

## Chapter 10

Appropriateness (for non-advised services) (non-MiFID and non-insurance-based investment products provisions)

## 10.1 Application

10.1.1 **R** [deleted]

- 10.1.2 **R**
- (1) This chapter applies to a firm which:
    - (a) arranges or deals in relation to a:
      - (i) *non-readily realisable security*;
      - (ii) *speculative illiquid security*;
      - (iii) *derivative*;
      - (iv) *warrant*; or
      - (v) *unit in a long-term asset fund*,with or for a *retail client*, other than in the course of *MiFID* or *equivalent third country business*;
    - (b) facilitates a *retail client* becoming a lender under a *P2P agreement*;
    - (c) *issues a unit in a long-term asset fund to a retail client*; or
    - (d) transacts in a *qualifying cryptoasset* with or for a *retail client*, and the *firm* is aware, or ought reasonably to be aware, that the application or order is in response to a *direct offer financial promotion*.
  - (2) The *rules* in this chapter also apply to:
    - a *TP firm* (to the extent that the *rule* does not already apply to such a *TP firm* as a result of ■ GEN 2.2.26R); and
    - a *Gibraltar-based firm* to the extent that the *rule* does not already apply to such a *Gibraltar-based firm* as a result of ■ GEN 2.3.1R).
  - (3)
    - (a) This chapter also applies to a *registered person* which transacts in *qualifying cryptoassets* with or for a *retail client* where the *registered person* is aware, or ought reasonably to be aware, that the application or order is in response to a *direct offer financial promotion*, as it applies to an *authorised person*.
    - (b) For the purpose of (3)(a), in this chapter, relevant references to a *firm* include reference to a *registered person*.

10.1.3 **R** [deleted]

**Related rules**

10.1.4

**G**

A firm that is carrying on a *regulated activity* on a non-advised basis, whether or not the *rules* in this chapter apply to its activities, should also consider whether other *rules* in *COBS* apply.