

NFM – IUA SUMMARY NOTE

APPENDIX

Framing the scope of application of the new COCON requirements

1.3.7 G: Private or personal life and COCON

Description of conduct	Whether generally within the scope of COCON 1.1.6R to COCON 1.1.7R
Misconduct by M in relation to a fellow member of the workforce while both are on their firm's premises.	Yes
Misconduct by M in relation to a fellow member of the workforce while M is working remotely for their firm.	Yes
Misconduct by M in relation to a family member while M is working remotely for their firm	No
Misconduct by M in relation to a member of the public while M is commuting to or from their firm's place of business for work.	No
Misconduct by M in relation to a fellow member of the workforce when both are travelling to a meeting in which they will represent their firm.	Yes
Misconduct by M in relation to a client at a business meeting in which M is representing their firm.	Yes
Misconduct by M in relation to a fellow member of the workforce at a social occasion organised by their firm.	Yes
Misconduct by M in relation to a fellow member of the workforce at a social occasion organised by M or another member of the workforce in their personal capacity.	No - However: (1) An occasion organised by a manager may be within the scope of COCON, taking into account that the manager's direct reports may feel obliged to attend. (2) If the event takes place after a firm event but at a separate location or venue, it may be within the scope of COCON if it is a continuation of the first event or if the conduct started at the first event and continued in the new venue. Otherwise, COCON is likely to cease to apply because the connection between the event and the activities of the firm has been lost.

1) 'M' refers to the member of a firm's conduct rules staff carrying out the conduct in question - (2) 'Yes' means that, in accordance with COCON 1.3.5G(3)(a), the scenario is based on a factor that points towards the conduct being within COCON 1.1.6R to COCON 1.1.7R and thus within the scope of COCON unless excluded by COCON 1.1.1AR to COCON 1.1.5AR (To whom does it apply?), COCON 1.1.7AR to COCON 1.1.7FR or by COCON 1.1.8BR to COCON 1.1.11CR (Where does it apply?). (3) 'No' means that, in accordance with COCON 1.3.5G(3)(b), the scenario is based on a factor that points towards the conduct being outside COCON 1.1.6R to COCON 1.1.7R and thus outside the scope of COCON.

Framing the scope of application of the new COCON requirements

1.3.7 G: Private or personal life and COCON

Description of conduct	Whether generally within the scope of COCON 1.1.6R to COCON 1.1.7R
<p>Misconduct by M at a social occasion, a meeting, a round table, an awards ceremony, a training course or a workshop, in each case organised by a client of their firm, another firm, an industry body, a training organisation or a regulator, in which they will represent their firm or where the main reason for the invitation is their working for their firm.</p>	<p>Yes</p>
<p>M is a member of a profession (such as an accountant, actuary or lawyer) and practises that profession in their job with their firm. M carries out misconduct at an event organised by a third party to meet the professional requirements of that profession or by the regulator of that profession.</p>	<p>Yes</p>
<p>M publishes material on a personal social media account (including sending it on a messaging app) held by M. As this table only covers whether conduct takes place in M's private life (and hence is outside the scope of COCON under COCON 1.1.6R to COCON 1.1.7R), this example assumes that the publication would otherwise breach COCON</p>	<p>This is an example of how it is not possible to give a definitive answer to a scenario based on a single element. Factors to take into account include:</p> <ul style="list-style-type: none"> • whether the material is directed at a fellow member of the workforce (if it is, that points towards the conduct being within scope); • whether there is another connection between M and the subject of the misconduct that is not based on M's work with their firm (if there is such a connection, that may point away from the application of COCON); • whether it is part of a course of conduct that includes other incidents that are more closely connected with M's work at the firm; • whether the content of the social media posts is related to work at the firm; • whether M uses a work-issued device. The fact that M uploads the posts during working hours or while on the firm's premises is not a strong factor pointing towards the application of COCON. If the conduct takes place over the firm's systems (for instance through the firm's e-mail system) it is likely to be within the scope of COCON.

1) 'M' refers to the member of a firm's conduct rules staff carrying out the conduct in question - (2) 'Yes' means that, in accordance with COCON 1.3.5G(3)(a), the scenario is based on a factor that points towards the conduct being within COCON 1.1.6R to COCON 1.1.7R and thus within the scope of COCON unless excluded by COCON 1.1.1AR to COCON 1.1.5AR (To whom does it apply?), COCON 1.1.7AR to COCON 1.1.7FR or by COCON 1.1.8BR to COCON 1.1.11CR (Where does it apply?). (3) 'No' means that, in accordance with COCON 1.3.5G(3)(b), the scenario is based on a factor that points towards the conduct being outside COCON 1.1.6R to COCON 1.1.7R and thus outside the scope of COCON.

How does COCON apply to firms with Financial Services (FS) and non-FS business?

1.3.15 G : Table: Application of COCON to a firm with mixed businesses

Description of conduct	Whether generally within the scope of COCON
(1) F's internal audit function covers its entire business without separating the parts that deal with its financial services business and its other business. The conduct rules staff member carrying out the misconduct and the subject of the misconduct work in the internal audit	The conduct is within scope .
(2) Same as (1) except that the subject of the misconduct works outside the internal audit function.	The conduct is within scope even if the subject of the misconduct works for the non financial services part of the business.
(3) F separates the part of its internal audit function that deals with its financial services business from the part that deals with the other part of its business. Both the conduct rules staff member carrying out the misconduct and the subject of the misconduct work in the part of the internal audit function that does not deal with the financial services business.	The conduct is outside scope . It would be within scope if either the conduct rules staff member carrying out the conduct or the subject of the conduct work in the part of the internal audit function that deals with the financial services business.
(4) F's internal audit function covers its entire business as described in (1). Within the function, certain individuals deal with the financial services business, and other individuals deal with the non financial services business. The conduct rules staff member carrying out the misconduct deals with the financial services part of F's business and the subject of the misconduct deals with the non-financial services business or vice versa.	The conduct is within scope
(5) F's internal audit function covers F's and the rest of its group's entire business without separating the parts that deal with the group's financial services business and the group's other business. The conduct rules staff member carrying out the misconduct works in the internal audit function and the subject of the misconduct works in another company in F's group.	The conduct is within scope

1) When the table says that conduct is outside scope, that means that COCON 1.1.7FR does not apply and instead COCON 1.1.7AR or COCON 1.1.7BR applies. 2) When the table says that conduct is within scope, that means that COCON 1.1.7FR applies and the conduct is within the scope of COCON unless excluded by COCON 1.1.1AR to COCON 1.1.5AR (To whom does it apply?) COCON 1.1.6R to COCON 1.1.7R (To what conduct does it apply? (Limitations in the Act)) or by COCON 1.1.8BR to COCON 1.1.11CR (Where does it apply?). (3) See COCON 4.3.16G (Subject of the misconduct) for the meaning of the phrase 'subject of the conduct'. 4) 'F' refers to the firm for which the member of the conduct rules staff carrying out the conduct in question works.

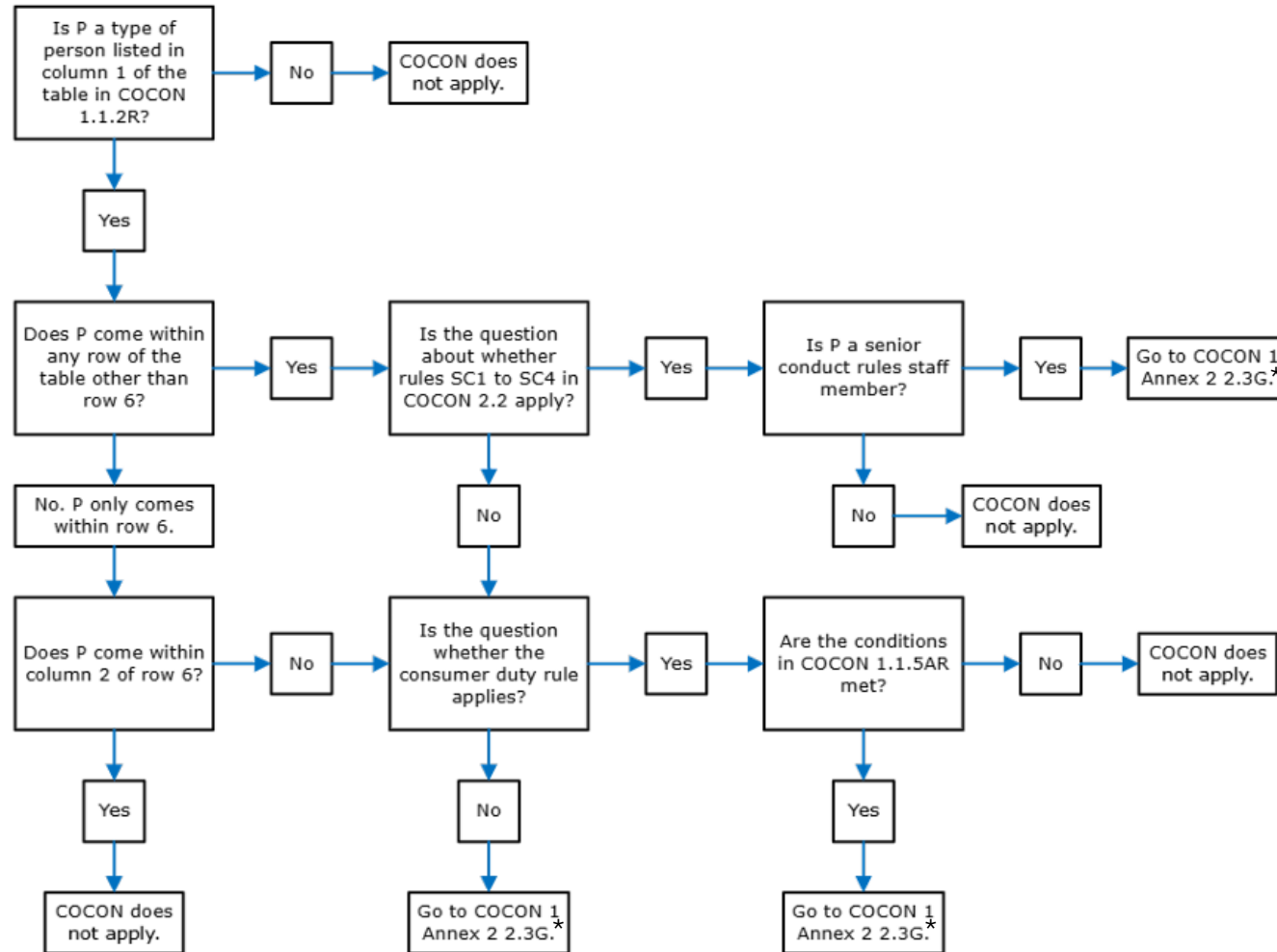
How does COCON apply to firms with Financial Services (FS) and non-FS business?

1.3.15 G : Table: Application of COCON to a firm with mixed businesses

Description of conduct	Whether generally within the scope of COCON
<p>(6) F's internal audit function covers the whole of its group's activities. F separates the part of the internal audit function that deals with the group's financial services business from the part that deals with the other part of the group's business. The conduct rules staff member carrying out the misconduct works in the part of the internal audit function that does not deal with the financial services business. The subject of the misconduct works in another company in the firm's group.</p>	<p>The conduct is outside scope. It is outside scope even if the subject of the misconduct's job involves SMCR financial activities carried out by another company in F's group. This is because, even if the conduct relates to SMCR financial activities, it does not relate to SMCR financial activities carried on by F.</p>

Handbook decision tree for insurers on COCON

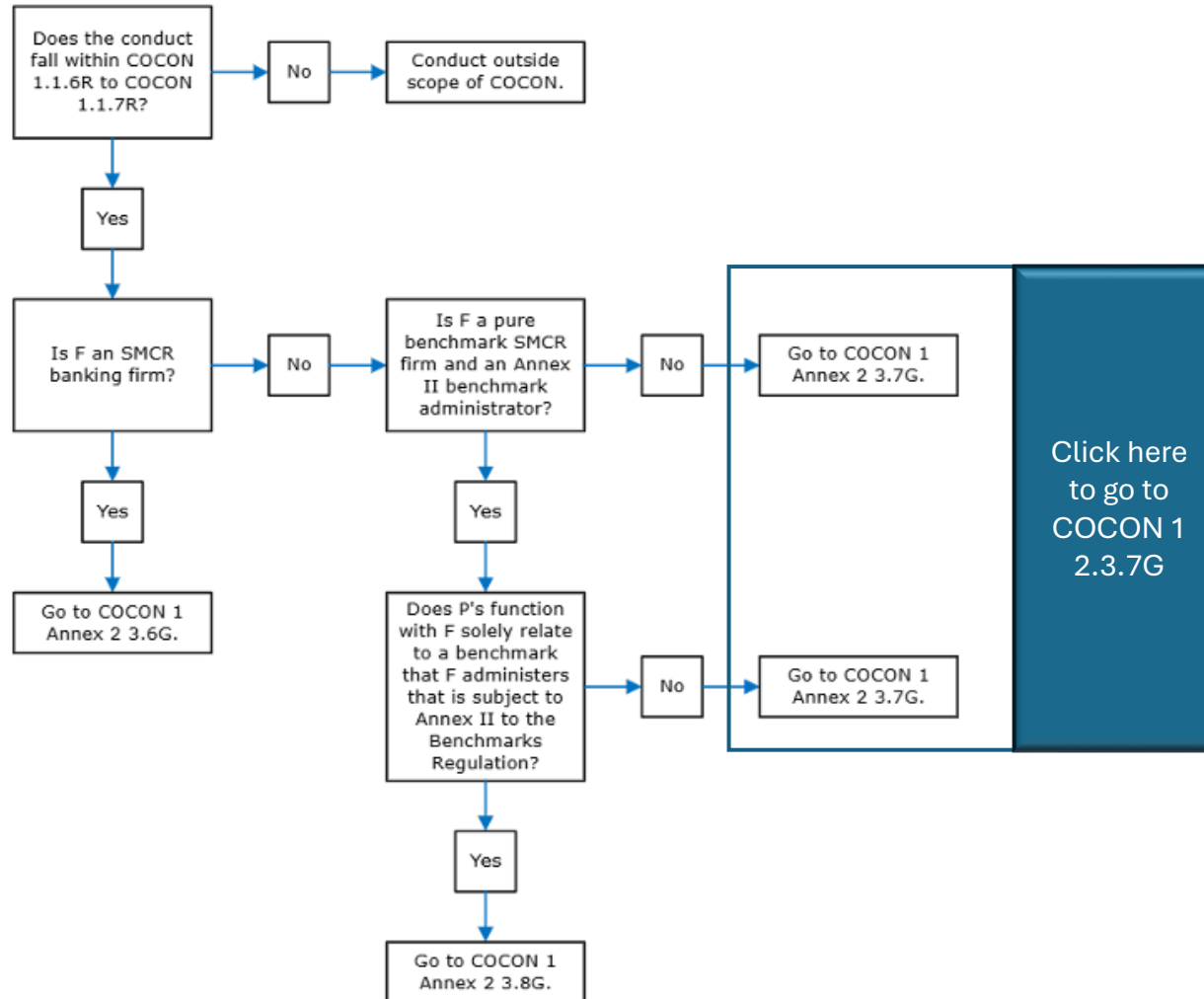
1 Annex 2 2.2 G - Who COCON applies to



*Annex 2 2.3 G: This flow diagram in COCON 1 Annex 2 2.2G does not cover COCON 1.1.4R(2).

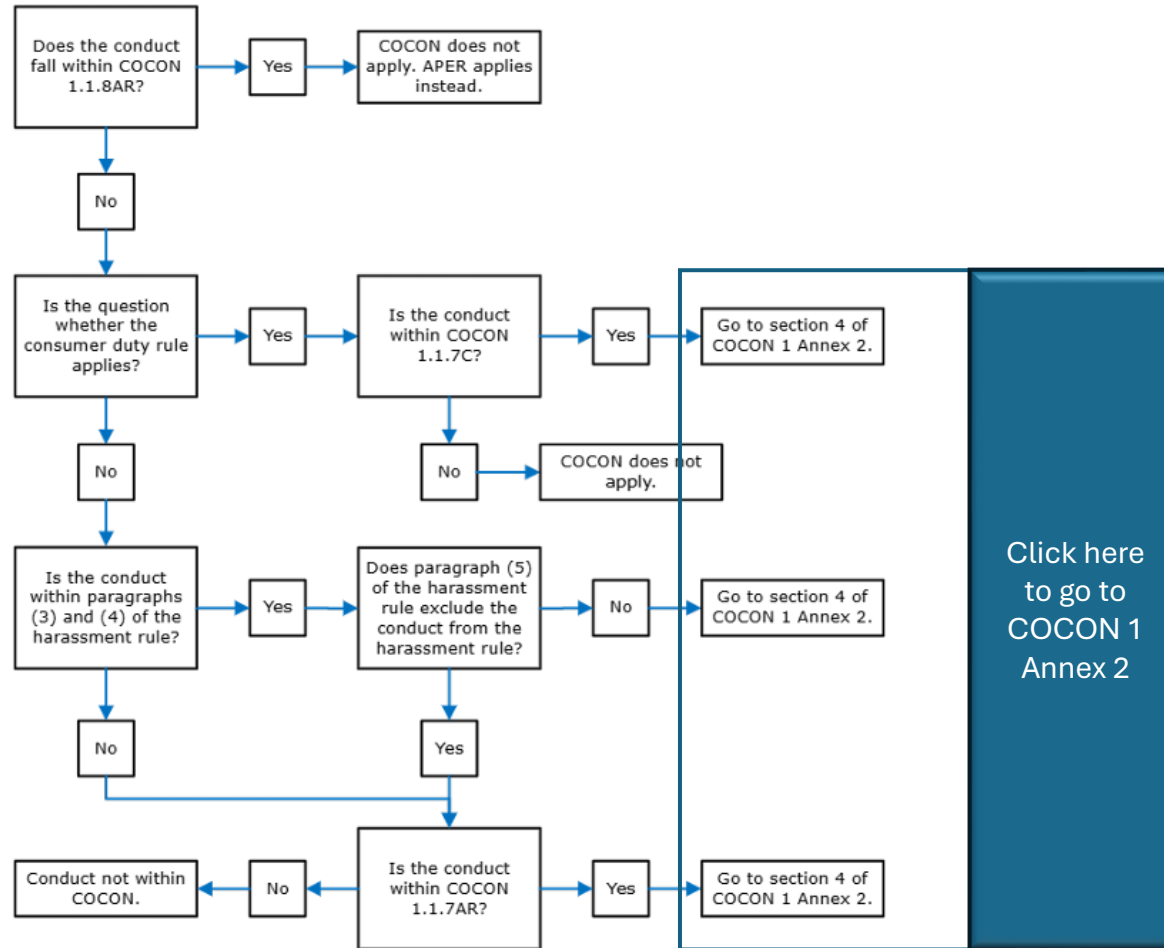
Handbook decision tree for insurers on COCON

1 Annex 2.3.4 G - Who COCON applies to : Questions applicable to all firms



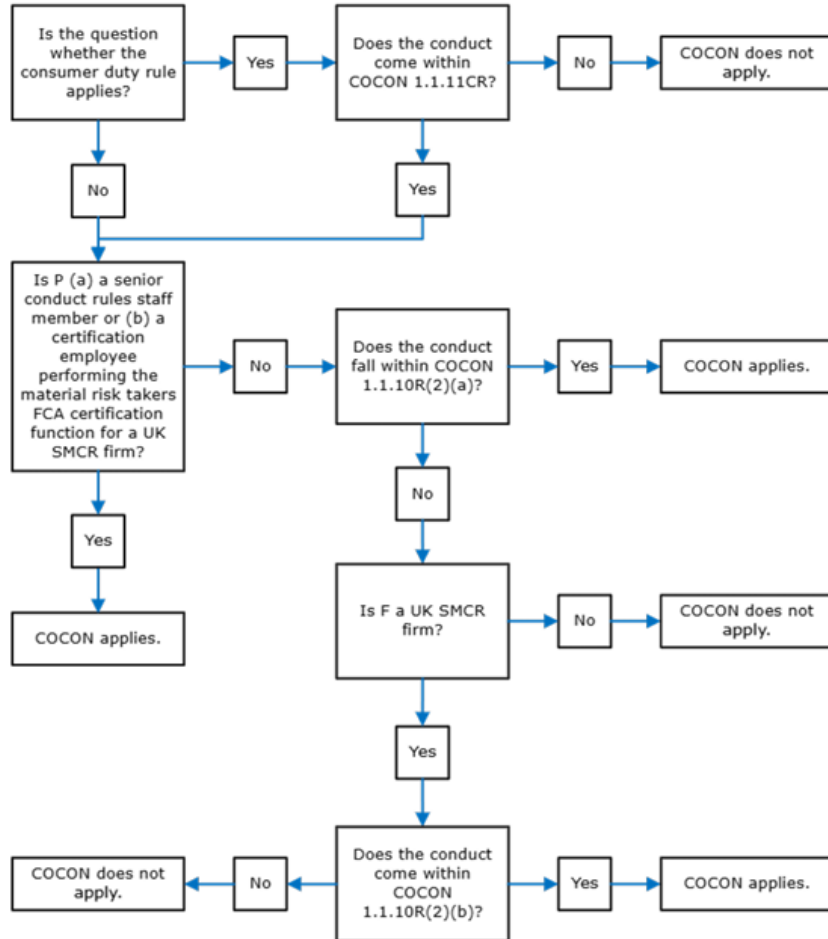
Handbook decision tree for insurers on COCON

1 Annex 2 3.7 G -Firms other than SMCR banking firms or benchmark administrators



Handbook decision tree for insurers on COCON

1 Annex 2 4.2 G -Territorial scope



Back to Annex 2.3.4 G

Back to Annex 2 3.7 G

Anti-Trust Statement



It is the clear and unequivocal policy of IUA to comply in all respects with all applicable competition or antitrust laws. Consequently, the Committee will not participate in any practice that would have the object or effect of restricting competition, nor will it provide a forum to promote anti-competitive conduct. In particular, any discussion or agreement on key commercial terms, such as commercial premiums, is likely in all instances to be unlawful and must be avoided. A competition law [‘Do’s and Don’ts’ guide](#) is available and the IUA is happy to answer any questions on competition law that Committee members may have.