitrov with Clare Gore Langton, Chartered FCSI(Hon), Chairman CISI Educational Trust



CISI members at the CISI Student and Risk Forum's speed networking event

## Investing in Futures

The CISI's Investing in Futures initiative is a work experience programme which launched in 2013. It has been designed to link students studying CISI qualifications in schools and colleges with firms in their local area for worthwhile work placements.

The first two placements were secured in December 2013 with Thesis Asset Management and students from Wellington College in Berkshire. Momentum for the scheme is slowly gathering pace, with 23 placements at various firms on offer to CISI schools-based students for the academic year 2013-2014, including Jersey, where six students from Hautlieu College obtained placements at RBC.

## The CISI Educational Trust

The CISI funds its separate education charity, the CISI Educational Trust, every year. The Trust shares the charitable mission of the CISI, but is able to use its funds solely to support educational initiatives in the public interest and for the common good, such as sponsoring teaching posts in Leeds and Liverpool, providing scholarships and bursaries, as well as book token prizes for high performing students.

### Educational Trust

#### Chairman:

Clare Gore Langton, Chartered FCSI(Hon)	Director, Rathbones
Fionnuala Carvill, Chartered FCSI	Commission Secretary, Guernsey Financial Services Commission
Nigel Challis FCSI(Hon)	Common Councillor, City of London Corporation
Simon Culhane, Chartered FCSI	Chief Executive, CISI
Scott Dobbie CBE FCSI(Hon)	Senior Adviser, Deutsche Bank
Lynda Johnson	Retired Headteacher
Steven Robertson, Chartered FCSI	Head of UK Trustee and Depository, HSBC

## Educational Trust Award

The Educational Trust Award celebrates high standards of work amongst Masters students studying CISI accredited courses at Centres of Excellence around the UK. In 2013, one student from each of ten CISI Centres of Excellence was awarded an additional £2,500 in recognition of their achievements in the study of finance. Each winner was also invited to the CISI Head Office in London to participate in an interview panel with the Educational Trust.

We are delighted to confirm that this year's CISI Educational Trust Award winners were:

#### Overall winner

Mariyan Dimitrov Cass Business School

#### Overall runner Up

Ryan Lightfoot-Brown	University of West of England
Wenzhi Zhu	Birmingham University
Sohrab Irannejad	BPP Law School
Shijie Yu	Edinburgh University
Yingxu He	Exeter University
Priyesh Prasad	Glasgow Caledonian University
Binjian Zhang	ICMA Centre
Julien Decherf	Imperial College London
Iva Lefterova	Portsmouth University

## Educational Bursary

During the year, the Educational Trust awarded weekly bursary payments of £30 to two students at Hautlieu School in Jersey. The bursary is open for up to two students studying for CISI qualifications at any non-fee-paying school and was introduced when the UK Government ended its Education Maintenance Allowance (EMA).

### Sponsored Teaching Post (Liverpool)

The CISI Educational Trust sponsored a full-time teaching post at Archbishop Beck Catholic College in Liverpool, to enable students from six local schools to start studying for the CISI Diploma in Finance, Risk & Investment.

The students have benefited from strong links with local industry, with lessons held at the offices of Deutsche Bank, Investec, Pershing and Rathbones. The CISI would like to thank the following members for giving up their time to present to the students:

James Charlton, Chartered MCSI	Deutsche Bank
Jennifer Cookson MCSI	Deutsche Bank
Jason Haworth FCSI	Deutsche Bank
Christopher Hornsby, Chartered FCSI	Pershing
Sam Myers, Chartered FCSI	Deutsche Bank
Peter Norman MCSI	Pershing
Jonathan Seal, Chartered FCSI	Investec Wealth & Investment
Jon Walker, Chartered FCSI	Investec Wealth & Investment
Victoria Yung ACS	Rathbones

## #yourmoney, an invaluable book

The CISI Educational Trust has sponsored the distribution of over 2,000 complimentary copies of #yourmoney, which was authored by Jeannette Lichner MCSI. The book has been updated twice, and provides a comprehensive introduction to the world of personal finance for young people around the UK. The Trust has also committed to the sponsorship of a further 2,000 books.

Recipients include students at the City of London Academy, Southwark; Newham College of Further Education; Kemnal Technology College; and every 16-18 year old in education in Guernsey. The CISI Guernsey branch jointly sponsored the latter initiative.

## Growth in Schools

342 students from 16 centres registered for the 2013-14 academic year, representing a significant increase on the previous academic year (148 students at nine centres). This increase is expected to continue in future years.



Schoolchildren at the CISI stand at the Birmingham World Skills Show



Helen Stocks and Nicola Levett, CISI Education Development Executives advising at the CISI Annual Conference July 2013



Sixth form students from Kemnal Technology College listening to a Bank of England presentation



Alex Cannon, CISI Head of Educational Development, Deputy Richard Conder, States of Guernsey Education Board Member, Fionnuala Carvill, Chartered FCSI, CISI Educational Trust Board Director and Julian Parker, Chartered FCSI, President of CISI Guernsey branch with students at a #yourmoney presentation at Guernsey Grammar School

## Universities

The higher education landscape has seen many changes in the past 12 months. The opportunity to associate with a professional body is now viewed by many universities as a fundamental part of bridging the gap between academia and commerce. The number of designated Centres of Excellence has grown to 12 with the University of Westminster Business School joining in June 2013 and Aston University, Aston Business School, joining in September 2013. This group of universities, committed to providing excellence in the field of finance education at postgraduate level, will expand again over the coming year.

## Education Committee

The CISI Education Committee supports the development and implementation of the Institute's education strategy and policy with advice from experts across the sector, as well as practitioners with a specific interest in education.



*Andy Pomfret, Chartered FCSI(Hon), then Chief Executive of Rathbones, speaking to students at University of Cambridge*

## Education Committee

### Chairman:

Nicholas Swales, Chartered FCSI

Stephen Clark, Chartered FCSI(Hon)

Professor Paul Cox

Clare Gore Langton, Chartered FCSI(Hon)

Barry Lewis MCSI

Jeannette Lichner MCSI

Louise Robinson

Nicholas Seaward, Chartered FCSI

Emma Sterland

Les Walton

Regional Director, Rathbones

Senior Adviser, CISI

Senior Lecturer of Finance, University of Birmingham

Director, Rathbones

Managing Director, Elix-IRR Partners

Senior Managing Director, FTI Consulting

Headteacher, Merchant Taylors' School

Teacher & Head of Social Sciences, Kemnal Technology College

Wealth Management Director, BestInvest

Founder, Northern Education



*Alex Cannon, CISI Head of Educational Development, Ruth Martin, Managing Director, CISI, Professor Orla Gough, Westminster Business School, Professor Barbara Allan, Westminster Business School and Dr Harry Thapar*

## International

As the global nature of the securities and investment industry expands, so too does the demand for education to improve skills and competence levels, with more firms incorporating exams into their training plans. International banks in particular are increasingly looking to promote qualifications and programmes that work on a global basis, in terms of access, relevance and recognition.

The continuing trend of increased regulatory supervision and the need to respond to public concerns about competence and skills levels also plays a part in this positive growth trend. The Institute's services enable candidates to attain and maintain competence and promote integrity.

The Institute's work outside of the UK continues to grow, and this year saw a record 9,166 exams sat in 74 different countries. We now have members in 110 countries, up from 89 countries last year. It was also a record year for award winners, as 20 out of our 96 award winners were from outside the UK, coming from India, the UAE, Singapore, Bahrain, Lebanon, Qatar, the Republic of Ireland and, for the first time, France.

We still see an increasing number of countries looking to develop core standards for their market participants and to introduce an international benchmark. The Middle East now has five regulators with well-established mandatory qualification regimes that include a CISI component. Our Arabic suite of qualifications has been essential in supporting this growth and we now offer seven exams in Arabic. In North Africa, CISI exams are recognised in Tunisia, and we have recently signed an MoU with Casablanca Finance City linked to the development of professionalism.

Our offices in India and Singapore both saw growth last year after a difficult couple of years for the investment banking industry. In Asia Pacific we have seen jobs move from Singapore to less expensive locations including the Philippines, where we are directly involved in a number of initiatives. Our India office works with banks and universities in financial centres across the country in cities such as Kolkatta, Chennai, Delhi, Hyderabad and Pune.

We have built on our work in Europe, continuing to develop established links with Switzerland, Spain, Poland, Malta, Gibraltar and Cyprus. In Cyprus we have signed an agreement with the Cyprus Securities & Exchange Commission for the development of a local regulatory paper, which will be available in English and Greek. Relationships are also being developed in new markets and last year, MoUs of co-operation were signed with our equivalent bodies in both Holland and Sweden.

Further afield, we have developed links with banks and universities in South Africa, and began early work in Ghana, Kenya and Nigeria. Working with training partners, we are currently exploring opportunities in Latin America.

## International Offices

Eight years after opening its first international office, the CISI's international work continues to develop through its offices in UAE, India, Singapore and Sri Lanka.

We are very grateful for the guidance given by the International Committee, whose members are:



*Jerry Brouwer, Managing Director of Dutch Securities Institute with Kevin Moore, Chartered MCSI, Director of Global Business Development*



*Kevin Moore, Chartered MCSI, Director of Global Business Development with Katarina Lidén, CEO SwedSec*



*Boniface K. Kasomo MCSI, Standard Investment Bank – Diploma achiever in Kenya, and Helena Green, Chartered MCSI, International Manager*

## International Committee

### Chairman:

Richard Wastcoat	Non-Executive Director at First State Investments and Duncan Lawrie Private Bank
Alan Yarrow, Chartered FCSI(Hon)	Chairman, CISI
Chris Scott, Chartered FCSI	Associate, Quilter Cheviot
Robert Gray	Chairman, Debt Finance & Advisory, HSBC
Peter Lee	Managing Director, Morgan Stanley
Graham Ward	Chief Commissioner, Independent Commission for Aid Impact
John Bourbon, Chartered FCSI	Consultant - Compliance and Regulation
Stephen Sanders FCSI	Managing Director, Head of Regulatory Developments, EMEA, JPMorgan Chase



## Middle East

The Middle East has continued to show growth through partnerships with local regulators, particularly through offering the International Introduction to Securities & Investment and other Capital Market Certificates, as well as the positive reception and adoption of the International Certificate in Wealth Management by retail banks.

Particular emphasis is being placed on Islamic finance, where the ruler of Dubai has announced his vision of making the kingdom the Capital of the Islamic economy. The education sector also offers strong potential growth for the recently released Arabic Fundamentals of Financial Services exam.

The relationship between the CISI and Securities and Commodities Authority (SCA) in the UAE exemplifies our relationships with regulators in the regions. Individuals complete the mandatory qualifications regime as part of their licensing requirement.

The CISI was pleased to take part in the launch of the Dubai Financial Services Authority's (DFSA) new initiative Bawabaty, meaning 'My Gateway'. The project will target the UAE youth sector, addressing topics such as business ethics and financial literacy. Facilitating learning and understanding of the financial services industry as a whole will better provide young UAE nationals with the skills and knowledge that employers typically look for. The CISI's 'Integrity at Work' was part of the inaugural event held at the Dubai International Financial Centre (DIFC).

In 2013 the Palestine Capital Markets Authority (PCMA) launched a new regulatory exam with the CISI that will be required with other CISI exams and will underpin their licensing programme. The Muscat Securities Market (MSM), Qatar Financial Market Authority (QFMA), Qatar Financial Centre Regulatory Authority (QFCRA) and the Central Bank of Lebanon continue to partner with the CISI on qualifications programmes. Whilst these relationships have originated in our core Capital Markets suite, they are now extending to cover operations professionals, wealth management and specialist functions, including compliance. In Bahrain, the Bahrain Institute of Banking and Finance (BIBF) is our key local strategic partner, and students are graduating from BIBF courses with CISI exams and membership. Our National Advisory Committee is chaired by Khalid Al Zayani FCSI(Hon).



Mr Khalid Al Zayani FCSI(Hon), President of the CISI Bahrain National Advisory Committee



Left to right: Louise Williams (L&D Officer), Jean Fitzgerald (Government of Dubai Legal Affairs Department), Jacqueline Whitehead (Manager, Learning & Development), Michael Ridgeway (General Counsel, DFSA), Kevin Moore, Chartered MCSI (Director Global Business Development, CISI) & Amin Assalama (Associate, DFSA)



Front row left to right: Matthew Cowan ACSI, Regional Head – Middle East; Richard Stockdale, Chartered FCSI, CISI Board Member; H.E. Abdullah Salem Al-Turifi, Chief Executive Officer of SCA; Simon Culhane, Chartered FCSI, Chief Executive, CISI; Dr. Obaid Saif Al Zaabi, Acting Deputy CEO for Legal Affairs & Issuance – SCA; Mohamed Ahmed Bin Dekhain AlMatroushi, Media & Communication Department Director - SCA

## India

To strengthen our presence in the domestic market space we have collaborated with the country's oldest exchange, the Bombay Stock Exchange (BSE), which will be offering a range of CISI qualifications, and the Indian Institute of Banking & Finance – India's premier banking institute – which will be offering the CISI's Risk in Financial Services exam as a top up to its own Risk paper. Both of these collaborations aim to increase the reach and recognition for CISI qualifications across India.

Diversification into the growing wealth management and education sectors is an identified route for growth. In the wealth sector we have achieved regulatory recognition for one of our wealth qualifications, but this is new territory for both us and the regulator – with new mandated exams being introduced by the National Institute of Securities Markets. The education sector has particular appeal – with both the IOC and the new Fundamentals of Financial Services proving popular.

Collaboration continues with two prestigious local professional bodies, the Institute of Company Secretaries of India and the Institute of Cost Accountants of India.

A sign of the CISI's increased recognition in India was exemplified by an invitation to deliver a number of 'Integrity at Work' presentations for the Securities and Exchange Board of India (SEBI), the India regulator.

## Sri Lanka

The Sri Lankan exam numbers have been transformed by the success of a project run with a local training organisation, Skills for Life, backed by the Ministry of Education. Almost 5,000 candidates have sat the Fundamentals of Financial Services exam, with an impressive first time pass rate of 79%. We hope to continue with this initiative.

One area of great potential for 2014 is being driven by our main ATP, Lanka BPO, which has developed its own diploma with 12 CISI modules embedded in it. This is completed over a three-year period and at present there are 100 students in training.

In 2013 the CISI received recognition from the well-established local Association of Professional Bankers, and awaits approval from the University Grants Commission for the CISI Diploma to be recognised for entry onto certain university programmes.



*Bombay Stock Exchange Signing Ceremony - Ambarish Datta, CEO Bombay Stock Exchange Institute and Puranam Ravikumar FCSI(Hon), President of India National Advisory Council*



*Dr Amat Taap Manshor, CEO FAA and Ruth Martin, CISI Managing Director*



*Brian Selvanjagam, Chartered MCSI, Country Head, Sri Lanka and Simon Culhane, Chartered FCSI, Chief Executive, CISI with Ajith Gabrael, Governor of the Central Bank of Sri Lanka*



Award winners from Credit Suisse in Singapore with Kevin Moore, Chartered MCSI, Director of Global Business Development, CISI



Award winner Zoe Lau

*"In my previous interviews they always asked whether I had the IOC and because I have it, it has helped me a lot."*

## Singapore

The movement of a number of investment operations jobs away from Singapore has now slowed and our biggest regional ATP, Kaplan, has introduced new programmes in the education sector which incorporate CISI exams. Nonetheless, the Singapore team continues to develop new markets in the region, in part following the jobs, including the Philippines, Indonesia, Vietnam and Malaysia.

Demand for the Islamic Finance Qualification (IFQ) exams is expected to increase significantly in Singapore and Indonesia, as the team has recently established a formal collaboration with a Madrasah in Singapore, and has also signed a new IFQ training provider in Indonesia. The IFQ was also recently recognised by the Financial Accreditation Agency (FAA) in Malaysia.

Kevin Moore, Chartered MCSI, and CISI Director of Global Business Development, was in Singapore in December 2013 to recognise the achievements of the top scoring candidates as part of a Singapore national CISI Awards Ceremony.

Those firms in Singapore whose staff have received awards as part of this ceremony are:

- ABN AMRO Bank
- Barclays
- BNP Paribas Wealth Management
- Credit Suisse
- DBS Bank
- Macquarie Bank
- Morgan Stanley
- RBS
- The Islamic Bank of Asia
- Schroders Investment Management
- State Street Bank & Trust Company

Those institutes in Singapore whose students have received awards are Kaplan Higher Education Institute, Singapore Polytechnic and Temasek Polytechnic

Cementing this success, in addition to those Singapore local award winners, four candidates have been further singled out as the highest scoring candidates globally, from over 37,000 exams taken worldwide.

The awardees' names were displayed on a billboard placed at the central Raffles Place MRT station announcing their achievements and creating awareness of the CISI (see below and page 4).

## CISI Branch Committees and National Advisory Councils

Within the UK, the Institute is fortunate in that it can rely on a network of industrious committees, whose primary role is to support the provision of learning opportunities through speakers and seminars for CISI members. Run by local volunteers and with dedicated support from the CISI, the committees have held 158 events, attended by just over 6,800 CISI members and guests.

In response to demand from members, the Institute launched a further branch in Wales during the year, covering members in the Newport, Cardiff & Swansea M4 belt. Members in North Wales are already catered for by the Liverpool & North Wales branch.

The National Advisory Councils are now more established and gaining momentum. These councils, formed of senior and influential industry figures, are of immense importance in supporting the international work of the CISI, providing invaluable local expertise and knowledge.

We are particularly grateful to our Presidents, who run the committees and councils worldwide (see list on page 23).



Award winners in Singapore on billboard near Raffles Place

## National Advisory Councils

	<b>President</b>	<b>Firm</b>
Bahrain	Khalid Al Zayani FCSI(Hon)	Al-Zayani Investments
Cyprus	Charles Charalambous, Chartered MCSI	Deloitte Investment Services
Gibraltar	Clark Elder	KPMG
Greece	Filimon Antonopoulos MCSI	Tallon Trading
India	Puranam Ravikumar FCSI(Hon)	Invent Assets Securitisation & Reconstruction
Ireland	Peter Keane, Chartered FCSI	Independent Financial Services Consultant - formerly Central Bank of Ireland
Malta	Alex Bustos-Baez, Chartered FCSI	International Compliance Solutions (ICS)
Singapore	Paul Hedges, Chartered FCSI	HSBC
Sri Lanka	Nihal Fonseka MCSI	DFCC Bank
Switzerland	Laurence Rose FCSI	Altaira Wealth Management SA
UAE	Richard Stockdale, Chartered FCSI	QCo Holdings

## Corporate Supporters

CISI Corporate Supporters make a commitment to uphold the highest standards of integrity, competence and professionalism. By the end of the year, we had expanded our number of supporters to 106 and the demand continues to grow, both in the UK and internationally.

Tangible benefits offered to our Corporate Supporters focus around CPD, the promotion and education of integrity and trust. Many Corporate Supporters chose to run the CISI interactive Integrity at Work seminar as part of a professional ethics or cultural change programme that included individuals taking the CISI online test, IntegrityMatters. Corporate Supporters endorse and adhere to the CISI Code of Conduct.



*Regional and International Presidents on Presidents' Day at the CISI*

## Branch Committees

	<b>President</b>	<b>Firm</b>
Birmingham & West Midlands	Benedict Crabbe, Chartered FCSI	BRI Asset Management Plc
Bristol & Bath	Isabel Kwok, Chartered FCSI	Brewin Dolphin
East Anglia	Martin Warren, Chartered FCSI	Barratt & Cooke
East Midlands & Lincoln	Jonathan Wernick ACSI	JW Compliance
Guernsey	Julian Parker, Chartered FCSI	Generali Worldwide Insurance Company
Isle of Man	Jonathan Leece, Chartered FCSI	The Premier Group (Isle of Man)
Jersey	Paul Clifford, Chartered FCSI	RBC Investment Solutions (CI)
Liverpool & North Wales	Jon Walker, Chartered FCSI	Investec Wealth & Investment
Manchester & District	Alan Budenberg, Chartered MCSI	Barclays
North East	Gary Fawcett, Chartered FCSI	Brewin Dolphin
Northern Ireland	Wayne Nickels, Chartered FCSI	Smith & Williamson Investment Management
Scotland	Christopher Clarke MCSI	Standard Life Assurance Company
South Coast	Peter Bell, Chartered FCSI	Investec Wealth & Investment
South East	Robert Forbes, Chartered FCSI	Jupiter Asset Management
Southern	James Stewart-Smith, Chartered MCSI	Charles Stanley & Co.
Wales	Sandie Dunn ACSI	Legal & General (Portfolio Management Services)
West Country	Stephen Roach, Chartered FCSI	Kensington Asset Management
Yorkshire	Emma Cochrane, Chartered MCSI	Williams Investment Management



Charitable Objective 1: To promote, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.

MAINTAIN COMPETENCE



*CPD training course at the CISI*



*Professor Allison Littlejohn, Chair in Learning Technology, Glasgow Caledonian University & Director of Caledonia Academy*



*Francine Bennett, CEO and Co- Founder, Mastodon C, speaking at the CISI Financial Technology Forum*



*Christopher Jones-Warner, Chartered FCSI, CISI Wealth Management Forum Chairman*

## MAINTAINING COMPETENCE

Increasingly, members are required to undertake CPD for their firms and or regulators.

### Membership Committee

**Chairman:**

Christopher Harris-Deans,  
Chartered FCSI  
Director, Charles Stanley



David Cooper, Chartered FCSI	Head of Compliance, Cenkos Securities
Richard Crews, Chartered MCSI	Consultant
Paul Hedges, Chartered FCSI	Head of Asia Pacific Network Management, HSBC
Phillip Langton MCSI	Head of Risk, NetOTC
Frank Moxon CF, Chartered FCSI	Managing Director, Hoyt Moxon
Chris Scott, Chartered FCSI	Associate Director, Quilter Cheviot
Andrew Turnbull, Chartered FCSI	Divisional Director, Brewin Dolphin
Judith Ullock, Chartered MCSI	Training Manager, Redmayne Bentley
Martin Watkins, Chartered FCSI	Director, Financial Market Infrastructures, EY

## Continuing Professional Development (CPD)

February 2014 saw the launch of the new CISI CPD Scheme, which is now aligned with the UKFCA requirements of structured and unstructured learning. An updated CPD booklet was developed, listing information on the changes and these were well received by members.

All members using the Institute's CPD Scheme or a firm's Accredited CPD Scheme can be randomly selected for audit and 2013/14 saw 18% of our members chosen.

The audit process requires members to log the learning outcomes for their CPD activities and demonstrate relevance. The CISI held CPD workshops in the later part of the year for members and firms, focusing on the requirements and the relevance of logging good learning outcomes.

The CISI has been a leader in the principles of CPD and at the forefront of CPD technology, continually updating its CPD scheme to meet the regulatory changes and members' needs. Many CPD offerings are free to members, enabling them to keep abreast of changes in the industry and meet their CPD requirement for the low price of a membership subscription.

### CISI Jobs Online

The Institute launched its new online jobs board in March 2014, which will allow both CISI members and non-members globally to search for, and place, new jobs in the financial services industry. Jobs Online can be accessed via the CISI website, [cisi.org](http://cisi.org), and is an easy-to-use jobs portal that links qualified professionals in the financial services industry with financial services firms / recruiters searching for employees. As the professional body for the securities and investment industry, we anticipate that Jobs Online will be seen as the natural place for career development in our global industry.

## Chartered Wealth Manager

The CISI currently has over 2,500 Chartered Wealth Managers, a significant increase from April 2013, partly due to members applying within the window of opportunity which closed on the 31 March 2014.

Members now applying for Chartered Wealth Manager will need to pass the Chartered Wealth Manager qualification, meet their CPD requirement and successfully pass IntegrityMatters.



Hayley Brown, Senior Client Relationship Manager and Praneet Shivaprasad, International Manager, advising members at the CISI Awards ceremony



Martin Watkins, Chartered FCSI, Director, Financial Market Infrastructures, EY speaking at the CISI Annual Technology Debate

## CISI TV

Having launched a new in-house version of CISI TV in March 2013, we have been delighted to see the month-on-month increase in members engaging with this benefit. In March 2014, only one year after launch, more than 12,600 videos were viewed by our members. The most popular subjects attest to the breadth of our membership; behavioural communication, high frequency trading, the new face of regulation, the role of the European Commission, and much more.

Such growth in online CPD is also reflected in the increasing use of the CISI's Professional Refresher, which saw over 17,000 views in the same period. Popular topics included Integrity and Ethics, Anti-Money Laundering, Client Assets and Client Money and Market Abuse.

The progression in online CPD usage figures indicates how important online CPD options are for our members. The CISI recognises this and seeks to encourage use of the online facility as a supplement to event attendance. As part of our commitment to ensuring members have multiple CPD channels available to them, the CISI has also increased the number of live webinars, of which three were held, covering EMIR reporting, corporate social responsibility and global financial centres.

## Professional Refresher

Professional Refresher continues to be a key product and membership benefit. New modules are added regularly.

There were 57 Professional Refresher modules at the end of the 2013/14 financial year, up from 47 at the end of 2012/13.

There were 10 new modules released in 2013/14:

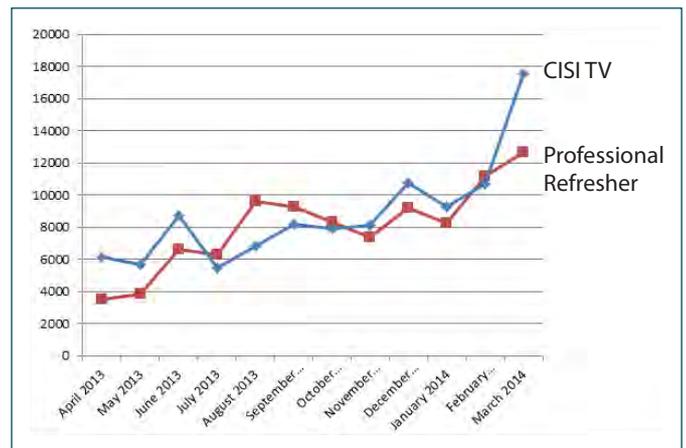
- Behavioural Finance
- Conduct Risk
- Conflicts of Interest
- Cyber crime
- Financial Transaction Tax
- Non-Executive Directors' Roles
- RDR Independence
- T&C Supervision Essentials
- UCISs & NMPs
- UCITS

The number of Professional Refresher views has been increasing steadily, culminating in a record number of 17,533 views in March 2014.

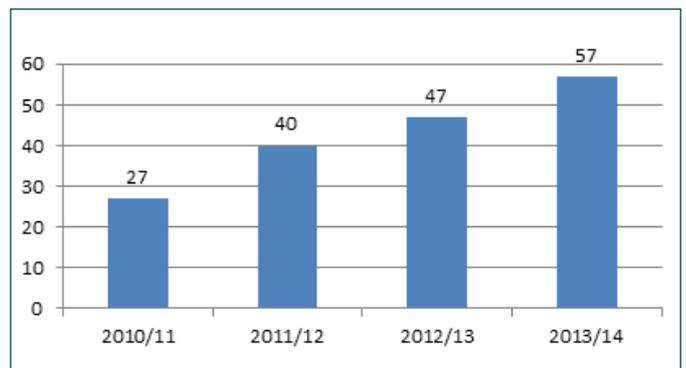
Professional Refresher modules are usually reviewed by industry specialists every six months - some others more regularly - if the subject material is particularly topical and constantly changing.



"Frontline fund governance for the new pension paradigm" filmed for CISI TV



Graph showing the growth of CISI TV and Professional Refresher usage between April 2013 and March 2014.



Graph showing the number of Professional Refresher modules



## CPD Events

The event programme for members to help develop their CPD has continued to grow. Members have benefited from an 8% growth in the total number of events held.

London CPD events spanned the waterfront of members' interests, and benefited from contributions from almost 200 speakers drawn from a wide variety of sectors. Highlights of the year included Professor Bart Lambrecht of Cambridge University on leading-edge financial thinking, Viscountess Mackintosh of Halifax on effective charitable giving, Alderman Michael Mainelli, Chartered FCSI, on trends in global financial centres, Kevin Milne, Chartered FCSI, on the way out of the LIBOR mess and Rear Admiral Chris Parry CBE on leadership in the City.

## Regions and International

Regional members benefitted from 120 CPD events and a very active networking programme between April 2013 and March 2014. In particular, members in York and Chester benefited from increased efforts by their local committees in the Yorkshire and Liverpool & North Wales regions to create more CPD opportunities. The Yorkshire branch held an impressive 11 CPD events in the year - the same as the Manchester District branch - but the Liverpool & North Wales branch topped the list with the most CPD events held outside of London - offering 15 CPD opportunities across its two core centres. Demand in Jersey and Guernsey for CPD continues unabated, with 14 and nine events respectively.

Wealth and regulatory challenges were key themes covered within regional CPD programmes; particularly topics on behavioural finance, the Client Assets and Client Money, FATCA and the introduction of the UKFCA and its priorities. Updates from the Bank of England have historically proved very popular with regional members, and 2013/2014 event programme was no different with ten regions incorporating this topic into their programmes this year.

Socially, the regions continued to show their creativity, with football tournaments, drinks receptions, cocktail evenings, pub quizzes and annual dinners all well-attended.

## Training Courses

The CISI ran more than 70 fee-based CPD hot topic training courses in the last year, which included:

- Retail Derivatives Update
- Retail Securities Update
- Practical guidance on preventing Insider Dealing and Market Abuse
- FATCA and Global Tax Disclosure - its impact on your firm and your clients
- Corporate Governance - building Board competence and effectiveness
- Introduction to Risk Management - For non-risk professionals
- Cyber crime risks demystified



Northern Ireland dinner guests



Nick Hungerford FCSI, Chief Executive Officer, Nutmeg; Silvia Pavoni, Economics Editor, The Banker; Dr Andrew Hilton, Director, Centre for the Study of Financial Innovation; and Dr Robert Barnes, Chartered FCSI, Managing Director, Anopolis at the Annual Conference



Paul Clifford, Chartered FCSI, Jersey Regional President and Investment Director for RBC Investment Solutions with Patrick Monahan, stand-up comic and guest speaker at the Jersey Annual Dinner



Simon Read, Personal Finance Editor, The Independent and i paper, Iona Bain, Senior Reporter, Financial Adviser and Daniel Godfrey, CEO, Investment Management Association at the CISI Annual Conference

2013 saw the start of an exciting new project to replace printed materials at CPD training courses with documentation on iPads. Continuing our quest to provide the best possible service and stay at the forefront of technology, course attendees can now use this approach to aid their learning. Benefits include attendees being able to annotate the presentations directly on the tablets, then emailing the information directly to themselves, in addition to time and cost savings.

### Annual Conference

The 2013 Annual Conference, which attracted a record audience, featured a distinguished roster of speakers. They included The Rt. Hon. Mark Garnier MP FCSI, a member of the Parliamentary Commission on Banking Standards, which had just issued its key report; John Griffith Jones, Chairman of the Financial Conduct Authority; and Sir David Omand GCB, former Permanent Secretary at the Cabinet Office and the Home Office and Past Director of GCHQ, who delivered an early and chilling warning on the emerging threats from cyber criminals.

### T&C Conference

The Training & Competence 2013 Conference: Shedding light on the new T&C regime, was particularly popular. The event was sponsored by Redland Business Solutions and Fitch Learning.

### City Debate

For the second year we partnered with CSFI to host the City Debate on 17 February 2014. This year the motion was "This house believes that the 'normalisation' of interest rates will inevitably cause another financial and economic crisis." Speakers included Chris Huhne, former Energy Minister, Lord Flight, former deputy Chairman of the Tory Party, The Rt. Hon. John Redwood MP MCSI, Trevor Williams, Chief Economist at Lloyds, with Angela Knight CBE FCSI(Hon), Chief Executive, Energy UK as moderator. The event attracted 250 attendees.



*The Training & Competence 2013 Conference*



*Chris Huhne, former Energy Minister; Lord Flight, former deputy Chairman of the Tory Party; Angela Knight CBE FCSI(Hon), Chief Executive, Energy UK; The Rt. Hon. John Redwood MP MCSI; Trevor Williams, Chief Economist at Lloyds Bank*



*Debbie Clarke, CF, Chartered MCSI, Corporate Finance Forum Chairman and Corporate Finance Director, Chantrey Vellacott DFK; Ruth Martin, Managing Director, CISI; Dennis Cox FCSI, Risk Forum Chairman and Chief Executive Officer, Risk Reward; and Julian Sampson, Chartered FCSI, Compliance Forum Chairman and Director, Fulcrum Compliance*



*Guests at the CISI Guernsey Annual Dinner*

## Professional Forums

We are delighted to have seen membership of the CISI's Professional Forums (Compliance, Corporate Finance, Financial Technology, Operations, Risk and Wealth Management) grow further over the last 12 months. Now with over 2,300 members across the six Forums (a 17% increase since 2012/2013) this active engagement demonstrates the dedication of the CISI membership to CPD; most evident in the 33% increase in membership of our Wealth Management Forum alone.

A diverse range of event topics was covered by the Forums including Transaction Reporting, Banking Regulation and the Annual Investment Horizons seminar. In addition, there have been several roundtable forums giving members the opportunity to discuss issues such as the need for better corporate governance and the supervisory relationship between individuals, firms and the regulator.

High profile speakers included Robert Taylor, Head of Wealth Management and Private Banking UK, UKFCA; The Rt. Hon. John Redwood MP MCSI, Charles Stanley Pan Asset Capital Management; Trevor Williams, Chief Economist, Lloyds Bank; and Andrew Bailey, CEO, Prudential Regulation Authority.

### Compliance Forum Committee

**Chairman:**

Julian Sampson, Chartered FCSI, Director, Fulcrum Compliance



**Deputy Chairman:**

Elizabeth Hornby MCSI, Senior Associate, Eukleia Training

**Deputy Chairman:**

David Moland, Chartered FCSI, Head of Compliance Arbuthnot Latham & Co

- |                                  |   |
|----------------------------------|---|
| Peter Brown, Chartered FCSI      | Senior Consultant, CCL City Training                                  |
| Harvey Dyson, Chartered FCSI     | Solicitor, Stephenson Harwood   |
| Catharine Morris, Chartered FCSI | Consultant, Ashcourt Rowan Plc  |
| Charles Jackson, Chartered FCSI  | Director, Court Management Associates                                 |
| Elizabeth Nelson, Chartered MCSI | Compliance Oversight Manager, Société Générale Securities Services UK |
| Peter Mulcahy ACSI               | Compliance Advisory Officer, ICAP Plc                                 |
| Simone Porter, Chartered MCSI    | Managing Director of International Compliance, Charles Schwab         |
| Nigel Sydenham, Chartered FCSI   | Senior Trainer, CCL Academy   |
| Paul Whittaker, Chartered MCSI   | Director, Magic Bullet Associates                                     |

### Corporate Finance Committee

**Chairman:**

Debbie Clarke, CF, Chartered MCSI, Corporate Finance Director, Chantrey Vellacott DFK



**Deputy Chairman:**

Francis De Zulueta FCSI, Managing Partner, Alpine Companies

**Deputy Chairman:**

Clive Garston FCSI, Consultant - Corporate & Commercial, DAC Beechcroft

- |   |   |
|---|---|
| Frank Moxon CF, Chartered FCSI, (Immediate Past Chairman) | Managing Director, Hoyt Moxon                           |
| John Bridges MCSI   | Partner, JB Securities                                  |
| Peter Freeman MCSI  | Director, Jenolan                                       |
| Fiona Kinghorn, Chartered MCSI                            | Corporate Finance Executive, Alexander David Securities |
| Dalia Joseph MCSI   | Partner, Oriel Securities                               |
| Nicholas Myatt ACSI                                       | Partner, Berwin Leighton Paisner                        |
| Nicholas Bealer, Chartered FCSI                           | Head of Corporate Broking, Cornhill Capital             |
| Mauro Tortone, Chartered MCSI                             | Director, P27   |

### Financial Technology Committee

**Chairman:**

Brian McNulty MCSI, Chief Executive Officer, DBFS



**Deputy Chairman:**

Mark Seaman, Chartered FCSI, Director, Mark Seaman Consultants

**Deputy Chairman:**

Martin Watkins, Chartered FCSI, Director, Financial Market Infrastructures, EY

- |                               |  |
|-------------------------------|--|
| Andrew Brown ACSI             | Quantitative Analyst, RBS Global Banking & Markets               |
| Jitesh Halai MCSI             | Test Practice Lead, Avanade UK                                   |
| Markus Krebsz, Chartered MCSI | Consultant   |
| Julia George, Chartered FCSI  | Director, Julia George Associates                                |
| Matthew Ladbury               | Executive Director, Operations Technology, Margin, Goldman Sachs |
| Kevin Sloane, Chartered MCSI  | Pre-Sales Manager, JHC   |

## Operations Committee

### Chairman:

Frank Reardon, Chartered FCSI,  
Head of Investment Administration,  
JM Finn & Co



### Deputy Chairman:

Alan Burr, Chartered FCSI, Director,  
Burr & Company

### Deputy Chairman:

Peter Gregory FCSI

Operations Manager,  
The Share Centre

Richard Crews, Chartered MCSI

Consultant

Wayne Beighton ACSI

Relationship Manager,  
HSBC Securities Services

Robert Forbes, Chartered FCSI

Senior Manager, Jupiter  
Asset Management

Matthew Glass, Chartered FCSI

Head of Operations,  
Technology and Client  
Service, CME Group

Paul Leahy, Chartered MCSI

Derek Young, Chartered FCSI

Technical Specialist,  
UKFCA

## Wealth Management Committee

### Chairman:

Christopher Jones-Warner,  
Chartered FCSI



### Deputy Chairman:

Bruce Weatherill MCSI, Partner, Weatherill Consulting

### Deputy Chairman:

Frank Dolan, Chartered FCSI, Investment Director, Novatis  
Asset Management

Robert Burgeman, Chartered FCSI

Divisional Director,  
Brewin Dolphin

Bandish Gudka MCSI

Investment Manager,  
Vestra Wealth

Amy Lazenby, Chartered FCSI

Investment Manager,  
Close Brothers Asset  
Management

Keith Robertson, Chartered FCSI

Chartered Financial  
Planner, Armstrong  
Financial

Frederick Barker, Chartered FCSI

New Issues Desk  
Manager, Charles  
Stanley Securities

Clive Menzies, Chartered FCSI

Director, Fund Building

Jason Dalley, Chartered FCSI

Investment Director,  
Rathbones

Peter Moores, Chartered FCSI

Chief Executive Officer,  
Raymond James  
Investment Services

David Hearne, Chartered MCSI

Wealth Management  
Adviser, Satis Asset  
Management

## Risk Committee

### Chairman:

Dennis Cox FCSI,  
Chief Executive Officer,  
Risk Reward



### Deputy Chairman:

Sophie Dupre ACSI,  
Head of Organisational Risk, Barings

### Deputy Chairman:

Christopher Forster,  
Chartered FCSI

Corporate Governance  
and Risk Management,  
UK Prudential Regulation  
Authority

Colin Atkinson, Chartered FCSI

Thematic Team,  
Investment Banks  
Department, Supervision  
Division, Financial  
Conduct Authority

Craig Kersey, Chartered FCSI

Managing Director,  
Guildhall Corporate  
Advisers

Andrew Brown ACSI

Quantitative Analyst,  
RBS Global Banking &  
Markets

Alan Burr, Chartered FCSI

Director, Burr & Company

Markus Krebsz, Chartered FCSI

Consultant

Keith Robertson, Chartered FCSI

Chartered Financial  
Planner, Armstrong  
Financial

Nicholas Garnish MCSI

Stephen Bennett MCSI,

Head of Operational Risk,  
Scottish Widows  
Investment Partnership



Compliance Professional of the Year winner Natalie Howman ACSI, Compliance Officer, Vartan & Son; and Risk Professional of the Year winner: Kerry Anyim, Head of Operational Risk, Schroders Investment Management

## Interest Groups

The CISI Interest Groups are focus groups dedicated to areas of finance that are growing in importance and popularity. Operating in the same way as our Professional Forums – but open to members and non-members – they provide a platform for the dissemination of knowledge and an opportunity to network with professionals in specialist sectors. In 2013 the CISI's Interest Groups saw a good deal of growth.

The Training & Competence Interest Group is the CISI's longest standing group and is open to members and non-members. It focuses on issues and discussions relating to training and HR, and also provides updates on CISI initiatives. Events are very well attended by representatives from wealth and fund management firms and from the top 50 investment banks.

The Bond Interest Group, run by the CISI in conjunction with the European Federation of Financial Analysts Societies (EFFAS), had its first birthday in May 2013 and it had much to celebrate! Having planned a full and varied programme, the group saw its members grow to 340. The group averaged 80 attendees at each event during 2013/2014 which covered retail bonds, credit ratings, the use of corporate bonds and pensions, while the EFFAS Conference in October covered long-term and sustainable finance.

The European Regulation Interest Group (ERIG) focused on huge growth in membership since its launch in November 2012, with an average attendance of 105. It also recorded one of CISI TV's most popular interviews in August 2013; with Dr Emil Paulis who was then Director of Capital Markets in the Director General's office of the European Commission. ERIG has also worked with the CISI's Professional Forums to create a well-rounded panel discussion on Transaction Reporting, helping CISI members and non-members understand the obligations of the new regime.

### Bond Interest Group Committee (partnered with EFFAS)

**Chairman:**

Neil Brown, Chartered FCSI,  
Senior Partner, Earth Capital Partners

**Deputy Chairman:**

Christopher Barley MCSI, Trainer

Robin Brown	Senior Trainer, Alpha Development
Alessandro Chiozzi	Fixed Income Associate, London Stock Exchange
Con Keating	Head of Research, Brighton Rock Group
Henrietta Podd	Head of Debt Advice & Origination, Canaccord Genuity
Richard Solomon FCSI	Deputy Group Chief Accountant, RBS
George Tagher, Chartered FCSI	



### European Regulation Interest Group Committee

**Chairman:**

Martin Watkins, Chartered FCSI,  
Director, Financial Market Infrastructures, EY



John Barrass	Deputy Chief Executive, Wealth Management Association
Anthony Belchambers	Chief Executive, FOA
Simon Cockbill FCSI	Compliance Director, Legg Mason Global Asset Management
Harvey Dyson, Chartered FCSI	Solicitor, Stephenson Harwood
Fiona King ACSI	European Head of GBS Regulatory Group, Global Business Services, Deutsche Bank
Ashley Kovas, Chartered FCSI	Head of Funds, Bovill
Brian McNulty MCSI	Chief Executive Officer, DBFS
Peter Mulcahy ACSI	Compliance Advisory Officer, ICAP
Laurence Rose FCSI	Managing Director, Altaira Wealth Management SA
Mark de Ste Croix MCSI	Head of Compliance & Legal, Raymond James Investment Services

### Training and Competence Interest Group Committee

**Chairman:**

Sandra Jacobs, Senior Manager,  
Approved Persons Function, RBS

**Deputy Chairman:**

Alison Taylor, Director,  
HR, C Hoare & Co



## Annual Dinner 2013

The London Annual Dinner in November 2013 welcomed 252 CISI members and their guests, who heard The Rt. Hon. Michael Portillo speak after dinner. The Professional Forum awards 'Outstanding Risk Professional' and 'Outstanding Compliance Professional' were presented at this event for the first time. This event was sponsored by BNP Paribas Securities Services.



*Guest speaker, The Rt. Hon. Michael Portillo at the London Annual Dinner*



*CISI Annual Dinner at Plaisterers' Hall*



*CISI staff assisting at reception of event*



*Simon Culhane, Chartered FCSI, Chief Executive, CISI speaking at the CISI Annual Dinner*



*Charitable Objective 2: To develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas*



## Thought leadership on Integrity in Financial Services

As mentioned in the preceding year's review, the Institute had announced that, with effect from 2 April 2013, candidates for the CISI Level 3 Certificate in Capital Markets would have to pass the online IntegrityMatters test at Grade B or higher. This resulted in significant media comment at that time, and with the enhanced requirements of CISI members to complete an integrity unit (either IntegrityMatters or the CISI Professional Refresher unit Integrity & Ethics), the number of IntegrityMatters tests taken exceeded 16,000, with some 8,500 of these being during the year under review.

Equally reflective of the growing acceptance of the Institute's influence in providing leadership on integrity issues is the fact that two major financial institutions retained the CISI to provide a programme of more than 150 Integrity at Work seminars to key groups within their firms, both in the UK and, in one instance, globally.

## Integrity at Work Interactive Seminar

This product has been an outstanding success during the past year, with strong demand for seminars. As well as the large programme in the UK, one international bank required seminars to be delivered at global locations including Singapore, the Philippines, Hong Kong, South Korea and the USA.

As in previous years, there has been an ongoing programme of delivery via our international offices, which has seen further seminars in India and the Middle East as well as in both Kenya and South Africa, reflecting the Institute's increased focus on prospects in Africa.

## IntegrityMatters Online Test

Changes to the qualification entry requirements and revised requirements for membership has seen a significant uplift in the number of people taking the IntegrityMatters test. The introduction of the new requirement saw a major revision to the make-up of the test, with the number of scenarios in the question bank being doubled to improve randomisation.

The Institute continues to talk to a number of major financial institutions about offering or mandating IntegrityMatters for selected groups of their staff as a part of their basic training.

## Grey Matters

This long running series is now in its tenth year, having published 75 dilemmas, as well as a number of other articles highlighting aspects of ethical behaviour considered relevant to readers. The articles continue to offer readers the chance to vote in favour of a number of possible courses of action, as well as inviting feedback from readers, which produces many interesting responses.

The series is also a key component in providing suitable case studies and dilemmas for the Institute's other integrity-based products.



A delegate at the World Exchange Congress Qatar 2014



A delegate at the World Exchange Congress Qatar 2014



Simon Culhane, Chartered FCSI, CEO, CISI presenting at the World Exchange Congress Qatar 2014



### Integrity at Work Book 4

The Integrity debate saw the launch of Volume 4 of the Institute’s successful publication, which has seen the distribution of more than 150,000 copies to members, as well as all MPs and members of the House of Lords, since the series began in 2007. The books contain a selection of dilemmas from the Grey Matters series, which is published in the CISI membership journal, Securities & Investment Review. Volume 4 contains an introductory piece, Ethics and the City 2013, which was written by Jane Fuller, former Financial Editor of the Financial Times, in which she asks questions of a number of leading city and public figures, concerning their view of ethical lapses and the need for, and means to, restore trust in the City.

### Annual Integrity Debate

This year’s event was possibly the liveliest yet, and saw teams debate the question “UK Wealth Management – honest, open, transparent and fair?” Andrew Fisher of Towry and Jeremy Marshall of Hoare & Co. pitted their skills against John Authers of the Financial Times and Gina Miller of SCM Private.

Possibly surprisingly, in view of the nature of the audience, the result was victory for those against the motion, with the swing of voters predominantly against the motion following the arguments put forward. Nevertheless, members may be slightly reassured that the majority of the audience continued to believe that the UK wealth management industry is open, honest, transparent and fair.

### Integrity in Examinations

The UKFCA mandated Level 4 Investment Advice Diploma is the benchmark qualification for those wishing to provide financial advice to retail investors. The qualification contains a Regulation and Professional Integrity unit, in which 20% of the available marks are awarded for questions which have an ethical theme.

In addition, the Regulation and Compliance unit of the CISI’s professional level Diploma award contains a mandatory question carrying 20% of the overall marks, where the answer is not based simply on regulation.

### Disciplinary Process

The Institute has an established disciplinary process and hearings are held as necessary. During the year, the Disciplinary Panel convened on three occasions, to consider action against five members. The outcome was that one member was required to sit the IntegrityMatters test, two members were reprimanded, one member was expelled for two years (on appeal this was reduced to suspension for 12 months) and one member was permanently expelled.

In addition, one of the sanctions applied by a disciplinary hearing was appealed by the Board of the Institute, as a result of which the member was permanently expelled.

Since the disciplinary process was revised in 2010, 11 members have faced disciplinary action, with the following sanctions imposed:

Disciplinary Action	No.
Required to take IntegrityMatters	1
Reprimand	3
Severe reprimand	2
Suspension (for one year)	1
Expulsion (for three years)	1
Permanent expulsion	3

### Investing in Integrity (Iil)

The Institute is a partner with the Institute of Business Ethics in this not for profit enterprise, which provides an audit of the ethical policies, practices and procedures which flow from the code of conduct of an organisation. Achievement of the required standard results in the award of the Investing in Integrity Chartermark.

During the year, audits have continued on two international businesses in the construction and related service industries, and an audit has begun on another international organisation whose primary business is international logistics in support of the overseas activities of US armed forces. Audits are undertaken by Good Corporation, on behalf of Iil.

Discussions continue with a number of businesses within financial services and we remain optimistic that this will lead to further audits.

## Integrity requirements for members

From April 2013 it became a requirement for non-student members to take and pass an integrity test to further demonstrate the exceptionally high standards to which our members commit themselves. By the end of the March 2013 more than 80% had completed this.

The work of the Institute is guided by the members of the Integrity & Ethics committee and we are grateful for the advice and council of the following members:

### Integrity & Ethics Committee

#### Chairman:

Richard Charnock, Chartered FCSI  
CEO, Standard Life Wealth



Ben Blackett-Ord	Chief Executive, Bovill
Christopher Bond, Chartered MCSI	Senior Adviser, CISI
Nigel Challis FCSI(Hon)	Common Councillor, City of London Corporation
Simon Culhane, Chartered FCSI	Chief Executive, CISI
Scott Dobbie CBE FCSI(Hon)	Senior Advisor, Deutsche Bank
Philippa Foster Back CBE	Director, Institute of Business Ethics
Nicholas Gibson, Chartered FCSI	Director of Compliance Solutions, Chase Cooper
Martin Hall	Worshipful Company of International Bankers
Charles Hoare Nairne, Chartered FCSI	Investment Director, Messrs. C. Hoare & Co.
Matthew Eyton Jones, Chartered MCSI	Head of Pensions, John Lewis Partnership
Professor Paul Palmer	Associate Dean, Cass Business School
Alan Ramsay FCSI(Hon)	Senior Adviser PricewaterhouseCoopers
Tracey Reddings	CEO, UK Private Wealth Management, J.P.Morgan Private Bank
Ann Roughead	CEO, Abovewealth
Ian Stevenson, Chartered FCSI	Managing Consultant, Strategic Regulatory Management
Anthony Stewart-Jones FCSI	Chief Compliance Officer PricewaterhouseCoopers
Andrew Hall (Secretary)	Head of Professional Standards, CISI

## Technology

The Institute embraces technology and believes it needs to be at the heart of its strategy, so that it can easily reach its members regardless of their location. This is why resources have been switched to improving the Institute's physical hardware as well as providing improved software to enable members to easily learn and automatically record what they see as relevant.

The Finance Technology Forum is a membership network enabling the CISI to access crucial expertise, and for other members to learn from their peers. In addition, the CISI has been embracing technology in learning through its CPD scheme, its learning support and its examination testing for several years, and feedback indicates this is a key feature of the CISI.

### Accredited Body Roles and Responsibilities

The key responsibility of an Accredited Body is to issue Statements of Professional Standing (SPSs) to qualified members. The CISI issued 586 initial SPSs and renewed 5,837 applications for the year ending March 2014. In discharging this effectively on behalf of the regulator, the CISI has demonstrated that it:

- acts in the public interest and furthers the development of the profession;
- carries out effective and independent verification services;
- has appropriate systems and controls in place and can provide evidence to the UKFCA of the continuing effectiveness of verification procedures; and
- co-operates with the UKFCA on an ongoing basis, including sharing relevant information with the regulator.

The first full audit by the UKFCA was clean with no conditions attached.

### Accredited Body Committee

#### Chairman:

Nicholas Parkes, Chartered FCSI  
Managing Director, Novitas Partners



Ian Cornwall, Chartered FCSI	Director, Regulation, Wealth Management Association
Frank Dolan, Chartered MCSI	Investment Director, Novatis Asset Management
David Kanolik MCSI	Training Development Manager, IMA
David Loudon, Chartered FCSI	Director, Quilter Cheviot
Alison Taylor	Director, HR, C Hoare & Co
Tina Wishart, Chartered FCSI	Compliance Officer, PSigma Investment Management

## Membership

The CISI believes that integrity is a key component of professionalism and in support of our objective of developing high ethical standards for financial practitioners and promoting such standards in the UK and internationally, the CISI has encouraged its members to undertake an Integrity test in support of this initiative.

Taking into account the normal lapsing of members which takes place every year – some 12% of core members did not renew their membership. At the end of March 2014, there were 19,187 core members and more than 21,323 student members.

The 2013 members' survey demonstrated that members feel the Institute is value for money with members choosing the CISI CPD Scheme, CPD Events and designatory letters as the top three benefits, followed by IntegrityMatters.

The Membership Committee focused on apprenticeships for younger people and a review of individual Chartered status upgrades.

## Social Media

The CISI saw a significant growth in social media activity in 2013/2014 – through the distribution of greater Institute – generated content and engagement with members and prospective members. We achieved the objective of 7,000 combined Twitter followers and LinkedIn members in October 2013 and at 31 March 2014 recorded 1,989 followers on Twitter and 6,450 LinkedIn Group members (an increase of 65.1% on the previous financial year) to total 8,439.

Twitter highlights included event specific hashtags for all CISI gala events and live tweeting at the 2013 Annual Conference, the Training & Competence Conference and the Annual Integrity Debate.

We increased the number of CISI member groups on LinkedIn from three to eight, with new groups for East Midlands & Lincoln, Bristol and Bath, Southern, Liverpool & North Wales and Manchester & District. These groups enable members to communicate and interact on a local level and we plan to extend this both in the UK and internationally.



*CISI members at an event*



*CISI Affiliate Selvie Shaquri, Associate Director and Partner at Boudicca Proxy Consultants with CISI Senior Adviser George Littlejohn MCS1*



*CISI members Nick Hungerford FCSI, Chief Executive Officer, Nutmeg and Joseph Somerville, Associate 2, Proposition Governance at Coutts & Co*



*CISI Integrity and Ethics Committee members Ben Blackett-Ord, CEO of Bovill, Ann Roughead, CEO, Abovewealth and Richard Charnock, Chartered FCSI, CEO, Standard Life Wealth and CISI Board member*

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# INVEST

**CISI**  
CHARTERED INSTITUTE FOR  
SECURITIES & INVESTMENT

Join 40,000 finance professionals  
enjoying the returns of membership

*Charitable Objective 3: To act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investments in securities.*



*Integrity Word is my Bond campaign in Waverley Station, Edinburgh*



*Integrity Invest in Yourself membership campaign in Leeds*



*Integrity Invest in Yourself membership campaign in Canary Wharf*



*Integrity Invest in Yourself membership campaign in London Bridge*



## Website

MyCISI, our online portal for members, was improved in June 2013 to increase engagement with CISI members, offer a more personalised service, improve member communication, introduce a new 'MyBranch' feature and generally make it easier to navigate than the CISI website.

The integration of greater technology into CISI marketing efforts was another highlight in 2013/2014. We complemented the promotion of CISI events with the development and release of a CISI Events App, the first CISI App to be available via the Apple App Store and Google Play and we maximised in-house multimedia resources to produce 15 short promotional videos to support marketing campaigns. We also developed an Anti-Money Laundering App available worldwide via Apple App Store and are currently developing other versions.

## Live Webcasts

Given the evident interest from the industry in online learning, CISI members have benefited from an increase in the number of webinars held, with three in the previous 12 months. Global members stand to benefit further in 2014, with more webinar events planned.

## Roadshows

One of the CPD highlights of the past year was the regional roadshow. The CISI Executive Team travelled across the regions to deliver a presentation on the latest developments in meeting and documenting CPD obligations. Members were advised on the move to Structured and Unstructured learning, and guided on how to record learning objectives. This was supported by a booklet on how to use the CISI scheme to meet CPD requirements and one covering the Jersey Regulator's Review of Financial Advice. There were 18 sessions held between October 2013 and February 2014.

## Financial Services Practitioners Panel

During the year, the Compliance Forum had two meetings with the Financial Services Practitioner Panel's (FSPP's) Secretariat. Regulatory issues presented on behalf of the Forum's 1,000 plus members included the UKFCA website, the signing of attestations by compliance officers, and especially the variety, lack of priority rating and volume of UKFCA communications to firms. The FSPP provided encouraging general feedback on its discussions with the UKFCA on these points.

## Ofqual

Ofqual requires an annual statement of Compliance with its complex and far-reaching general conditions. The Self-Evaluation Panel reported to the Board in March that the CISI was fully compliant with the conditions, and the Board was able to endorse this conclusion. The Board thanks the members of the Self-Evaluation Panel for their rigorous scrutiny of the processes and standards of the Awarding Body.

## pfeg

In September 2013, the Department for Education announced financial education's place in the new National Curriculum for England, in Key Stage 3 mathematics and Key Stage 3 and 4 Citizenship education, taking effect from the start of the 2014/15 academic year. In February 2014, the Institute entered into a partnership with pfeg (Personal Finance Education Group) to produce and disseminate teaching guidance and materials for the financial literacy elements contained within the new Citizenship programme of study. Work has already begun, with this free resource being made available during the summer of 2014 to those delivering and co-ordinating Citizenship education at Key Stages 3 and 4.

## Thought Leadership CPD

The CISI's CPD scheme has led to considerable interest and attention by firms in changing their own schemes, particularly around how learning can be measured and monitored.



CISI Annual Conference, Events and Anti-Money Laundering apps



Alan Ramsay FCSI(Hon) and Christopher Bond, Chartered MCSI, Senior Adviser at the CISI – author of the CISI magazine - Change – the regulatory update

## Securities & Investment Review

The S&IR continued to help CISI members around the world maintain their competence by providing topical analysis of key developments within the financial services industry.

Issues covered included an in-depth analysis of the impact of the Retail Distribution Review, a year on from its implementation; an analysis of why behavioural finance is being viewed by regulators as of growing importance and a look into the rapid rise of Bitcoin.

The publication featured a string of high-profile interviewees, which included Sir Win Bischoff and Douglas Flint CBE, Chairmen of Lloyds Banking Group and HSBC respectively; Natalie Ceeney OBE, Chief Executive of the Financial Ombudsman Service and Professor Albert Roth, winner of the Nobel prize for economics. The agenda-setting content of the magazine was highlighted by media interest in its leader column, City View.

Among the articles that attracted coverage was one which looked at credit unions and questioned whether they offer a viable alternative to payday lending. During the year, the CISI asked members for their feedback on the magazine and this information helped to shape a redevelopment of the magazine. As a result, two new versions of the S&IR are being launched in 2014. A new tablet and smartphone-friendly digital edition of the S&IR will be updated on a weekly basis and a bigger and more engaging printed issue will be produced every three months.

## Review of Financial Markets

As part of the redevelopment of the S&IR, the first edition of a new CISI academic journal, Review of Financial Markets, was included in the March 2014 edition of the magazine. The 12-page journal featured original, blind peer-reviewed and cutting edge research related to wealth management, capital markets and banking. The journal is edited by Moorad Choudhry FCSI, Visiting Professor at the Department of Mathematical Sciences, Brunel University. He chairs a panel of practitioners and academics who will oversee content.

The launch edition included a review of high-frequency trading and flash crashes by two Professors from the School of Business at Singapore Management University.

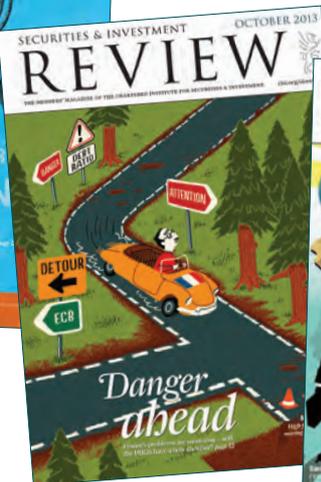
The CISI is inviting members to put forward their own research papers for consideration for publication in the journal, which will be published quarterly within the S&IR.

## Editorial Panel

**Chairman:**  
Peter Land, Chartered FCSI  
Divisional Director,



Brewin Dolphin	
Suren Chellappah FCSI	Chief Operating Officer / Chief Financial Officer and Head of Risk, Sanford C. Bernstein
Professor Moorad Choudhry FCSI	Visiting Professor at the Department of Mathematical Sciences, Brunel University
Simon Culhane, Chartered FCSI	Chief Executive, CISI
Scott Dobbie CBE FCSI(Hon)	Senior Adviser, Deutsche Bank
Mike Gould FCSI	Senior Adviser, IMA
Amy Lazenby, Chartered FCSI	Investment Director, Close Brothers Asset Management
Jeannette Lichner MCSI	Senior Managing Director, FTI Consulting
George Littlejohn MCSI	Senior Adviser, CISI
Gregor Logan MCSI	Adviser, Family Investment and Nutmeg
Paul Loughlin, Chartered MCSI	Deputy Chief Operating Officer, Rathbones
Robert Merrifield, Chartered FCSI	
Frank Reardon, Chartered FCSI	Head of Investment Administration, JM Finn & Co
Patricia Robertson, Chartered FCSI	Director, Westport Global
Jeremy Robinson, Chartered FCSI	Investment Manager, Charles Stanley
Nimrod Schwarzmann	
Dr Arjuna Sittampalam, Chartered MCSI	Managing Director, Sage & Hermes
Nigel Sydenham, Chartered FCSI	Tutor, CCL Academy
Alan Yarrow, Chartered FCSI(Hon)	Chairman, CISI



## Investment Management Review

The Investment Management Review provides comprehensive coverage and analysis of the latest key global developments across all sectors of the asset management industry. Written and edited by Dr Arjuna Sittampalam, Chartered MCSI, Founder and Managing Director of Sage & Hermes, the quarterly magazine features reviews and critical analysis of information and articles drawn from leading worldwide sources and contributions from industry experts. The aim of the publication is to raise awareness about issues of potential long-term significance, ignoring areas of short-term consequence. The Investment Management Review is available exclusively to Members and Fellows in an online version, as well as via the CISI Publications App. Fellows are entitled to receive it in hard copy.

## Marketing

Following the success of the Institute's first significant advertising campaign in March 2013, the CISI implemented phase two in September 2013 further promoting the Institute's work to raise professional standards. The advertising theme was 'WORD, Mine is my Bond. Is it yours?' Outdoor billboard sites were carefully chosen at Bank underground station in the heart of the City of London, and in Canary Wharf, Birmingham, Leeds, Edinburgh and Dublin.

The Institute's marketing focus moved from integrity to membership and a new broader global branding statement was developed – INVEST in Yourself. This led to an integrated campaign being implemented across London and the UK in March 2014 with the advertising message and imagery being specifically tailored to the target audience and location - London, Leeds and Glasgow.

The Institute again celebrated the success of CISI Award Ceremony achievers in Singapore by running a six-week billboard at Raffles Place Metro Station, the hub of the local financial services district. The campaign was a two-part approach – the first three-week block featured the names of all achievers and the second three week block featured four global IOC Award winners with the theme 'Singapore Talent, Global Recognition' – a strong positive message for the local market and for awareness of the CISI within financial services in Singapore. This can be seen on page 22.

## Operations

To enable us to maintain a level of service, we have introduced clearly measured and openly displayed service level performance screens which are used to not only measure the service levels being met, but also to enable us to reallocate resources within the department to meet peaks in demand.

## Contract Renewal - computer testing services

Prometric has provided our Computer Based Testing (CBT) services since we migrated from 'pencil and paper' testing ten years ago and its second five-year contract with us ended in October 2013. After a competitive tender, we were pleased to renew the contract with them.

## Colombo Progress

Our second Operations centre, in Colombo, Sri Lanka has been fully operational for more than three years. We opened the office with seven staff, but its success has resulted in an increase to 15. The Colombo team deals primarily with customer enquiries and processing exam bookings for clients locally in Sri Lanka, Asia, India, Singapore and the Middle East.

We are able to provide a higher level of customer service, with opening times extended to 14 hours a day Monday to Friday and an additional eight hours on Sundays. Time differences between London and Colombo and better use of technology have enabled us to offer improved service and efficiency whilst keeping costs down. Managing and supporting an operations office remotely has its challenges, but the investment is paying dividends in increased customer satisfaction and improved service levels.

## Automated SPS

We are approaching completion of the automated system for members renewing their SPS. We expect more than 90% of renewals to be completed online.

## Membership Billing

We have invested in online improvements for firms to pay their employees' membership subscriptions. Firms can now quickly and easily amend their list of members and include their SPS renewal fees before submitting this for the invoice to be generated and the renewals to be automatically actioned.

The next stage of automation is underway to enable those who qualify to become members, or are eligible to upgrade their level of membership online can do so with little more than a few clicks.



CISI Colombo office, Sri Lanka

## TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year from 1 April 2013 to 31 March 2014. The Chartered Institute for Securities & Investment ("CISI") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company was incorporated by Royal Charter (Registration No. RC00834), and is governed by said Charter and its associated Bye Laws. The group results combine the results of the charity with the results of the following:

- a) Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned subsidiary, which runs the trading activities of the Institute.
- b) Securities & Investment Institute, a registered charity number 1036566 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is dormant and a wholly owned subsidiary of CISI.
- c) Chartered Institute for Securities & Investment (India), a wholly owned subsidiary, established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- d) Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore, which runs the trading activities of the Institute in South East Asia.
- e) Securities & Investment Institute (China), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in the People's Republic of China, which runs the consulting activities of the Institute in China.
- f) Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE which runs the consulting activities of the Institute in the Gulf Cooperation Council countries.
- g) Chartered Institute for Securities & Investment (Services) Ltd, a legally registered Sri Lankan branch office of the UK company of the same name, which also provides operational support for the global activities of the Institute.

### Trustees

The following individuals all served as Trustees throughout the year (except where noted).

	Committee
Robert Barnes, Chartered FCSI	
Charlotte Black MCSI	H, J
Fionnuala Carvill, Chartered FCSI	L
Richard Charnock, Chartered FCSI	E
Philippa Foster Back CBE *	E
Chris Harris-Deans, Chartered FCSI	F
Paul Hedges, Chartered FCSI	F
Sir David Howard FCSI(Hon)	B, H, J
David Kane *	
Frank Moxon, Chartered FCSI	C, F
David Nicol, Chartered FCSI	C, H, J
Nick Parkes, Chartered FCSI	A
Tony Stewart-Jones FCSI	C, E
Richard Stockdale, Chartered FCSI	
Nick Swales, Chartered FCSI	B, D, K
Richard Wastcoat *	I, J
Martin Watkins, Chartered FCSI	F
Alan Yarrow, Chartered FCSI(Hon) (Chairman)	F, G, H, I, J

The Trustees, all of whom are non-executive, are elected by the members (except for co-optees who are appointed by the Board) at the Annual General Meeting for a term of office of three years. None of the Trustees had any interest in the company or its subsidiaries.

The Trustees served on the following Committees:

A	Accredited Body
B	Examinations Board
C	Audit Committee
D	Education
E	Integrity & Ethics Committee
F	Membership Committee
G	Securities & Investment Review Editorial Panel
H	Nomination Committee
I	International Committee
J	Remuneration Committee
K	Investment Committee
L	Educational Trust

\* denotes a co-opted Trustee

## INVESTMENT POWERS

The Institute's Charter provides the Board with the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to such conditions and with such sanction as may for the time being be imposed or required by law.

## ORGANISATION

The Institute comprises the non-executive Board of Trustees shown above, including up to three Board appointed co-opted Trustees, which decides upon strategic and policy matters. The executive staff are organised into the departments of qualifications, membership & professional development, operations, international, corporate governance & support and services (Chartered Institute for Securities & Investment (Services) Ltd).

### Chief Executive

Simon Culhane, Chartered FCSI

### Managing Director

Ruth Martin

### Director of Global Business Development

Kevin Moore, Chartered MCSI

### Global Director of Finance and IT

Edward Brunel-Cohen, FCA, Chartered MCSI

## FUTURE ACTIVITIES

The CISI's key objectives for 2014/15 are to:

1. Continue to expand our overseas exams network in order to further our global objective to advance knowledge in our field, aiming to increase the number of exams sat abroad by at least 9%.
2. Build on our current success in developing our online CISI TV audience, we aim to expand the number of monthly sessions viewed from 12,000 to 14,000.
3. Enhance our involvement in the field of further/higher education by enrolling at least 50 UK schools into our new A Level exam programme.
4. In furtherance of our objective, promote integrity and ethics in the market, we will be adding the topics of whistleblowing and corporate governance to the range of seminars that we present to practitioners.
5. With the aim of developing expertise in our field, offer CISI qualifications to at least 500 new apprentices.

## REVIEW OF FINANCIAL POSITION

The Institute has continued to maintain its healthy financial position, with free reserves now nearing nine months' operating costs, considered by the Trustees as prudent (see reserves policy below). This year the Institute saw an increase in group funds of £974,440 (2013: £853,327), bringing net assets up to £8,973,110 (2013: £7,998,670). During the year, funds were applied towards achieving the Institute's main objectives through the provision of relevant qualifications, membership, events and learning resources.

The Institute's wholly owned UK subsidiary trading company, which is established to undertake the commercial activities of the Institute, recorded a profit before tax, and before the donation under gift aid, of £52,045 (2013: £25,497).

The Chartered Institute for Securities & Investment continues to remain financially independent, deriving funding through fees charged in relation to its charitable activities, such as individual membership, exams, and professional development events.

## RESERVES POLICY

The Institute has high operational gearing in a cyclical industry and therefore requires sufficient reserves to draw upon during times of industry downturn and to meet its charitable objectives. The Board has therefore adopted a policy of maintaining free reserves at a level that is equivalent to between six and ten months' running costs. At the year end the total free reserves of the Institute amounted to £8,914,790 (2013: £7,925,032), which represented slightly less than nine months' running costs. While first discharging its obligations and carrying out its strategic plans, the Board hopes that, in the medium term, the Institute will be able to accumulate reserves closer to the upper end of the policy range. This policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. Such a review has been conducted during the year, including reviewing rates of interest received from the Charity's deposit facilities utilised, to ensure that the Institute's investments continue to contribute effectively to the achievement of the aims of the organisation and are in line with the adopted policy. The policy of the Charity with regard to payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

## INVESTMENT POLICY

The Board has delegated the regular review and supervision of the investment of surplus funds to an Investment Sub-Committee (ISC), appointed by the Board and comprising suitably experienced Trustees, which is tasked with addressing the maintenance of a short-term cash portfolio and a medium to long-term capital portfolio.

### The Cash Portfolio

This will consist of deposit accounts of various duration with institutions the ISC recommends, based on a review of credit risk, rates offered and administrative issues. When required, and provided they meet pre-agreed risk tolerances set by the Board, the ISC has the Board's authority to approve the opening of new deposit accounts; otherwise, any recommendations must first be considered by the Board. There should be a spread of accounts and they will be reviewed regularly by the ISC. This cash portfolio will be low risk.

### The Medium to Long-Term Portfolio

The ISC and the Board will discuss the CISI's reserve funds on a regular basis and between them decide when and how much capital can be invested for a longer period. These funds will then fall within the Medium to Long Term Portfolio (MLTP) where there will be widest investment powers.

Funds in the MLTP will be invested with a view to achieving a total return in excess of that achievable on cash deposit over the medium to long term (three to five years). The risk profile of the MLTP will be medium risk. The ISC will appoint qualified fund managers to manage the funds on a discretionary mandate and they will be expected to report to the ISC on a six-monthly basis to a given benchmark agreed at the time of appointment. The Director of Finance will also monitor progress of the investments on a regular basis.

The ISC will monitor the investments and review new opportunities on a regular basis; however, any appointment of managers will require the Board to delegate authority to the ISC on a case by case basis.

The Board and the ISC will consider styles of investment and any ethical or other restrictions it may have on a regular basis.

## CHARITABLE GRANTS

In 2010, an independent charity, the Chartered Institute for Securities & Investment Educational Trust, was formed. The CISI is a corporate trustee of this charity, but the other trustees are all independent from the main board of the Institute. Its objectives are “to promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investment”. During the year, the Institute donated £500,000 to this charity.

## VOLUNTEERS

The Institute derives benefit from the services of unpaid volunteers, by virtue of the time given by its Trustees (other than the Chairman who is remunerated for his services) and by practitioners who serve on various committees and panels. No donations in kind were received during the year.

## RELATIONSHIPS WITH OTHER BODIES

In pursuit of its charitable objectives, the Institute provides relevant qualifications to the securities and investment industry, certain of which are on the Financial Skills Partnership's (formerly known as the Financial Services Skills Council) list of appropriate exams. The Institute is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is recognised by Ofqual as an awarding body for the securities and investment industry, and is also accredited by the UKFCA for the issuance of Statements of Professional Standing to retail investment advisers.

## FIXED ASSETS

During the year, the Institute purchased tangible fixed assets amounting to £45,031 (2013: £62,674).

## RESULTS

A summary of the results for the financial year are shown on pages 50 to 51. The group's net retained resources for the year, including investment gains of £92,997, were £974,440 (2013: £853,327).

## CORPORATE GOVERNANCE

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to guidance in respect of public benefit published by the Charity Commission.

### Board

The Board of the Chartered Institute for Securities & Investment normally meets six times per year and comprises all non-executive Trustees. The Trustees are typically employed in senior positions within firms operating in the securities industry. They are identified by existing Board members for their expertise or nominated by members of the Institute. Up to 15 Trustees are elected for a term of three years, either by a ballot of the membership at the AGM, or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the charity's articles.

Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election, or appointment, the new Trustees are given an induction which contains information on the Institute, its activities and their responsibilities under charity law. The Board appoints the

Chairman and the Chief Executive. The Chief Executive is not a Trustee. At its meetings, the Board considers matters including:

- policy and strategy;
- financial performance, including annual budgets;
- responses to industry consultation papers; and
- reports from the standing committees.

The executive staff of the Institute submits management information to the Trustees to enable them to discharge their duties. The Trustees may take independent advice at the charity's expense.

## Committees

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on page 46. Those committees to which the Board has delegated powers have specific terms of reference. The Audit Committee is chaired by David Nicol CA, Chartered FCSI.

## Trustees' Remuneration

All Trustees give their time freely and are not paid for their trusteeship, with the exception of the Chairman who is remunerated for his services.

## Key Risks

The following are the key risks assessed as the most significant for the Institute:

1. IT systems;
2. Reputational risk;
3. Loss of key staff;
4. Data security and integrity; and
5. Regulatory compliance

## Internal Control and Risk Management

The Trustees acknowledge that they are responsible for the maintenance of an effective system of internal control. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Trustees have considered the major business risks and control objectives relevant to the Institute and controls were found to be appropriate and generally satisfactory. However, as part of an overall and continuing drive for quality, an ongoing review of internal controls is addressing those areas where controls may be improved. The Institute's control objectives include:

- the maintenance of the industry's confidence in the Institute's relevance, integrity and status;
- the identification and evaluation of business risks, through regular risk assessment and review, and the direction of operating and financial strategy;
- the nurturing of high ethical standards, effective communications and a strong overall control environment;
- the safeguarding of the assets of the Institute and the effective use of resources; and
- the promotion of detailed financial and operational controls necessary for the production of reliable and up-to-date financial information.

The Board has conducted a review of the effectiveness of the system of internal control for the year ended 31 March 2014. In pursuit of the above control objectives the Institute has in place a number of key internal controls and processes that include:

- liaising with its members and their employers to ensure the Institute's continued relevance;
- formally identifying, evaluating and reviewing risks;
- communicating the high standards of behaviour expected of its employees by inclusion of the Institute's code of conduct in employment contracts and additionally, through formal objective setting and performance appraisal schemes, including regularly identifying and taking action to satisfy training needs;
- creating a secure environment to protect the charity's assets and regularly reviewing management information to ensure the effective use of resources;
- seeking legal protection for CISI trademarks and domain names by registering them in appropriate jurisdictions;
- operating signing limits to ensure that the charity cannot be committed financially without proper authority, and producing regular financial reports for Board review which include estimates and judgments made by the business managers.

The Institute's Audit Committee currently comprises three non-executive Trustees. Its scope includes the assessment of the cost effectiveness of the external Auditors, consideration of the financial statements of the Chartered Institute for Securities & Investment and the consideration of any internal control matters, which may be brought to its attention. The Board has reviewed the need for an internal audit function and does not consider that such a function is necessary given the size and nature of its operations.

## REGISTERED OFFICE AND PROFESSIONAL ADVISERS

Registered Office	8 Eastcheap London EC3M 1AE
Solicitors	Bircham Dyson Bell LLP 50 Broadway London SW1H 0BL
Auditors	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Bankers	Bank of Scotland 600 Gorgie Road Edinburgh EH11 3XP

Approved by the Board of Trustees on 17 July 2014 and signed on behalf of the Board by



Alan Yarrow, Chartered FCSI(Hon)  
Chairman

## REPORT BY THE TRUSTEES ON THE SUMMARISED FINANCIAL STATEMENTS

The summarised financial statements set out below on pages 50 to 51 are extracted from the full statutory Trustees' annual report and financial statements which were approved by the Trustees and signed on their behalf on 17 July 2014. The full financial statements, on which the auditors Crowe Clark Whitehill LLP gave an unqualified audit report on 21 July 2014, will be submitted to the Charity Commission following the AGM on 25 September 2014.

The auditors have confirmed to the trustees that, in their opinion, the summarised financial statements are consistent with the full financial statements for the year ended 31 March 2014.

These summarised financial statements may not contain sufficient information to gain a complete understanding of the financial affairs of the charity. The full statutory Trustees' report, financial statements and auditors' report may be obtained from the Chartered Institute for Securities & Investment, 8 Eastcheap, London EC3M 1AE. They are also available online at [www.cisi.org](http://www.cisi.org).

Signed on behalf of the Board of Trustees on 17 July 2014.



Alan Yarrow, Chartered FCSI(Hon)  
Chairman



David Nicol CA, Chartered FCSI  
Trustee

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2014

	2014	2013
	£	£
<b>INCOMING RESOURCES</b>		
Incoming resources from charitable activities:		
Membership subscriptions	3,539,834	3,141,581
Membership entry fees	55,150	41,680
Qualifications and development	5,585,175	6,034,764
Publications and conferences	2,855,667	1,822,250
Investment income	100,724	162,364
Other incoming resources	453,180	574,462
<b>TOTAL INCOMING RESOURCES</b>	<b>12,589,730</b>	<b>11,777,101</b>
<b>RESOURCES EXPENDED</b>		
Charitable activities		
Dissemination & advancement of knowledge	7,517,031	7,575,776
Ethics	973,907	873,641
Consultation & research	3,139,448	2,693,018
Total charitable activities	11,630,386	11,142,435
Governance	77,901	82,036
<b>TOTAL RESOURCES EXPENDED</b>	<b>11,708,287</b>	<b>11,224,471</b>
<b>NET INCOMING RESOURCES</b>	<b>881,443</b>	<b>552,630</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>		
investment gains	92,997	300,697
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	<b>974,440</b>	<b>853,327</b>
<b>FUNDS AS AT 1 APRIL 2013 &amp; 2012</b>	<b>7,998,670</b>	<b>7,145,343</b>
<b>FUNDS AS AT 31 MARCH 2014 &amp; 2013</b>	<b>8,973,110</b>	<b>7,998,670</b>

The group's activities derive wholly from continuing activities in the current and preceding year.

## BALANCE SHEETS

As at 31 March 2014

	GROUP		CHARITY	
	2014	2013	2014	2013
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	58,320	73,638	58,320	73,638
Investments	4,146,054	3,453,057	4,396,054	3,453,057
	<u>4,204,374</u>	<u>3,526,695</u>	<u>4,454,374</u>	<u>3,526,695</u>
<b>CURRENT ASSETS</b>				
Stock	12,176	957	12,176	957
Debtors	1,429,747	1,393,061	1,429,747	1,391,061
Cash at bank and in hand	6,525,299	6,020,148	6,524,462	6,019,314
	<u>7,967,222</u>	<u>7,414,166</u>	<u>7,966,385</u>	<u>7,411,332</u>
<b>CREDITORS: amounts falling due within one year</b>	<b>(3,198,486)</b>	<b>(2,942,191)</b>	<b>(3,459,069)</b>	<b>(3,162,259)</b>
<b>NET CURRENT ASSETS</b>	<u><b>4,768,736</b></u>	<u><b>4,471,975</b></u>	<u><b>4,507,316</b></u>	<u><b>4,249,073</b></u>
<b>TOTAL NET ASSETS</b>	<u><u><b>8,973,110</b></u></u>	<u><u><b>7,998,670</b></u></u>	<u><u><b>8,961,690</b></u></u>	<u><u><b>7,775,768</b></u></u>
<b>REPRESENTED BY:</b>				
Unrestricted income fund	<u><u>8,973,110</u></u>	<u><u>7,998,670</u></u>	<u><u>8,961,690</u></u>	<u><u>7,775,768</u></u>

Being a CISI corporate supporter demonstrates a firm's commitment to ensuring its staff are amongst the most professional and best trained in the industry. The following firms seek to uphold the highest standards of integrity and support the CISI Code of Conduct:



CORPORATE SUPPORTER

**Aberdeen**



Wealth Management from Schroders

CHARLES STANLEY



KILLIK & Co



Morgan Stanley



NOMURA



QUILTER CHEVIOT  
INVESTMENT MANAGEMENT

RATHBONES  
Established 1742



RBC Wealth Management



Smith & Williamson



Hambros



ACPI Investments  
Alpari  
Bank Leumi  
Bank of London & the Middle East  
BDO Investment Management  
Beaufort Securities  
Bestinvest  
Black Tower  
Butterfield Private Bank  
C.Hoare & Co.  
Capital International Group  
Cardale Asset Management  
Cave & Sons Stockbrokers  
Cavendish Asset Management  
CCLA Investment Management

Cenkos Securities  
Chase Belgrave  
Close Asset Management  
Collins Sarri Stratham Investments  
Credo Capital  
Duncan Lawrie Asset Management  
Falcon Private Wealth  
Fogwill & Jones Asset Management  
Gore Browne Investment Management  
Hargreave Hale  
Heartwood Wealth Management  
Highfield Financial Management

Interactive Investor  
James Brearley & Sons  
Jefferies International  
JM Finn & Co  
Jupiter Unit Trust Managers  
Kotak Mahindra (UK)  
Lombard Odier Darier Hentsch (UK)  
Mirabaud Asset Management  
Multrees Investor Services  
MPL Wealth Management  
N W Brown  
OCBC Bank  
Odey Wealth Management  
Premier Asset Management  
Prestige Asset Management

Psigma Investment Management  
Ravenscroft  
SandAire  
Sarasin & Partners  
Seven Investment Management  
Speirs & Jeffrey  
Stonehage  
Sanlam Private Investments UK  
TD Direct Investing  
Thesis Asset Management  
Vartan & Son Stockbrokers  
Vestra Wealth  
Walker Crips  
World First  
XCAP