

Chapter 10

Appropriateness (for non-MiFID and non-insurance-based investment products 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 *arranges or deals* in relation to a *non-readily realisable security, speculative illiquid security, derivative or warrant* with or for a *retail client*, other than in the course of *MiFID* or *equivalent third country business*, or facilitates a *retail client* becoming a lender under a *P2P agreement* 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) Where a *rule* in this chapter applies to a *firm* which *arranges or deals* in relation to a *speculative illiquid security*, the *rule* also applies 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 (having the same meaning as in the *Gibraltar Order*) to the extent that the *rule* does not already apply to such a Gibraltar-based firm as a result of ■ GEN 2.3.1R).

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.