

Chapter 9A

Suitability (MiFID and insurance-based investment products provisions)



9A.4 Record keeping and retention periods for suitability records

Record keeping: MiFID business and insurance-based investment products

9A.4.1 **G** A *firm* to which ■ SYSC 9 applies is required to keep orderly records of its business and internal organisation (see ■ SYSC 9 (General rules on record-keeping)). The records may be expected to reflect the different effect of the requirements in this chapter depending on whether the *client* is a *retail client* or a *professional client*; for example, in respect of information about the *client* which the *firm* must obtain and whether the *firm* is required to provide a *suitability report*.

9A.4.2 **G** A *firm* should refer to ■ SYSC 3.2 and ■ SYSC 3.3 (for insurers and managing agents) and ■ SYSC 9 (for other *firms*) for its obligations in relation to record keeping.

[Note: article 16(7) of *MiFID*]

Retention of records: insurance-based investment products

- 9A.4.3** **R**
- (1) Without prejudice to the application of the *General data protection regulation*, a *firm* must maintain records of the assessment of suitability in relation to *insurance-based investment products* undertaken in accordance with ■ COBS 9A.2.1R and ■ COBS 9A.2.16R.
 - (2) The records maintained under (1) must include the information obtained from the *client* and any documents agreed with the *client*, including documents that set out the rights of the parties and the other terms on which the *firm* will provide services to the *client*.
 - (3) The records must be retained for at least the duration of the relationship between the *firm* and the *client*.

[Note: article 19(1) of the *IDD Regulation*]

Record-keeping obligations for the assessment of suitability: insurance-based investment products

9A.4.4 **R** In the case of an assessment of suitability undertaken in accordance with ■ COBS 9A.2.1R and ■ COBS 9A.2.16R in relation to *insurance-based investment products*, the record maintained under ■ COBS 9A.4.3R must include the following:

- (1) the result of the suitability assessment;

- (2) the recommendation made to the *client* and the statement provided in accordance with ■ COBS 9A.3.3AR;
- (3) any changes made by the *firm* with regard to the suitability assessment, in particular any change to the *client's* risk tolerance;
- (4) any changes to the underlying investment assets.

[Note: article 19(2) of the *IDD Regulation*]