

Conduct of Business Sourcebook

Schedule 1 Record keeping requirements

Sch 1

Sch 1.1 G

The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant record keeping requirements.

Sch 1.2 G

It is not a complete statement of those requirements and should not be relied on as if it were.

Sch 1.2A G

- (1) A *MiFID investment firm*, *third country investment firm* or *MiFID optional exemption firm* should refer to the requirements on record keeping in the *MiFID Org Regulation* and ■ SYSC 9. In particular, Annex I to the *MiFID Org Regulation* contains a minimum list of records to be kept by those *firms* to which it applies.

[Note: article 72 of the *MiFID Org Regulation*]

- (2) An *insurance distributor* should refer to the requirements on record keeping in the *IDD Regulation* and in ■ SYSC 3 (for *insurers* and *managing agents*) or ■ SYSC 9 (for other *firms*).

[Note: article 19 of the *IDD Regulation*]

Sch 1.3 G

| Handbook reference | Subject of record | Contents of record | When record must be made | Retention period |
|--------------------|--|---------------------------|-------------------------------|--|
| COBS 2.3.17R (1) | Information disclosed to the <i>client</i> in accordance with COBS 2.3.1R (2)(b) | The information disclosed | When information is disclosed | 5 years from date information is given |
| COBS 2.3.17R (2) | Each benefit given to another <i>firm</i> which does not have to be disclosed to the <i>client</i> in accordance with COBS 2.3.1R (2)(b)(ii) | Each benefit given | When benefit is given | 5 years from date of benefit |

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|--------------------------|---|--|---|------------------|
| COBS 2.3A.19R (5)(f)(iv) | Trial periods of research received in accordance with COBS 2.3A.19R (5)(f). | Dates of any trial periods, and sufficient records to demonstrate compliance with the conditions in COBS 2.3A.19R(5)(f)(i) to (iii). | When the trial period is received | |
| COBS 2.3A.32R | Evidence that any fees, commissions and non-monetary benefits paid or received are designed to enhance the quality of the relevant service to the <i>client</i> | (1) List of all fees, commissions and non-monetary benefits received; and (2) record of how any fees, commissions or non-monetary benefits enhance the quality of the services provided and the steps taken in order not to impair compliance with the duty to act honestly, fairly and professionally in the best interests of the <i>client</i> | When the relevant fee, commission or non-monetary benefit is paid or received | Not specified |
| COBS 2.3B.11R | Audit trail in relation to the operation of any <i>research</i> payment accounts | (1) Payments made to <i>research</i> providers; and (2) how the amounts paid were determined | When a payment for <i>research</i> is made | Not specified |
| COBS 2.3B.20R | Summary details in relation to the operation of a <i>research</i> payment account | A summary of: (1) the providers paid from the account; (2) the total amount paid over a defined period; (3) the benefits and services received; and (4) how the total amount spent compares to the budget | From when the <i>research</i> payment account is established | Not specified |

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|--------------------|--|---|--|--|
| COBS 3.8.2 R (1) | Standard form notice to <i>clients</i> and agreements under COBS 3 | Each standard form notice and agreement | When standard form is first used | Relevant period from when the <i>firm</i> ceases to carry on business with clients under that standard form (see COBS 3.8.2 R (3)) |
| COBS 3.8.2 R (2) | <i>Client</i> categorisation | <i>Client</i> categorisation and supporting information, evidence of dispatch to client of any notice (the notice itself where this differs from standard form) and a copy of any agreement entered into | From time of categorisation | Relevant period from when the <i>firm</i> ceases to carry on business with or for that client (see COBS 3.8.2 R (3)) |
| COBS 4.11.1R (1) | <i>Financial promotion</i> | <i>A financial promotion communicated or approved</i> (subject to exemptions) | When <i>communicated or approved</i> | See COBS 4.11.1R (3) |
| COBS 4.11.1R (2) | Telemarketing scripts | Copy of any script used | Date script used | See COBS 4.11.1R (3) |
| COBS 4.11.1R (2A) | <i>Non-mainstream pooled investments</i> : certification of compliance | (1) Certification by the <i>person</i> allocated the <i>compliance oversight function</i> or <i>employees</i> of the <i>firm</i> reporting to and supervised by that <i>person</i> confirming that the <i>financial promotion</i> is compliant with the restrictions in section 238 of the <i>Act</i> and COBS 4.12.3 R, as applicable. (2) Which exemption applies and the reason why that exemption applies. Where the exemption requires a certificate, investor statement, | (1) Date of certification (2) Date the invitation or inducement is communicated or approved | |

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| COBS 4.11.2 G | Compliance of <i>financial promotions</i> | warning or indication, a copy of that certificate, investment statement, warning or indication. <i>Firms</i> encouraged to consider recording why a <i>financial promotion</i> is considered compliant. | Date of assessment of compliance | |
| COBS 6.1A.5AR (2)(e)(vi)(D) | Trial periods of research received in accordance with COBS 6.1A.5AR(2)(e)(vi) | Dates of any trial periods, and sufficient records to demonstrate compliance with the conditions in COBS 6.1A.5AR(2)(e)(vi)(A) to (C) | When the trial period is received | |
| COBS 6.1A.27 R | Adviser charging and remuneration | (1) the <i>firm's</i> charging structure; (2) the total adviser charge payable by each retail client; (3) if the total <i>adviser charge</i> paid by a <i>retail client</i> has varied materially from the charge indicated for that service in the <i>firm's</i> charging structure, the reasons for that difference. | (1) when the charging structure is first used; (2) from the date of disclosure; (3) from the date of disclosure; | See COBS 6.1A.27R (1) to (3) |
| COBS 6.1C.21 R | Consultancy charging and remuneration | (1) the <i>firm's</i> charging structure; (2) the total <i>consultancy charge</i> payable by each employer. (3) if the total <i>consultancy charge</i> for a particular service has varied materially from that indicated | (1) when the charging structure is first used; (2) from the date of disclosure; | See COBS 6.1C.21 R |

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| | | in the <i>firm's</i> charging structure, the reasons for that difference. | | |
| COBS 8.1.4 R | Client agreements (non-MiFID provisions) | Documents setting out rights and obligations of the <i>firm</i> and the <i>client</i> | From date of agreement | At least the duration of the relationship with the <i>client</i> unless the record relates to a <i>pension transfer, pension conversion, pension opt-out</i> or <i>FSAVC</i> in which case it must be retained indefinitely |
| COBS 8A.1.9R | Client agreements (MiFID provisions) | Documents setting out rights and obligations of the <i>firm</i> and the <i>client</i> | From date of agreement | At least the duration of the relationship with the <i>client</i> |
| COBS 9.2.9 R | Recommendations on <i>friendly society life policies</i> . | Why the recommendation is considered suitable | Date of recommendation. | 5 years. |
| COBS 9.5.1 G | Suitability (non-MiFID provisions) | <i>Client</i> information for <i>suitability report</i> | From date of <i>suitability report</i> | See COBS 9.5.2 R. |
| COBS 9.6.19 R | <i>Basic advice</i> | Decision to give <i>basic advice, range</i> used and <i>basic advice</i> summary prepared for <i>retail client</i> | Date on which <i>basic advice</i> given | 5 years |
| COBS 9.6.20 R | <i>Scope of basic advice (stakeholder products)</i> | <i>Scope of basic advice</i> and its <i>range (or ranges)</i> of <i>stakeholder products</i> | Date on which the <i>scope and range</i> becomes relevant | 5 years from the date replaced by more up-to-date record |
| COBS 9A.4.1G | Suitability (MiFID provisions) | <i>Client</i> information for <i>suitability report</i> | From date of <i>suitability report</i> | At least 5 years |
| COBS 9A.4.3EU | Suitability (insurance-based investment products) | <i>Client</i> information for <i>suitability report</i> - details in COBS 9A.4.3EU and COBS 9A.4.4EU | From date of <i>suitability report</i> | For whichever is the longer of 5 years or the duration of the relationship with the <i>client</i> |

| Handbook reference | Subject of record | Contents of record | When record must be made | Retention period |
|----------------------|---|--|---|---|
| COBS 10.7.1 G | Appropriateness (non-MiFID provisions) | <i>Client</i> information obtained in making assessment of appropriateness and the appropriateness assessment | Date of assessment | At least 5 years |
| COBS 10A.7.2EU | Appropriateness (MiFID provisions) | Records of appropriateness assessments including the results of such assessments and any warnings given to <i>clients</i> | Date of assessment | At least 5 years |
| COBS 10A.7.2AEU | Appropriateness (insurance-based investment products) | Records of appropriateness assessments including the results of such assessments and any warnings given to <i>clients</i> - details in COBS 10A.7.2A | Date of assessment | For whichever is the longer of 5 years or the duration of the relationship with the <i>client</i> |
| COBS 11.5A.4EU | <i>Client</i> orders | Initial orders from <i>clients</i> and decisions to deal | Immediately | At least 5 years |
| COBS 11.5A.5EU | <i>Client</i> orders | Transactions and order processing | Immediately | At least 5 years |
| COBS 11.7.4 R | Personal account dealing | Notifications by outsourcing provider and authorisation or prohibition. | Date of notification or decision. | 5 years |
| COBS 11.7A.5EU | Personal account dealing (MiFID provisions) | A record of any personal transaction notified or identified, including any authorisation or prohibition | Date of notification, identification or decision | At least 5 years |
| COBS 11A.1.4BR(3)(c) | The <i>firm's</i> assessment under COBS 11A.1.4BR(3)(a) | 1) The <i>firm's</i> process for conducting the assessment and reaching the opinion under COBS 11A.1.4BR (3)(a); | Once the <i>firm</i> has formed its opinion under COBS 11A.1.4BR (3)(a) | 5 years |

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|--------------------|---|--|---|------------------|
| | | (2) the <i>firm's</i> staff that were involved in reaching that opinion; and (3) an explanation of the <i>firm's</i> consideration of the number and expertise of the unconnected analysts included in the range. | | |
| COBS 11A.1.4CR | Restrictions on unconnected analysts | Any restrictions that would be imposed on each unconnected analyst that accepts the opportunity under COBS 11A.1.4BR(2) | When the opportunity is communicated to the range of unconnected analysts | 5 years |
| COBS 11A.1.4ER | Information given by the <i>issuer</i> team during the relevant period under COBS 11A.1.4BR(2)(b)(iv) | (1) The information on the <i>issuer</i> or the relevant securities that is given by the <i>issuer</i> team to the <i>firm's</i> analysts during the relevant period under COBS 11A.1.4BR(2)(b)(iv); and (2) the information on the <i>issuer</i> or the relevant securities that is given by the <i>issuer</i> team to each of the range of unconnected analysts during the same period. | At the end of the relevant period under COBS 11A.1.4BR(2)(b)(iv) | 5 years |
| COBS 11A.1.9EU | Underwriting and placing | Content and timing of instructions received from <i>clients</i> and allocation decisions | Date of receipt of instructions or of allocation decision | 5 years |

| Handbook reference | Subject of record | Contents of record | When record must be made | Retention period |
|----------------------|--|--|---|---|
| COBS 15.3.4 R | Cancellation: exercise of right | Exercise of the right to cancel or withdraw | Date of exercise | As specified in COBS 15.3.4 R(1), (2) and (3) |
| COBS 16.2.7 R | Confirmation to <i>clients</i> (non-MiFID provisions) | Copy of a confirmation | From date of despatch to <i>client</i> | At least 3 years |
| COBS 16.3.11 R | <i>Periodic statements</i> (non-MiFID provisions) | A copy of a <i>periodic statement</i> sent to a <i>client</i> | From date of despatch to <i>client</i> | At least 3 years |
| COBS 16A.3.1EU | Confirmation to <i>clients</i> (MiFID provisions) | A copy of a confirmation | From date of despatch to <i>client</i> | At least 5 years |
| COBS 16A.4.1EU | <i>Periodic statements</i> (MiFID provisions) | A copy of a <i>periodic statement</i> sent to a <i>client</i> | From date of despatch to <i>client</i> | At least 5 years |
| COBS 16A.4.2EU | <i>Periodic statements</i> (insurance-based investment products) | A copy of a <i>periodic statement</i> sent to a <i>client</i> | From date of despatch to <i>client</i> | At least 5 years |
| COBS 16.6.6 R | Life insurance contracts | Information to be provided during the terms of the contract | When information is given | 5 years after information given |
| COBS 18.5.14 R | <i>Residual CIS operators</i> and small authorised UK AIFMs of an unauthorised AIF | <i>Periodic statement</i> to be provided to <i>participants</i> | When provided | 3 years |
| COBS 18 Annex 2 2.1R | <i>Client orders</i> and decisions to deal in <i>portfolio management</i> | Orders received from <i>clients</i> and decisions taken - details in COBS 18 Annex 2 2.1R(2) | Immediately | 5 years |
| COBS 18 Annex 2 3.1R | <i>Client orders</i> | Execution of orders | Immediately after executing a <i>client order</i> , or, in the case of <i>firms</i> that transmit orders to another <i>person</i> for execution, immediately after receiving confirmation that an order has been executed | 5 years |
| COBS 18 Annex 2 3.2R | <i>Client orders</i> | Transmission details (see COBS 18 Annex 2 3.2R) | Immediately on transmitting an order to another <i>person</i> for execution | 5 years |

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|--------------------------|---|--|---|--|
| COBS 19.1.7CR | Execution only pension transfer or opt out | That no <i>personal recommendation</i> was given to the <i>client</i> | Date of transaction | Indefinitely |
| COBS 19.2.3 R | Promotion of personal pension scheme | Why the promotion was justified | When promoted | 5 years |
| COBS 20.2.34AR (1)(a)(i) | Support assets outside the <i>with-profits fund</i> | Precise terms and conditions on which support assets operate and are available including whether and when they are repayable | When a <i>firm</i> first has support assets outside the <i>with-profits fund</i> | Until the <i>firm</i> ceases to use support assets outside the <i>with-profits fund</i> |
| COBS 20.2.36A R | <i>strategic investments</i> | A description of the strategic purpose for which a <i>strategic investment</i> has been purchased or retained | Before making a <i>strategic investment</i> or when reviewing whether to retain a <i>strategic investment</i> | Until the <i>firm</i> ceases to hold the <i>strategic investment</i> in question |
| COBS 20.3.1 R | <i>PPFMs</i> | Each version of the <i>PPFM</i> | Date on which the <i>PPFM</i> is relevant | 5 years |
| COBS 22.2.6 R | Retail distribution of mutual society shares | Information and evidence demonstrating compliance with the requirements of COBS 22.2 | At or near the time of the sale to a <i>retail client</i> | 5 years for <i>MiFID or equivalent third country business</i> and 3 years for other business |
| COBS 22.3.5 R | Retail distribution of contingent convertible instruments and <i>CoCo funds</i> | Information and evidence demonstrating compliance with the restrictions in COBS 22.3 | At or near the time of the sale or communication or approval of a promotion to a retail client | 5 years for <i>MiFID or equivalent third country business</i> and 3 years for other business |
| COBS TP 1 | <i>Client</i> categorisation transitional | Categorisation or re-categorisation under TP1 | Date of categorisation/ re-categorisation | See COBS 3.8.2 R (2) |
| COBS TP 2 | <i>Investment research</i> transitional | Election to comply with COBS 12.2 - COBS 12.3 sooner than 1 May 2008 | Date of decision and date from which election is to be effective | 5 years |
| COBS TP 2 | Specialist regimes | Election to comply with COBS 18 sooner than 1 May 2008 | Date of decision and date from which election is to be effective | 5 years |

