

Disclosure

Chapter 8

Disclosure

8.1 Disclosure

- 8.1.1** **R** (1) Subject to (2) and (3), the requirements in this chapter apply to a *non-SNI MIFIDPRU investment firm*.
- (2) ■ MIFIDPRU 8.2 (Risk management objectives and policies), ■ MIFIDPRU 8.4 (Own funds) and ■ MIFIDPRU 8.5 (Own funds requirements) also apply to an *SNI MIFIDPRU investment firm* that has *additional tier 1 instruments* in issue.
- (3) ■ MIFIDPRU 8.6 (Remuneration policies and practices) applies to every *MIFIDPRU investment firm*.
- (4) ■ MIFIDPRU 8.7 (Investment policy) applies only to a *non-SNI MIFIDPRU investment firm* that does not fall within ■ MIFIDPRU 7.1.4R(1).
- 8.1.2** **G** The requirements in ■ MIFIDPRU 8.6 (Remuneration policies and practices) apply to all *MIFIDPRU investment firms*, with certain exceptions that are explained in that section.
- 8.1.3** **G** The basic conditions to be classified as an *SNI MIFIDPRU investment firm* are set out in ■ MIFIDPRU 1.2.1R. ■ MIFIDPRU 1.2.13R explains the circumstances in which a *non-SNI MIFIDPRU investment firm* will be reclassified as an *SNI MIFIDPRU investment firm*.
- 8.1.4** **R** Where a *non-SNI MIFIDPRU investment firm* is reclassified as an *SNI MIFIDPRU investment firm*, it must comply with the disclosure obligations that apply to a *non-SNI MIFIDPRU investment firm* in relation to the financial year in which it is reclassified.
- 8.1.5** **R** Where an *SNI MIFIDPRU investment firm* is reclassified as a *non-SNI MIFIDPRU investment firm*, it must comply with the disclosure obligations that apply to an *SNI MIFIDPRU investment firm* in relation to the financial year in which it ceased to be an *SNI MIFIDPRU investment firm*.
- 8.1.6** **G** Where an *SNI MIFIDPRU investment firm* is reclassified as a *non-SNI MIFIDPRU investment firm*, it may choose to comply with the higher disclosure requirements applicable to a *non-SNI MIFIDPRU investment firm* in relation to the financial year in which it is reclassified.

Application: Level of application

- 8.1.7 **R** A MIFIDPRU investment firm must comply with the *rules* in this chapter on an individual basis, unless the *firm* is exempt in accordance with
- MIFIDPRU 2.3.1R.

Application: proportionality

- 8.1.8 **R** In complying with the *rules* in this chapter, a MIFIDPRU investment firm must provide a level of detail in its qualitative disclosures that is appropriate to its size and internal organisation, and to the nature, scope, and complexity of its activities.

- 8.1.9 **G** By way of example, applying a proportionate approach to the qualitative disclosure requirements in ■ MIFIDPRU 8.6 (Remuneration policies and practices) means that the FCA would expect a *non-SNI MIFIDPRU investment firm* with a detailed *remuneration* policy to disclose more information than an *SNI MIFIDPRU investment firm*.

Application: when?

- 8.1.10 **R** As a minimum, a *firm* must publicly disclose the information specified in this chapter annually on:

- (1) the date it publishes its *annual financial statements*; or
- (2) where it does not publish *annual financial statements*, the date on which its annual solvency statement is submitted to the FCA in accordance with requirements in ■ SUP 16.12.

- 8.1.11 **G** The FCA considers it would be appropriate for a *firm* to consider making more frequent public disclosure where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

- 8.1.12 **G** A MIFIDPRU investment firm is reminded of the transitional provisions for disclosure requirements in ■ MIFIDPRU TP 12.

Application: how?

- 8.1.13 **R** A *firm* must publish the information required by this chapter in a manner that:

- (1) is easily accessible and free to obtain;
- (2) is clearly presented and easy to understand;
- (3) is consistent with the presentation used for previous disclosure periods or otherwise allows a reader of the information to make comparisons easily; and
- (4) highlights in a summary any significant changes to the information disclosed, when compared with previous disclosure periods.

- 8.1.14** **G** A *firm* should consider the best way to make the disclosed information easy to understand, for example, by using tables, charts or diagrams, or cross-references to other information where relevant.
- 8.1.15** **R** A *firm* is not required to comply with **■ MIFIDPRU 8.1.13R** to the extent that compliance would breach the law of another jurisdiction.
- 8.1.16** **E** Making the disclosures required by this chapter available on a website will tend to establish compliance with the *rule* in **■ MIFIDPRU 8.1.13R**.
- 8.1.17** **G** Whilst the *FCA's* expectation is that a *firm* will use a website for the purpose of complying with **■ MIFIDPRU 8.1.13R**, if a *firm* does not maintain a website, or cannot use a website to publish some or all of the information required without breaching the law of another jurisdiction, it must nonetheless ensure that the alternative method of disclosure used complies with the overarching requirement in **■ MIFIDPRU 8.1.13R**.