Chapter 6

Information about the firm, its services and remuneration
6.1ZA Information about the firm and compensation information (MiFID and insurance distribution provisions)

Application

6.1ZA.1 Subject to (2) and (3), this section applies to a firm:

(a) in relation to its MiFID, equivalent third country or optional exemption business; and

(b) carrying on insurance distribution activities.

(2) COBS 6.1ZA.16R does not apply to a firm in respect of its MiFID optional exemption business.

(3) Where a firm is carrying on insurance distribution activities for a professional client only those rules which implement the requirements of the IDD apply.

6.1ZA.1A For the purposes of COBS 6.1ZA.1R(3) if a rule implements a requirement of the IDD, a note ("Note:" ) follows the rule indicating which provision is being implemented.

6.1ZA.2 This section imposes requirements relating to disclosure of information to clients that are additional to the general requirements in COBS 2.2A.

Effect of provisions marked “EU” for third country investment firms and MiFID optional exemption firms

6.1ZA.3 Provisions in this section marked “EU” apply in relation to MiFID optional exemption business as if they were rules (see COBS 1.2.2G).

6.1ZA.4 The effect of GEN 2.2.22AR is that provisions in this section marked “EU” also apply in relation to the equivalent business of a third country investment firm as if they were rules.

[Note: ESMA has issued guidelines under article 16(3) of the ESMA Regulation on cross-selling practices. See https://www.esma.europa.eu/sites/default/files/library/2016-574_en_guidelines_on_cross-selling_practices.pdf]
Information about a firm and its services: MiFID business

6.1ZA.5 EU 47(1) Investment firms shall provide clients or potential clients with the following general information, where relevant:

(a) the name and address of the investment firm, and the contact details necessary to enable clients to communicate effectively with the firm;

(b) the languages in which the client may communicate with the investment firm, and receive documents and other information from the firm;

(c) the methods of communication to be used between the investment firm and the client including, where relevant, those for the sending and reception of orders;

(d) a statement of the fact that the investment firm is authorised and the name and contact address of the competent authority that has authorised it;

(e) where the investment firm is acting through a tied agent, a statement of this fact specifying the Member State in which that agent is registered;

(f) the nature, frequency and timing of the reports on the performance of the service to be provided by the investment firm to the client in accordance with Article 25(6) of Directive 2014/65/EU;

(g) where the investment firm holds client financial instruments or client funds, a summary description of the steps which it takes to ensure their protection, including summary details of any relevant investor compensation or deposit guarantee scheme which applies to the firm by virtue of its activities in a Member State;

(h) a description, which may be provided in summary form, of the conflicts of interest policy maintained by the firm in accordance with Article 34;

(i) at the request of the client, further details of that conflicts of interest policy in a durable medium or by means of a website (where that does not constitute a durable medium) provided that the conditions set out Article 3(2) are satisfied.

The information listed in points (a) to (i) shall be provided in good time before the provision of investment services or ancillary services to clients or potential clients.

[Note: article 47(1) of the MiFID Org Regulation]

6.1ZA.6 G Reference in COBS 6.1ZA.5EU to “Article 25(6) of Directive 2014/65/EU” is to the requirements in COBS 16A.2.1R.

6.1ZA.7 G A firm disclosing details of its authorisation should refer to the appropriate form of words set out in GEN 4 Annex 1R or GEN 4 Annex 1AR as appropriate.

Information about a firm and its services: insurance distribution

6.1ZA.7A R A firm carrying on insurance distribution activities must provide a retail client with the following general information, if relevant:

(1) the name and address of the firm, and the contact details necessary to enable a client to communicate effectively with the firm;
(2) the methods of communication to be used between the firm and the client including, where relevant, those for the sending and reception of orders;

(3) a statement of the fact that the firm is authorised and the name of the competent authority that has authorised it;

(4) if the firm is acting through an appointed representative a statement of this fact specifying the EEA State in which that appointed representative is registered;

(5) the nature, frequency and timing of the reports on the performance of the service to be provided by the firm to the client in accordance with the rules on reporting to clients on the provision of services (COBS 16 or COBS 16A in relation to an insurance-based investment product);

(6) (a) a description, which may be provided in summary form, of (as applicable) the conflicts of interest policy, SYSC 3.3.1EU (applied by SYSC 3.3.3R) or the policy required by article 4(1) of the IDD Regulation; and

(b) if not included in the information provided under (a), when a material interest or conflict of interest may or does arise, the manner in which the firm will ensure fair treatment of the client;

(7) at any time that the client requests it, further details of the conflicts of interest policy.

The timing of these disclosures is governed by COBS 6.1ZA.19AR.

**Status disclosure general information: insurance distribution**

In good time before the conclusion of a life policy and, if necessary, on its amendment:

(1) a firm must provide the client with at least the following information:

(a) its identity, address and whether it is an insurance intermediary or an insurance undertaking;

(b) whether it provides a personal recommendation about the insurance products offered;

(c) the procedures allowing clients and other interested parties to register complaints about the firm with the firm and the Financial Ombudsman Service or, if the Financial Ombudsman Service does not apply, information about the out-of-court complaint and redress procedures available for the settlement of disputes between the firm and its clients; and

(2) an insurance intermediary must also provide the client with the following information:

(a) the fact that it is included in the Financial Services Register (or if it is not on the Financial Services Register, the register in which it has been included) and the means for verifying this;
(b) whether it has a direct or indirect holding representing 10% or more of the voting rights or capital in a given insurance undertaking (that is not a pure reinsurer); 

(c) whether a given insurance undertaking (that is not a pure reinsurer) or its parent undertaking has a direct or indirect holding representing 10% or more of the voting rights or capital in the firm; and 

(d) whether it is representing the client or is acting for and on behalf of the insurer.

[Note: articles 18 and 19(1)(a) and (b) of the IDD]

6.1ZA.7C  Where an insurance intermediary proposes or advises on a life policy, in good time before the conclusion of a life policy and, if necessary, on its amendment, an insurance intermediary must provide the client with at least information on whether the firm:

(1) gives a personal recommendation on the basis of a fair and personal analysis; or 

(2) is under a contractual obligation to conduct insurance distribution exclusively with one or more insurance undertakings, in which case it must provide the names of those insurance undertakings; or 

(3) is not under a contractual obligation to conduct insurance distribution exclusively with one or more insurance undertakings; and 

does not give a personal recommendation on the basis of a fair and personal analysis, 

in which case it must provide its client with the name of those insurance undertakings with which the insurance intermediary may and does conduct business.

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

6.1ZA.7D  If an insurance intermediary informs a client that it gives a personal recommendation on the basis of a fair and personal analysis, it must give that personal recommendation on the basis of an analysis of a sufficiently large number of insurance contracts available on the market to enable it to make a personal recommendation in accordance with professional criteria, regarding which life policy would be adequate to meet the client’s needs.

[Note: article 20(3) of the IDD]

Information about a firm’s portfolio management service: MiFID business

6.1ZA.8  47(2) When providing the service of portfolio management, investment firms shall establish an appropriate method of evaluation and comparison such as a meaningful benchmark, based on the investment objectives of the client and the types of financial instruments included in the client portfolio, so as to enable the client for whom the service is provided to assess the firm’s performance.
47(3) Where investment firms propose to provide portfolio management services to a client or potential client, they shall provide the client, in addition to the information required under paragraph 1, with such of the following information as is applicable:

(a) information on the method and frequency of valuation of the financial instruments in the client portfolio;

(b) details of any delegation of the discretionary management of all or part of the financial instruments or funds in the client portfolio;

(c) a specification of any benchmark against which the performance of the client portfolio will be compared;

(d) the types of financial instrument that may be included in the client portfolio and types of transaction that may be carried out in such instruments, including any limits;

(e) the management objectives, the level of risk to be reflected in the manager’s exercise of discretion, and any specific constraints on that discretion.

The information listed in points (a) to (e) shall be provided in good time before the provision of investment services or ancillary services to clients or potential clients.

[Note: articles 47(2) and (3) of the MiFID Org Regulation]

6.1ZA.9 EU

49(1) Investment firms holding financial instruments or funds belonging to clients shall provide those clients or potential clients with the information specified in paragraphs 2 to 7 where relevant.

49(2) The investment firm shall inform the client or potential client where the financial instruments or funds of that client may be held by a third party on behalf of the investment firm and of the responsibility of the investment firm under the applicable national law for any acts or omissions of the third party and the consequences for the client of the insolvency of the third party.

49(3) Where financial instruments of the client or potential client may, if permitted by national law, be held in an omnibus account by a third party, the investment firm shall inform the client of this fact and shall provide a prominent warning of the resulting risks.

49(4) The investment firm shall inform the client or potential client where it is not possible under national law for client financial instruments held with a third party to be separately identifiable from the proprietary financial instruments of that third party or of the investment firm and shall provide a prominent warning of the resulting risks.

49(5) The investment firm shall inform the client or potential client where accounts that contain financial instruments or funds belonging to that client or potential client are or will be subject to the law of a jurisdiction other than that of a Member State and shall indicate that the rights of the client or potential client relating to those financial instruments or funds may differ accordingly.

49(6) An investment firm shall inform the client about the existence and the terms of any security interest or lien which the firm has or may have over the
client’s financial instruments or funds, or any right of set-off it holds in relation to those instruments or funds. Where applicable, it shall also inform the client of the fact that a depository may have a security interest or lien over, or right of set-off in relation to those instruments or funds.

49(7) An investment firm, before entering into securities financing transactions in relation to financial instruments held by it on behalf of a client, or before otherwise using such financial instruments for its own account or the account of another client shall in good time before the use of those instruments provide the client, in a durable medium, with clear, full and accurate information on the obligations and responsibilities of the investment firm with respect to the use of those financial instruments, including the terms for their restitution, and on the risks involved.

[Note: article 49 of the MiFID Org Regulation]

6.1ZA.10 Firms subject to either or both the custody rules and the client money rules are reminded of the information requirements concerning custody assets and client money in ■CASS 9.3 (Prime brokerage agreement disclosure annex) and ■CASS 9.4 (Information to clients concerning custody assets and client money).

Information concerning safeguarding of client money: insurance distribution

6.1ZA.10A (1) Where a firm doing insurance distribution activities holds client money for a retail client and has elected to comply with the client money chapter, it must provide that client with the information specified in:

(a) ■COBS 6.1.7R; or
(b) (if it is a firm doing MiFID, equivalent third country or optional exemption business) ■COBS 6.1ZA.9EU and ■COBS 6.1.7R(1)(e);

in relation to that client money.

(2) For the purposes of ■COBS 6.1ZA.10AR(1)(b), ■COBS 1.2.3R applies except ‘funds’ should be read as meaning client money that a firm receives or holds for, or on behalf of, a client in the course of, or in connection with, its insurance distribution activities.

(3) The timing of this disclosure is governed by ■COBS 6.1ZA.19AR.

Information about costs and associated charges: MiFID and insurance distribution

6.1ZA.11 A firm must provide a client with at least the following information about all costs and related charges (see also ■COBS 2.2A.2R):

(1) (as applicable) information relating to:

(a) both investment services and ancillary services; and
(b) the distribution of an insurance-based investment product;

(2) where relevant, the cost of any investment advice;
6.1ZA.12

1. A firm must aggregate the information about costs and charges required by COBS 2.2A.2R and COBS 6.1ZA.11R, where those costs and charges are not caused by the occurrence of underlying market risk. This is to allow the client to understand the overall cost, and the cumulative effect on the return, of the investment.

2. A firm must provide the client with an itemised breakdown of the costs and charges information required by (1) and COBS 6.1ZA.11R when requested by the client.

3. The information must, where applicable, be provided to the client on a regular basis, and at least annually, during the life of the investment.

[Note: article 24(4) of MiFID, second paragraph of article 29(1) of the IDD]

6.1ZA.13

1. A firm must provide the information required by COBS 6.1ZA.11R and COBS 6.1ZA.12R in a comprehensible form in such a manner that the client is reasonably able to understand the nature and risks of the investment service and of the specific type of financial instrument or insurance-based investment product that is being offered and, consequently, to take investment decisions on an informed basis.

2. That information may be provided in a standardised format.

[Note: article 24(5) of MiFID, third paragraph of article 29(1) of the IDD]

6.1ZA.14

50(1) For the purposes of providing information to clients on all costs and charges pursuant to Article 24(4) of Directive 2014/65/EU, investment firms shall comply with the detailed requirements in paragraphs 2 to 10.

Without prejudice to the obligations set out in Article 24(4) of Directive 2014/65/EU, investment firms providing investment services to professional clients shall have the right to agree to a limited application of the detailed requirements set out in this Article with these clients. Investment firms shall not be allowed to agree such limitations when the services of investment advice or portfolio management are provided or when, irrespective of the investment service provided, the financial instruments concerned embed a derivative.

Without prejudice to the obligations set out in Article 24(4) of Directive 2014/65/EU, investment firms providing investment services to eligible counterparties shall have the right to agree to a limited application of the detailed requirements set out in this Article, except when, irrespective of the investment service provided, the financial instruments concerned embed a
derivative and the eligible counterparty intends to offer them to its clients. For ex-ante and ex-post disclosure of information on costs and charges to clients, investment firms shall aggregate the following:

(a) all costs and associated charges charged by the investment firm or other parties where the client has been directed to such other parties, for the investment services(s) and/or ancillary services provided to the client; and

(b) all costs and associated charges associated with the manufacturing and managing of the financial instruments.

Costs referred to in points (a) and (b) are listed in Annex II to this Regulation. For the purposes of point (a), third party payments received by investment firms in connection with the investment service provided to a client shall be itemised separately and the aggregated costs and charges shall be totalled and expressed both as a cash amount and as a percentage.

Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, investment firms shall provide an indication of the currency involved and the applicable currency conversion rates and costs. Investments firms shall also inform about the arrangements for payment or other performance.

In relation to the disclosure of product costs and charges that are not included in the UCITS KIID, the investment firms shall calculate and disclose these costs, for example, by liaising with UCITS management companies to obtain the relevant information.

The obligation to provide in good time a full ex-ante disclosure of information about the aggregated costs and charges related to the financial instrument and to the investment or ancillary service provided shall apply to investment firms in the following situations:

(a) where the investment firm recommends or markets financial instruments to clients; or

(b) where the investment firm providing any investment services is required to provide clients with a UCITS KIID or PRIIPs KID in relation to the relevant financial instruments, in accordance with relevant Union legislation.

Investment firms that do not recommend or market a financial instrument to the client or are not obliged to provide the client with a KID/ KIID in accordance with relevant Union legislation shall inform their clients about all costs and charges relating to the investment and/or ancillary service provided.

Where more than one investment firm provides investment or ancillary services to the client, each investment firm shall provide information about the costs of the investment or ancillary services it provides. An investment firm that recommends or markets to its clients the services provided by another firm, shall aggregate the cost and charges of its services together with the cost and charges of the services provided by the other firm. An investment firm shall take into account the costs and charges associated to the provision of other investment or ancillary services by other firms where it has directed the client to these other firms.

Where calculating costs and charges on an ex-ante basis, investment firms shall use actually incurred costs as a proxy for the expected costs and charges. Where actual costs are not available, the investment firm shall make reasonable estimations of these costs. Investment firms shall review ex-ante assumptions based on the ex-post experience and shall make adjustment to these assumptions, where necessary.
50(9) Investment firms shall provide annual ex-post information about all costs and charges related to both the financial instrument(s) and investment and ancillary service(s) where they have recommended or marketed the financial instrument(s) or where they have provided the client with the KID/ KIID in relation to the financial instrument(s) and they have or have had an ongoing relationship with the client during the year. Such information shall be based on costs incurred and shall be provided on a personalised basis.

Investment firms may choose to provide such aggregated information on costs and charges of the investment services and the financial instruments together with any existing periodic reporting to clients.

50(10) Investment firms shall provide their clients with an illustration showing the cumulative effect of costs on return when providing investment services. Such an illustration shall be provided both on an ex-ante and ex-post basis. Investment firms shall ensure that the illustration meets the following requirements:

(a) the illustration shows the effect of the overall costs and charges on the return of the investment;

(b) the illustration shows any anticipated spikes or fluctuations in the costs; and

(c) the illustration is accompanied by a description of the illustration.

[Note: article 50 of the MiFID Org Regulation]

The rules on inducements in COBS 2.3A may also require a firm to disclose information to a client in relation to the benefits provided to a firm.

Costs and associated charges disclosure: insurance distribution

In addition to the information specified by COBS 2.2A.2R and COBS 6.1ZA.11R, a firm carrying on insurance distribution activities must provide a retail client with the following information on costs and associated charges, if applicable:

(1) the total price to be paid by the client in connection with the life policy or the insurance distribution activity, including all related fees, commissions, charges and expenses, and all taxes payable via the firm or, if an exact price cannot be indicated, the basis for the calculation of the total price so that the client can verify it. The commissions charged by the firm must be itemised separately in every case;

(2) if any part of the total price referred to in (1) is to be paid in or represents an amount of foreign currency, an indication of the currency involved and the applicable currency conversion rates and costs;

(3) notice of the possibility that other costs, including taxes, related to transactions in connection with the life policy or the insurance distribution activity may arise for the client that are not paid via the firm or imposed by it; and

(4) the arrangements for payment or other performance.

The timing of this disclosure is governed by COBS 6.1ZA.19AR.
Remuneration received by firm disclosure: insurance intermediaries

6.1ZA.15B R
In good time before the conclusion of the life policy and, if necessary, on its amendment, an insurance intermediary must provide the client with information:

(1) on the nature of the remuneration received in relation to the life policy;

(2) about whether in relation to the life policy it works on the basis of:
   (a) a fee, that is remuneration paid directly by the client; or
   (b) a commission of any kind, that is the remuneration included in the premium; or
   (c) any other type of remuneration, including an economic benefit of any kind offered or given in connection with the contract; or
   (d) on the basis of a combination of any type of remuneration set out above in (a), (b) and (c).

[Note: article 19(1)(d) and (e) of the IDD]

Remuneration of employees disclosure: insurers

6.1ZA.15C R
In good time before the conclusion of a life policy an insurance undertaking must provide its client with information on the nature of the remuneration received by its employees in relation to the life policy.

[Note: article 19(4) of the IDD]

General remuneration disclosure: insurance distributors

6.1ZA.15D R
The remuneration referred to in this section includes remuneration that is not guaranteed or which is contingent on meeting certain targets.

6.1ZA.15E G
The information required to be disclosed by ■ COBS 6.1ZA.15BR and ■ COBS 6.1ZA.15CR includes the type of the remuneration and, taking into account the clear, fair and not misleading rule (■ COBS 4.2.1R), should also include the source of the remuneration.

6.1ZA.15F G
When considering what information to provide about the remuneration, a firm should include all remuneration which the insurance intermediary or the employee of an insurance undertaking, receives or may receive in relation to the distribution of the life policy. This includes remuneration:

(1) provided indirectly by the insurer or another firm within the distribution chain; or

(2) provided by way of a bonus (whether financial or non-financial) paid to the firm by the insurer or another firm, or provided by the firm to its employees, where this bonus is contingent on the achievement of a target to which the distribution of the particular life policy could contribute. For example, this can include cash bonuses paid for achieving a sales target and additional annual leave for achieving a
high customer service score on sales calls, profit share arrangements, overriders or other enhanced commissions.

6.1ZA.15G If any payments, other than ongoing premiums and scheduled payments, are made by the client under the life policy after its conclusion, a firm must make the disclosures required by COBS 6.1ZA.14AR or COBS 6.1ZA.14BR, for each such payment.

[Note: articles 19(3) and (5) of the IDD]

6.1ZA.15H Examples of the type of payments made are those for mid-term adjustments, administration fees and cancellation fees.

Insurance distributors fee disclosure: additional requirements

6.1ZA.15I (1) Where a fee is payable in relation to a life policy, the firm must inform its client of the amount of the fee.

(2) The information in (1) must be given before the client incurs liability to pay the fee, or before conclusion of the life policy, whichever is earlier.

(3) To the extent that it is not possible for an amount to be given, a firm must give the basis for its calculation.

[Note: articles 19(2) and (5) of the IDD]

6.1ZA.15J The fee disclosure requirement extends to all such fees that may be charged during the life of a policy.

[Note: article 19(3) of the IDD]

Information about costs and charges of different services or products: MiFID business

6.1ZA.16 (1) This rule applies to a firm that offers an investment service with another service or product or as part of a package or as a condition of the same agreement or package.

(2) The firm must inform the client whether it is possible to buy the different components separately and must provide information on the costs and charges of each component.

(3) If the agreement or package is offered to a retail client, the firm must:

(a) inform that retail client if the risks resulting from the agreement or package are likely to be different from the risks associated with the components when taken separately; and

(b) provide that retail client with an adequate description of the different components of the agreement or package and the way in which its interaction modifies the risks.

[Note: article 24(11) of MiFID]
Cross selling requirements where insurance is the primary product

6.1ZA.16A

When offering a non-insurance ancillary product or service as part of a package or the same agreement with a life policy, a firm must:

(1) inform the client whether it is possible to buy the different components separately and, if so, must provide the client with an adequate description of:
   (ba) the different components;
   (b) where applicable, any way in which the risk or insurance coverage resulting from the agreement or package differs from that associated with the components taken separately; and

(2) provide the client with separate evidence of the costs and charges of each component.

[Note: article 24(1) and (2) of the IDD]

Cross selling requirements where insurance is the ancillary product

6.1ZA.16B

When offering a life policy ancillary to and as part of a package or in the same agreement with a non-insurance product or service, a firm must offer the client the option of buying the non-insurance goods or services separately.

6.1ZA.16C

COBS 6.1ZA.16AR does not apply where the non-insurance product or service is any of the following:

(1) investment services or activities; or

(2) a credit agreement as defined in point 3 of article 4 of the MCD which is:
   an MCD credit agreement; or
   an exempt MCD credit agreement; or
   a CBTL credit agreement; or
   a credit agreement referred to in articles 72G(3B) and (4) of the Regulated Activities Order; or

(3) a payment account as defined in regulation 2(1) of the Payment Accounts Regulations.

[Note: article 24(3) of the IDD]

6.1ZA.16D

COBS 6.1ZA.16AR to COBS 6.1ZA.16CR do not prevent the distribution of insurance products which provide coverage for various types of risks (multi-risk insurance policies).

[Note: article 24(5) of the IDD]
In addition to the rules in §COBS 6.1ZA.16AR and §6.1ZA.16BR firms should still comply with the other rules in COBS relating to the offer and sale of insurance products that form part of the package or agreement, such as §COBS 2.5 (Optional additional products).

[Note: article 24(6) of the IDD]

**Timing of disclosure: MiFID business**

**6.1ZA.17 EU**

46(2) Investment firms shall, in good time before the provision of investment services or ancillary services to clients or potential clients, to provide the information required under Articles 47 to 50.

[Note: article 46(2) of the MiFID Org Regulation]

**6.1ZA.18 G**

The following provisions of COBS reproduce the information requirements contained in Articles 47 to 50 of the MiFID Org Regulation: §COBS 6.1ZA.5EU, §COBS 6.1ZA.8EU, §COBS 6.1ZA.9EU, §COBS 6.1ZA.14EU, and §COBS 14.3A.5EU.

**Medium of disclosure: MiFID business**

**6.1ZA.19 EU**

46(3) The information referred to in paragraphs 1 and 2 shall be provided in a durable medium or by means of a website (where it does not constitute a durable medium) provided that the conditions specified in Article 3(2) are satisfied.

[Note: article 46(3) of the MiFID Org Regulation]

**Timing of disclosure: specified rules for insurance distribution**

**6.1ZA.19A R**

1. A firm must provide a client with the information required by §COBS 6.1ZA.7AR, §COBS 6.1ZA.10AR and §COBS 6.1ZA.15AR in good time before the provision of the insurance distribution activity concerned unless otherwise provided by this rule.

2. A firm may instead provide that information immediately after starting to provide the insurance distribution activity concerned if:

   a. the firm was unable to comply with (1) because, at the request of the client, the agreement was concluded using a means of distance communication which prevented the firm from doing so; and

   b. in any case where the rule on voice telephony communications (§COBS 5.1.12R) does not otherwise apply, the firm complies with that rule in relation to the retail client, as if that client were a consumer.

**Medium of disclosure: insurance distribution**

**6.1ZA.19B R**

Where this section requires an insurance distributor to provide information to clients in relation to a life policy it must do so in accordance with §COBS 7.4 (Means of communication to clients), unless COBS 6.1ZA.18AR(2) applies.

[Note: article 23 of the IDD]
Keeping the client up to date: MiFID business

6.1ZA.20 EU 46(4) Investment firms shall notify a client in good time about any material change to the information provided under Articles 47 to 50 which is relevant to a service that the firm is providing to that client. That notification shall be given in a durable medium if the information to which it relates is given in a durable medium.

[Note: article 46(4) of the MiFID Org Regulation]

Keeping the client up to date: insurance distribution

6.1ZA.20A R (1) A firm carrying on insurance distribution activities must notify a client in good time about any material change to the information provided in relation to an insurance distribution activity under this section which is relevant to a service that the firm is providing to that client.

(2) A firm must provide this notification in a durable medium if the information to which it relates was given in a durable medium.

Existing clients: MiFID business

6.1ZA.21 G (1) A firm need not treat each of several transactions in respect of the same type of financial instrument as a new or different service and so does not need to comply with the disclosure rules in this chapter in relation to each transaction.

[Note: recital 69 to the MiFID Org Regulation]

(2) A firm should ensure that the client has received all relevant information in relation to a subsequent transaction, such as details of product charges that differ from those disclosed in respect of a previous transaction.

Compensation information: MiFID business

6.1ZA.22 R (1) A firm must make available to a client, who has used or intends to use a firm’s services, information necessary for the identification of the compensation scheme or any other investor-compensation scheme of which the firm is a member (including, if relevant, membership through a branch) or any alternative arrangement provided for in accordance with the Investor Compensation Directive.

(2) The information under (1) must include the amount and scope of the cover offered by the compensation scheme and any rules laid down by the EEA State pursuant to article 2(3) of the Investor Compensation Directive.

(3) A firm must provide, on the client’s request, information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation.

(4) The information provided for in this rule must be made available in a durable medium or via a website if the website conditions are satisfied in the official language or languages of the EEA State.

[Note: article 10(1) and (2) of the Investor Compensation Directive]
Record keeping: information about the firm and compensation information for MiFID business and insurance distribution

6.1ZA.23  Firms are reminded of the general record-keeping requirements SYSC 3.2 (for insurers and managing agents) and SYSC 9 (for other firms).