

**Conduct of Business Sourcebook**

# Chapter 20

## With-profits

## 20.1 Application

- 20.1.1** **R** This chapter applies to a *firm* carrying on *with-profits business*, except to the extent modified in the following *rules*.
- 20.1.2** **R**
- (1) The section on the process for *retribution* (■ COBS 20.2.42 R to ■ COBS 20.2.52 G):
    - (a) applies to a *firm* that is proposing to make a *retribution* of its *inherited estate*;
    - (b) but not if, and to the extent that, it would require the *firm* to breach, or would prevent the *firm* from complying with, an order made by a court of competent jurisdiction.
  - (2) If a *firm* proposes to seek an order from a court of competent jurisdiction that would allow or require it to act in a way that is contrary to the *rules* on *retribution* (■ COBS 20.2.42 R to ■ COBS 20.2.52 G) (through, or because of, the exception in (1)(b)), the *firm* must:
    - (a) tell the *appropriate regulator* that that is what it proposes to do;
    - (b) seek the order at the earliest opportunity; and
    - (c) if it wishes to take a step that would be contrary to those *rules* in anticipation of such an order, secure a *waiver* before it does so.
- 20.1.3** **R** [deleted]
- 20.1.3A** **R**
- 20.1.4** **R** The following do not apply to a *non-directive friendly society*:
- (1) ■ COBS 20.3 (Principles and Practices of Financial Management);
  - (2) ■ COBS 20.4 (Communications with with-profits policyholders); and
  - (3) ■ COBS 20.5 (With-profits governance).
- 20.1.5** **R** This chapter does not apply to *with-profits business* that consists of effecting or carrying out *Holloway sickness policies*.