

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

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
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

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
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>	A <i>financial promotion communicated, approved or in relation to which the firm has confirmed compliance</i> (subject to exemptions)	When <i>communicated, approved or confirmed</i>	See COBS 4.11.1R (3)
COBS 4.11.1R (2) [deleted]	Telemarketing scripts	Copy of any script used (1) (2)	Date script used (1) (2)	See COBS 4.11.1R (3)
COBS 4.11.1R(2B)	<i>Financial promotion: competence and expertise</i>	Evidence of how the <i>firm</i> has satisfied the competence and expertise requirement in COBS 4.10.9AR	When relevant <i>financial promotion communicated or approved, or compliance confirmed</i>	See COBS 4.11.1R(3)
COBS 4.11.2 G	Compliance of <i>financial promotions</i>	<i>Firms</i> encouraged to consider recording why a <i>financial promotion</i> is considered compliant.	Date of assessment of compliance	
COBS 4.11.4R	<i>Non-mass market investments: certification of compliance</i>	Certification by the <i>person</i> allocated the <i>compliance oversight function</i> or em-	Date of certification Date the <i>financial promotion</i> is communic-	5 years

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		<p>employees of the firm reporting to and supervised by that person confirming that the financial promotion is compliant with the restrictions in section 238 of the Act and COBS 4.12B, as applicable.</p> <p>Which exemption applies and the reason why that exemption applies. Where the exemption requires a certificate, investor statement, warning or indication, a copy of that certificate, investment statement, warning or indication.</p>	ated or approved	
COBS 4.11.5R	Restricted mass market investments: consumer journey	Records of the outcomes of the firm's categorisation (COBS 4.12A.21R) of retail clients and in relation to appropriateness assessments undertaken (COBS 4.12A.28R)	Ongoing basis in connection with the communication of financial promotions relating to restricted mass market investments	5 years
COBS 4.12A.44R COBS 4.12B.13R	Risk summaries	Grounds for using an alternative form of risk summary	When alternative form of risk summary for a particular investment is adopted	5 years (COBS 4.11.8R)
COBS 4.12A.11R(5) COBS 4.12B.21R(5)	Protection language	Basis for omitting reference to investors being unlikely to be protected in risk warning	When risk warning for a particular investment is adopted	Not specified

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
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 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;	See COBS 6.1C.21 R
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</i>

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				<i>opt-out or FSAVC in which case it must be retained indefinitely</i>
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</i> , <i>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</i> (or <i>ranges</i>) of <i>stakeholder products</i>	Date on which the <i>scope</i> and <i>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.4.3R	Suitability (insurance-based investment products)	<i>Client</i> information for <i>suitability report</i> - details in COBS 9A.4.3R and COBS 9A.4.4R	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>
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.7.2UK	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

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
COBS 10A.7.2AR	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.7.2AR	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.4UK	<i>Client</i> orders	Initial orders from <i>clients</i> and decisions to deal	Immediately	At least 5 years
COBS 11.5A.5UK	<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.5UK	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); (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.	Once the <i>firm</i> has formed its opinion under COBS 11A.1.4BR (3)(a)	5 years

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
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.1.9UK	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
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.3.1UK	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.4.1UK	<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

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
COBS 16A.4.2AR	<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</i> orders 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</i> orders	Execution of orders	Immediately after executing a <i>client</i> order, or, in the case of <i>firms</i> that transmit orders to another <i>person</i> for <i>execution</i> , immediately after receiving confirmation that an order has been <i>executed</i>	5 years
COBS 18 Annex 2 3.2R	<i>Client</i> orders	Transmission details (see COBS 18 Annex 2 3.2R)	Immediately on transmitting an order to another <i>person</i> for <i>execution</i>	5 years
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>

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
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>Mi-FID 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 <i>retail client</i>	5 years for <i>Mi-FID 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