

**HANDBOOK ADMINISTRATION (NO 8) INSTRUMENT 2008****Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 73A (Part 6 rules);
    - (b) section 84 (Matters which may be dealt with by prospectus rules);
    - (c) section 88 (Sponsors);
    - (d) section 96 (Obligations of issuers of listed securities);
    - (e) section 96A (Disclosure of information requirements);
    - (f) section 101 (Listing rules: general provisions);
    - (g) section 138 (General rule-making powers)
    - (h) section 145 (Financial promotion rules);
    - (i) section 150(2) (Actions for damages);
    - (j) section 156 (General supplementary powers);
    - (k) section 157(1) (Guidance);
    - (l) section 226 (Compulsory jurisdiction);
    - (m) section 340 (Appointment);
    - (n) paragraph 1 (General) of Schedule 7 (The Authority as Competent Authority for Part VI); and
    - (o) paragraph 13 (Authority’s procedural rules) of Schedule 17 (The Ombudsman Scheme); and
  - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook as amended by this instrument.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force as follows:
- (1) Part 1 of Annex C (GEN) comes into force on 25 January 2008;
  - (2) Part 2 of Annex G (COBS) and Annex K (DISP) come into force on 6 March 2008;
  - (3) Annex D (FEES) comes into force on 1 April 2008;
  - (4) the remainder of the instrument comes into force on 6 February 2008.

**Amendments to the Handbook**

- D. The modules of the FSA Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Threshold Conditions (COND)	Annex B
General Provisions (GEN)	Annex C
Fees manual (FEES)	Annex D
Interim Prudential sourcebook for Friendly Societies (IPRU(FSOC))	Annex E
Interim Prudential sourcebook for Insurers (IPRU(INS))	Annex F
Conduct of Business sourcebook (COBS)	Annex G
Insurance: Conduct of Business sourcebook (ICOBS)	Annex H
Training and Competence sourcebook (TC)	Annex I
Supervision manual (SUP)	Annex J
Dispute Resolution: Complaints sourcebook (DISP)	Annex K
Electronic Money sourcebook (ELM)	Annex L
Professional Firms sourcebook (PROF)	Annex M
Listing Rules sourcebook (LR)	Annex N
Prospectus Rules sourcebook (PR)	Annex O
Perimeter Guidance manual (PERG)	Annex P

### Notes

- E. In the Annexes to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

### Citation

- F. This instrument may be cited as the Handbook Administration (No 8) Instrument 2008.

By order of the Board  
24 January 2008

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Add the following new definition in the appropriate alphabetical position (the text is not underlined):

- capital resources gearing rules*
- (1) (in relation to an *insurer*) *GENPRU 2.2.29R, GENPRU 2.2.30R and GENPRU 2.2.32R to GENPRU 2.2.41R.*
  - (2) (in relation to a *bank or building society*) *GENPRU 2.2.29R, GENPRU 2.2.30R, GENPRU 2.2.46R and GENPRU 2.2.49R.*
  - (3) (in relation to a *BIPRU investment firm*) *GENPRU 2.2.30R, GENPRU 2.2.46R and GENPRU 2.2.49R and GENPRU 2.2.50R.*

Amend the following definitions as shown:

*appropriate personal pension*      ~~a personal pension policy, a personal pension deposit or a personal pension contract~~ under which contributions are made to a *personal pension scheme* or a stakeholder pension scheme which is an appropriate scheme under section 7(4) of the Pension Schemes Act 1993 or section 3(4) of the Pension Schemes (Northern Ireland) Act 1993.

*class*      ...

- (3) (in ~~COB~~ COBS) a particular category or type of *packaged product*.

...

- (5) (in FEES) one of the broad classes to which *FSCS* allocates levies as described in *FEES 6.5.7R*.

*close out*      (in *COLL*, and CIS ~~and COB~~) enter into a further transaction under which the obligation to deliver or receive which arises or may, at the option of the other party to the transaction, arise under the original transaction is offset by an equivalent and opposite obligation or right to receive or deliver.

*collateral*      ...

- (2) (in ~~COB~~ COBS and *CASS*) any of the following:

...

	...
<i>complaints reporting rules</i>	<del>DISP 4.6</del> <u>1.10.</u>
<i>inception</i>	in relation to <i>permitted links</i> , refers to the time when the liability of the <i>insurer</i> under a <i>linked long-term</i> contract of insurance commenced, <del>and for this purpose, a contract providing continuous cover is deemed to commence on each anniversary date of the contract.</del>
<i>listed</i>	<p>(1) (except in <i>LR</i>, <del>and</del> <i>INSPRU</i> and <i>IPRU(INS)</i>) included in an <i>official list</i>.</p> <p>(2) (in <i>INSPRU</i> and <i>IPRU(INS)</i>):</p> <p>(a) included in an <i>official list</i>; or</p> <p>(b) in respect of which facilities for <i>dealing</i> on a <i>regulated market</i> have been granted.</p>
	...
<i>local</i>	<p>(1) (except in <i>BIPRU</i> 1.1 (Application and purpose)) a <i>firm</i> which is a member of a <i>futures</i> and <i>options</i> exchange and whose <i>permission</i> includes a <i>requirement</i> that:</p> <p>(a) the <i>firm</i> will not conduct <i>designated investment business</i> other than:</p> <p>...</p> <p>(iii) making a price to other members of the same <i>futures</i> and <i>options</i> exchange; <del>and</del> <u>or</u></p> <p>(iv) <u><i>dealing for its own account in financial futures and options or other derivatives in the capacity of a customer; and</i></u></p> <p>(b) the performance of the <i>firm's</i> contracts must be guaranteed by and must be the responsibility of one or more of the clearing members of the same <i>futures</i> and <i>options</i> exchange.</p>
	...
<i>management expenses levy</i>	a levy imposed by the <i>FSCS</i> on <i>participant firms</i> to meet the <i>management expenses</i> and which is made up of one or more of a base cost levy and a <i>specific costs levy</i> , each <i>participant firm's</i> share being calculated in accordance with <del><i>FEES</i> 6.4.17R</del> <u>6.4.</u>
<i>Money Laundering</i>	the Money Laundering Regulations <del>2003</del> <u>2007</u> (SI <del>2003/3075</del>

<i>Regulations</i>	<u>2007/2157</u> ).
<i>non-independent research</i>	<p>a <i>research recommendation</i> which:</p> <p>(a) relates to <i>financial instruments</i> (<u>as specified in Section C of Annex 1 of MiFID, whether or not they are admitted to trading on a regulated market</u>); and</p> <p>(b) does not constitute <i>investment research</i>.</p> <p>[<b>Note:</b> article 24(2) of the <i>MiFID implementing Directive</i>]</p>
<i>range of packaged products, range</i>	(in relation to a <i>firm</i> ) the range of packaged products on which the <i>firm</i> gives <i>advice on investments</i> to <del><i>private customers</i></del> <u><i>retail clients</i></u> (see <del>COB 5.1.6AR</del> <u>COBS 6.3</u> ) or if appropriate the list of packaged products in which the <i>firm</i> deals.
<i>regulated market</i>	<p>(1) a multilateral system operated and/or managed by a <i>market operator</i>, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in <i>financial instruments</i> – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the <i>financial instruments</i> admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of <i>MiFID</i>.</p> <p>[<b>Note:</b> article 4(1)(14) of <i>MiFID</i>]</p> <p>(2) <u>(in addition, in <i>INSPRU</i> and <i>IPRU(INS)</i> only) a market situated outside the <i>EEA States</i> which is characterised by the fact that:</u></p> <p>(a) <u>it meets comparable requirements to those set out in (1); and</u></p> <p>(b) <u>the <i>financial instruments</i> dealt in are of a quality comparable to those in a regulated market in the <i>United Kingdom</i>.</u></p>
<i>umbrella</i>	(in <i>COLL, CIS</i> and <del>COB</del> <u>COBS</u> ); a <i>collective investment scheme</i> under which the contributions of the <i>participants</i> in the <i>scheme</i> and the profits or income out of which payments are to be made to them are pooled separately in relation to separate parts of the <i>scheme property</i> .

## Annex B

### Amendments to the Threshold Conditions (COND)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2.1.1	⊘	<u>UK</u>	...
2.2.1	⊘	<u>UK</u>	...
2.2A.1	⊘	<u>UK</u>	...
2.3.1	⊘	<u>UK</u>	...
2.4.1	⊘	<u>UK</u>	...
2.5.1	⊘	<u>UK</u>	...
2.6.1	⊘	<u>UK</u>	...

## Annex C

### Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### Part 1: Comes into force on 25 January 2008

Sch 4 Powers exercised

Sch 4.1 G The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *GEN*:

Section 59 (Approval for particular arrangements)

Section 73A (Part 6 Rules)

Section 84 (Matters which may be dealt with by prospectus rules)

Section 88(3) (Sponsors)

Section 89A- 89G (Transparency rules)

Section 89O (Corporate governance rules)

Section 96 (Obligations of issuers of listed securities)

Section 96A (Disclosure of information requirements)

Section 101 (Listing rules: general provisions)

Section 118(8) (Market abuse)

...

Section 226 (Compulsory jurisdiction)

Section 226A(7) (Consumer Credit Jurisdiction)

Section 229 (Awards)

...

Section 295(3) (Notification: overseas investment exchanges and overseas clearing houses)

Section 300B (Duty to notify proposal to make regulatory provision)

Section 322 (Rules applicable to former underwriting members)

...

Section 340 (Appointment)

Section 341 (Access to books etc)

Paragraph 17 of Schedule 1 (The Financial Services Authority: Fees)

...

Paragraph 20 of Schedule 3 (EEA Passport Rights: Services)

Paragraph 1 of Schedule 7 (The Authority as Competent Authority for Part VI)

Paragraph 7(3) of Schedule 17 (The Ombudsman Scheme: Annual reports)

...

**Part 2: Comes into force on 6 February 2008**

2.2.15 G ... ~~COB 1.8 (Application to electronic media) contains further guidance in respect of electronic communication with or for customers.~~ ...

## Annex D

### Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### Comes into force on 1 April 2008

6.1.7 G In order to allocate a share of the amount to be funded by an individual *participant firm*, the funding arrangements are split into five *classes*: the deposit ~~sub-scheme class~~ class; the life and pensions ~~sub-scheme class~~ class; the investment ~~sub-scheme class~~ class; the home finance ~~sub-scheme class~~ class and the general insurance ~~sub-scheme class~~ class. The business carried on by a *participant firm* determines into which ~~sub-scheme class~~ class, or ~~sub-schemes classes~~ classes, it falls.

6.1.15 G ... For funding purposes, these costs are allocated by the *FSCS*, and met by *participant firms*, in the same way as *specific costs* up to relevant *levy limits* and then in accordance with the allocation provisions in *FEES* ~~6.5.6R~~ 6.5.2R.

Limits on compensation costs levies on ~~sub-schemes~~ sub-classes and classes

6.3.5 R ...

6 Annex 3 R Financial Services Compensation Scheme – classes and sub-classes

...

...	
<b>Sub-class C2</b>	...
<b>Legal basis for activity in sub-class C2</b>	<p>Any of the following:</p> <p>...</p> <ul style="list-style-type: none"> <li>• <del>giving</del> <u>providing</u> <i>basic advice on a stakeholder product</i>;</li> </ul> <p>...</p> <p>in relation to any of the following:</p> <ul style="list-style-type: none"> <li>• <del>long-term</del> <u>long-term</u> <i>insurance contracts</i> (including <i>pure protection contracts</i>);</li> </ul> <p>...</p>
...	

<b>Sub-class D2</b>	
<b>Legal basis for activity in sub-class D2</b>	<p>Any of the following activities in relation to <i>designated investment business</i>:</p> <p>...</p> <ul style="list-style-type: none"> <li>• <del>giving</del> <u>providing</u> basic advice on a stakeholder product;</li> <li>• <i>safeguarding and administering</i> <del>of assets</del> <u>investments</u>;</li> </ul> <p>...</p>
...	

## Annex E

### Amendments to the Interim Prudential sourcebook for Friendly Societies (IPRU(FSOC))

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### II ADEQUACY OF ASSETS

...

- 4.12 (1) ...
- (2) ...
- (3) ~~deleted~~ A friendly society which has entered into a linked long-term contract must also secure that its liabilities under the contract in respect of linked benefits which are not covered by contracts of reinsurance are covered by assets of a description contained in COBS 21.3.1R.
- (4) ~~deleted~~ In (3), “linked long-term contract” does not include a pension fund management contract unless it is combined with a contract of insurance covering either conservation of capital or payment of a minimum interest.

#### Chapter 7 DEFINITIONS

##### Part I Definitions

7.1 ...

*liability valuation rules ...*

*linked assets means, in relation to a friendly society, long-term insurance business assets of the friendly society which are, for the time being, identified in the records of the friendly society as being assets by reference to the value of which property linked benefits are to be determined;*

*linked benefits, ...*

## Annex F

### Amendments to the Interim Prudential sourcebook for Insurers (IPRU(INS))

In this Annex, underlining indicates new text and striking through indicates deleted text.

## Chapter 11

### DEFINITIONS

...

<i>internal linked fund</i>	...
<i>linked assets</i>	<u>in relation to an insurer, long-term insurance business assets of the insurer which are, for the time being, identified in the records of the insurer as being assets by reference to the value of which property linked benefits are to be determined, and non-linked assets is construed accordingly</u>
<i>long-term policy holder</i>	...

### APPENDIX 9.1 (rules 9.12 and 9.13)

#### Calculation of general insurance capital requirement – premiums amount and brought forward amount

Form 11

...

		This financial year <b>1</b>	Previous year <b>2</b>
...			
<b>Brought forward amount</b> (See instruction 4) <del>(12.43 x 51.1 / 51.2 or, if less, 12.43.2)</del>	53		
...			

#### Instructions for completion of Form 16

1. ...
- 1a. Unrealised gains and losses on investments (other than for investments in the long term fund) must be included in their entirety at lines 15 and 18, even if a different accounting treatment is adopted in the *Companies Act* accounts. Unrealised gains and losses must be measured by reference to the value included for the investment at line ~~40+~~ 102 on Form 13, i.e. the *Companies Act* accounts value.

...

## APPENDIX 9.4 (rule 9.31)

### ABSTRACT OF VALUATION REPORT

...

#### Discretionary charges and benefits

3. (1) ...

...

(10) Wherever ~~units~~ *units* of the type referred to in paragraph 5 of Part I of ~~Appendix 3.2~~ in *permitted scheme interests* are held in an *internal linked fund*, or where *property linked benefits* are linked to such ~~units~~ *units*, the rate of discount, commission or other allowance made to the *insurer* on the purchase, sale or holding of ~~units~~ *units* and the extent to which the ~~policy holder~~ *policyholder* benefits from such discount, commission or other allowance.

...

## Annex G

### Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### Part 1: Comes into force on 6 February 2008

1 Annex 1: Application (see COBS 1.1.2R)

...		
	<b>Part 3: Guidance</b>	
1.	<b>The main extensions and restrictions to the general application rule</b>	
1.1	G	The <i>general application rule</i> is modified in Parts 1 and 2 of Annex 1 and in certain chapters of the <i>Handbook</i> . The modification may be an extension of this <i>rule</i> . For example, <i>COBS 4</i> ( <del>Communications to</del> <u>Communicating with clients, including financial promotions</u> ) and <del><i>COBS 5</i> (Financial promotion)</del> have <u>has</u> extended the application of the rule.
...		
5.	<b>Consolidated Life Directive: effect on territorial scope</b>	
5.1	G	The <i>Consolidated Life Directive's</i> scope covers <i>long-term insurers</i> authorised under that Directive conducting <i>long-term insurance business</i> . The <i>rules</i> in this sourcebook within the Directive's scope are the cancellation <del>rules</del> <u>rules</u> ( <i>COBS 15</i> ) and those <i>rules</i> requiring the provision of pre-contract information or information during the term of the contract concerning the <i>insurer</i> or the <del><i>insurance contract</i></del> <u><i>contract of insurance</i></u> . The Directive specifies minimum information and cancellation requirements and permits <i>EEA States</i> to adopt additional information requirements that are necessary for a proper understanding by the <del><i>policyholder</i></del> <u><i>policyholder</i></u> of the essential elements of the commitment.
5.2	G	If the <i>State of the commitment</i> is an <i>EEA State</i> , the Directive provides that the applicable information rules and cancellation rules shall be determined by that state. Accordingly, if the <i>State of the commitment</i> is the <i>United Kingdom</i> , the relevant <i>rules</i> in this sourcebook apply. Those <i>rules</i> do not apply if the <i>State of the commitment</i> is another <i>EEA State</i> . The territorial scope of other <del>rules</del> <u>rules</u> , in particular the <i>financial promotion rules</i> , is not affected since the Directive explicitly permits <i>EEA States</i> to apply rules, including advertising rules, in the 'general good'. (See articles 33, 35, 36 and 47 of the <i>Consolidated Life Directive</i> )
...		

8.	<b>Investor Compensation Directive</b>		
8.1	G	(1)	The <i>Investor Compensation Directive</i> generally requires <i>MiFID investment firms</i> to belong to a compensation scheme established in accordance with the Directive. The <i>rules</i> in this sourcebook that implement the Directive are those (i) requiring <i>MiFID investment firms</i> , including their branches, to make available specified information about the compensation scheme to which they belong and specifying the language in which such information must be provided ( <i>COBS 6.1.146R</i> ) and (ii) restricting mention of the compensation scheme in advertising to factual references ( <i>COBS 4.2.5G</i> ).
		...	
...			

2.3.1 R A *firm* must not pay or accept any fee or commission, or provide or receive any non-monetary benefit, in relation to *designated investment business* or, in the case of its *MiFID or equivalent third country business*, another *ancillary* service, carried on for a *client* other than:

...

(2) a fee, commission or non-monetary benefit paid or provided to or by a third party or a *person* acting on behalf of a third party, if:

...

(b) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to the *client*, in a manner that is comprehensive, accurate and understandable, before the provision of the service;

...

(iii) this requirement does not apply to a *firm* giving *basic advice*; and

(c) in relation to *MiFID or equivalent third country business*, the payment of the fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the service to the *client*; or

...

- 2.4.2 G This section is not relevant to the question of who is the *firm's* counterparty for prudential purposes and it does not affect any obligation a *firm* may owe to any other *person* under the general law.
- 3.5.2A R In relation to *MiFID or equivalent third country business* a local authority or a public authority is not likely to be a regional government for the purposes of ~~COBS 3.2.5R(4)~~ 3.5.2R(4). In the *FSA's* opinion, a local authority may be a *per se professional client* for those purposes if it meets the test for large undertakings in ~~COBS 3.2.5R(2)~~ 3.5.2R(2).
- 4.5.6 R ...
- (2) In this *rule*, in relation to *MiFID or equivalent third country business*, *ancillary services* are to be regarded as *relevant business*.
- ...
- 4.6.1 R (1) Subject to (2) and (3), this section applies to a *firm* in relation to:
- (a) the provision of information in relation to its ~~*designated investment business*~~ *MiFID or equivalent third country business*; ~~and~~
- (b) the *communication* or *approval* of a *financial promotion*;
- where such information or *financial promotion* is addressed to, or disseminated in such a way that it is likely to be received by, a *retail client*.
- ...
- 4.6.4 G If a *financial promotion* includes information referring to the past performance of a *packaged product* that is not a *financial instrument*, a *firm* will comply with the *rule* on appropriate performance information (*COBS* 4.6.2R(2)) if the *financial promotion* includes, in the case of a *scheme*, *unit-linked life policy*, *unit-linked personal pension scheme* or *unit-linked stakeholder pension scheme* (other than a *unitised with-profits life policy* or *stakeholder pension scheme*) past performance information calculated and presented in accordance with the table in *COBS* 4.6.4AG.
- 4.6.9 R (1) A *firm* that *communicates* to a *client* a *projection* for a *packaged product* which is not a *financial instrument* must ensure that the projection complies with the *projections rules* in *COBS* 13.4, *COBS* 13.5 and *COBS* 13 Annex 2, ~~which is not a *financial instrument*~~.
- ...
- 4.7.1 R ...

- (5) In this *rule*, in relation to *MiFID or equivalent third country business*, *ancillary services* are to be regarded as *relevant business*.
- 4.9.1 R ...
- (3) This section does not apply to a communication by a *firm* other than in relation to its *MiFID or equivalent third country business*:
- ...
- (e) to the extent that ~~if~~ it relates to a *deposit*;
- 4.9.4 R A *firm* ~~must not~~ may only *communicate* or *approve* a *financial promotion* to enter into a *life policy* with a *person* who is ~~not~~:
- ...
- 21.3.1 R An *insurer* must not contract to provide benefits under *linked long-term* contracts of insurance that are determined:
- (1) wholly or partly, or directly or indirectly, by reference to fluctuations in any index other than an *approved index*;
- (2) wholly or partly by reference to the value of, or the income from, or fluctuations in the value of, property other than any of the following:
- (a) *approved securities*;
- (b) *listed securities*;
- (c) *permitted unlisted securities*;
- (d) *permitted land and property*;
- (e) *permitted loans*;
- (f) *permitted deposits*;
- (g) *permitted scheme interests*;
- (h) ~~income from (a) to (g) above;~~ [deleted]
- (i) *cash*;
- (j) *permitted units*;
- (k) *permitted stock lending*; and

- (1) *permitted derivatives contracts.*

Add the following Schedules to COBS. The text is all new and is not underlined.

Sch 1 Record keeping requirements

COBS 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.

COBS Sch 1.2 G

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

COBS Sch 1.3 G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>COBS</i> 2.3.17R(1)	Fee, commission or non-monetary benefit under <i>COBS</i> 2.3.1R(2)(a)(ii)	Each fee, commission or non-monetary benefit given	When benefit is given	5 years from date of benefit
<i>COBS</i> 2.3.17R(2)	Reasonable indirect benefits	Each benefit given to another <i>firm</i> in accordance with <i>COBS</i> 2.3.14G	When benefit is given	5 years from date of benefit
<i>COBS</i> 3.8.2R(1)	Standard form notice to <i>clients</i> and agreements under <i>COBS</i> 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 <i>clients</i> under that standard form (see <i>COBS</i> 3.8.2R(3))

COBS 3.8.2 R(2)	<i>Client</i> categorisation	<i>Client</i> categorisation and supporting information, evidence of dispatch to <i>client</i> 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 <i>client</i> (see COBS 3.8.2R(3))
COBS 4.11.1R(1)	<i>Financial promotion</i>	A <i>financial promotion</i> communicated or approved (subject to exemptions)	When <i>communicated</i> or <i>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 4.11.2G	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 6.2.12R	Information about the <i>firm</i> , services and information: <i>packaged products</i>	<i>Scope and range of packaged products</i>	<i>Firm's scope and range</i> – from date on which superseded by more up-to-date record  <i>Client-specific records</i> – from date of communication of <i>personal recommendation</i> .	5 years  5 years

COBS 6.3.11R	<i>Menu</i>	Copy of each <i>menu</i>	From date on which it was updated or replaced	5 years
COBS 8.1.4R	<i>Client agreements</i>	Documents setting out rights and obligations of the <i>firm</i> and the <i>client</i>	From date of agreement	From whichever is the longer of 5 years or the duration of the relationship with the <i>client</i> . Records relating to a <i>pension</i> <i>transfer</i> , <i>pension opt-out</i> or <i>FSAVC</i> must be retained indefinitely
COBS 9.2.9R	Recommendations on <i>friendly society life</i> <i>policies</i> .	Why the recommendation is considered suitable	Date of recommendation.	5 years.
COBS 9.5.1G	Suitability	<i>Client</i> information for <i>suitability report</i> and <i>suitability</i> <i>report</i>	From date of <i>suitability report</i>	See COBS 9.5.2R.
COBS 9.6.19R	<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 9.6.20R	<i>Scope of basic advice</i> ( <i>stakeholder</i> <i>products</i> )	<i>Scope of basic</i> <i>advice</i> and its <i>range</i> (or <i>ranges</i> ) of <i>stakeholder</i> <i>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 10.7.1G	Appropriateness	<i>Client</i> information obtained in making assessment of	Date of assessment	5 years

		appropriateness and the appropriateness assessment		
<i>COBS</i> 11.3.2 R	Client orders	Orders executed for <i>clients</i>	See <i>COBS</i> 11.5	5 years
<i>COBS</i> 11.5.1EU	<i>Client</i> orders and decisions to deal in <i>portfolio management</i>	Orders received from <i>clients</i> and decisions taken – details in <i>COBS</i> 11.5.1EU	See <i>COBS</i> 11.5.1EU	5 years
<i>COBS</i> 11.5.2EU	<i>Client</i> orders	Execution of orders	See <i>COBS</i> 11.5.1EU	5 years
<i>COBS</i> 11.5.3EU	<i>Client</i> orders	Transmission details (see <i>COBS</i> 11.5.3EU)	Date of transmission	5 years
<i>COBS</i> 11.6.19R	Prior and periodic disclosure	Prior and periodic disclosure on use of dealing commission	From date of disclosure to <i>customers</i>	5 years
<i>COBS</i> 11.7.4R	Personal account dealing	Notifications by outsourcing provider and authorisation or prohibition.	Date of notification or decision.	5 years
<i>COBS</i> 12.4.6R	<i>Research recommendations</i>	Basis of substantiation of <i>research recommendation</i>	Date of recommendation	5 years
<i>COBS</i> 15.3.4R	Cancellation: exercise of right	Exercise of the right to cancel or withdraw	Date of exercise	As specified in <i>COBS</i> 15.3.4R(1), (2) and (3)
<i>COBS</i> 16.2.7R	Confirmation to <i>clients</i>	Copy of a confirmation	From date of despatch to <i>client</i>	<i>MiFID</i> or equivalent third country business – 5 years Other business – 3 years

<i>COBS</i> 16.3.11R	<i>Periodic statements</i>	A copy of a <i>periodic statement</i> sent to a <i>client</i>	From date of despatch to <i>client</i>	<i>MiFID or equivalent third country business</i> – 5 years Other business – 3 years
<i>COBS</i> 16.6.6R	Life insurance contracts	Information to be provided during the terms of the contract	When information is given	5 years after information given
<i>COBS</i> 18.5.14R	Collective investment scheme operators	<i>Periodic statement</i> to be provided to <i>participants</i>	When provided	3 years
<i>COBS</i> 19.1.5R	Execution only pension transfer or opt out	That no <i>personal recommendation</i> was given to the <i>client</i>	Date of transaction	5 years
<i>COBS</i> 19.2.3R	Promotion of personal pension scheme	Why the promotion was justified	When promoted	5 years
<i>COBS</i> 20.3.1R	<i>PPFMs</i>	Each version of the <i>PPFM</i>	Date on which the <i>PPFM</i> is relevant	5 years
<i>COBS</i> TP1.8R	<i>Client</i> categorisation transitional	Categorisation or re-categorisation under TP1	Date of categorisation/ re-categorisation	See <i>COBS</i> 3.8.2R(2)
<i>COBS</i> TP 2.4E	<i>Investment research</i> transitional	Election to comply with <i>COBS</i> 12.2 - 12.3 sooner than 1 May 2008	Date of decision and date from which election is to be effective	5 years
<i>COBS</i> TP 2.8C	Specialist regimes	Election to comply with <i>COBS</i> 18 sooner than 1 May 2008	Date of decision and date from which election is to be effective	5 years

## Sch 2 Notification requirements

### Sch 2.1 G

Handbook reference	Matters to be notified	Contents of notification	Trigger event	Time allowed
<i>COBS</i> 20.2.45R	Appointment of <i>policyholder advocate</i> .	The terms on which the <i>firm</i> proposes to appoint a <i>policyholder advocate</i> .	Proposal to appoint <i>policyholder advocate</i> .	As soon as reasonably practicable
<i>COBS</i> 21.2.8 R	Breach of <i>COBS</i> 21.2	Any failure to meet the requirements of <i>COBS</i> 21.2	Breach of <i>COBS</i> 21.2	As soon as the <i>firm</i> becomes aware of the failure

## Sch 3 Fees and other required payments

### Sch 3.1 G

There are no requirements for fees or other payments in *COBS*.

## Sch 4 Powers exercised

### Sch 4.1 G

The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *COBS*:

	Section 138 (General rule-making power);
	Section 139 (4) (Miscellaneous ancillary matters);
	Section 145 (Financial promotion rules);
	Section 147 (Control of information rules);
	Section 149 (Evidential provisions);

	Section 156 (General supplementary powers);
	Section 238(5) (Restrictions on promotion);
The following powers in the <i>Act</i> have been exercised by the <i>FSA</i> to give the <i>guidance</i> in <i>COBS</i> :	
	Section 157(1) (Guidance)

## Sch 5 Rights of actions for damages

### Sch 5.1 G

The table below sets out the *rules* in *COBS* contravention of which by an *authorised person* may be actionable under section 150 of the *Act* (Actions for damages) by a *person* who suffers loss as a result of the contravention.

### Sch 5.2 G

If a "Yes" appears in the column headed "For private person?", the *rule* may be actionable by a "*private person*" under section 150 (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A "Yes" in the column headed "Removed" indicates that the *FSA* has removed the right of action under section 150(2) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.

### Sch 5.3 G

The column headed "For other person?" indicates whether the *rule* may be actionable by a *person* other than a *private person* (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of *person* by whom the *rule* may be actionable is given.

Sch 5.4 G

			Right of action under section 150			
Chapter/ Appendix	Section/Annex	Paragraph	For private person?	Removed?	For other person?	
All <i>rules</i> in <i>COBS</i> with the status letter "E"			No	No	No	
Any <i>rule</i> in <i>COBS</i> which prohibits an <i>authorised person</i> from seeking to make provision excluding or restricting any duty or liability			Yes	No	Yes	Any other person
Any <i>rule</i> in <i>COBS</i> which is directed at ensuring that transactions in <i>designated investments</i> are not effected with the benefit of unpublished information that, if made public, would be likely to affect the price of that designated investment			Yes	No	Yes	Any other person
The <i>fair, clear and not misleading rule</i>			Yes	In part (Note 1)	No	
All other <i>rules</i> in <i>COBS</i>			Yes	No	No	

Notes

1. *COBS* 4.2.6R provides that if, in relation to a particular communication or *financial promotion*, a *firm* takes reasonable steps to ensure it complies with the *fair, clear and not misleading rule*, a contravention of that *rule* does not give rise to a right of action under section 150 of the *Act*.

Sch 6 Rules that can be waived

Sch 6.1 G

As a result of regulation 10 of the Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (SI 2007/1973) the FSA has power to waive all its rules.
---

**Part 2: Comes into force on 6 March 2008**

- 4.7.6      R      (1)      A firm must not communicate or approve a direct offer financial promotion:
- (a)      relating to a warrant or derivative;
  - (b)      to or for communication to a retail client; and
  - (c)      where the firm will not itself be required to comply with the rules on appropriateness (see COBS 10);
- unless the firm has adequate evidence that the condition in (2) is satisfied.
- (2)      The condition is that the person who will arrange or deal in relation to the derivative or warrant will comply with the rules on appropriateness or equivalent requirements for any application or order that the person is aware, or ought reasonably to be aware, is in response to the direct offer financial promotion.

## Annex H

### Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 1 Annex 1: Application (see ICOBS 1.1.2R)

...		
<b>Part 4: Guidance</b>		
...		
5.	<b>Consolidated Life Directive: effect on territorial scope</b>	
...		
5.4	G	... The territorial scope of other <i>rules</i> , in particular <del><i>rules on financial promotion</i></del> <u><i>the financial promotion rules</i></u> , is not affected since the Directive explicitly permits <i>EEA States</i> to apply rules, including advertising rules, in the ‘general good’. (See articles 33, 35, 36 and 47 of the <i>Consolidated Life Directive</i> )

## Annex I

### Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

TC Appendix 1      R

<b>Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3</b>		
Activity	Products/Sectors	Is there an appropriate examination requirement?
<i>Designated investment business carried on for a retail client</i>		
Providing basic advice	...	...
Advising	2. <i>Securities which are not stakeholder pension schemes or broker funds</i>	Yes
	3. <i>Derivatives</i>	<u>Yes</u>
	4. <i>Packaged products which are not broker funds</i>	<u>Yes</u>
	5. <i>Friendly Society life policies where the employee is not reasonably expected to receive a remuneration of greater than £1000 a year in respect of such sales</i>	<u>No</u>
	6. <i>Friendly Society tax-exempt policies</i>	<u>Yes</u>
	7. <i>Long-term care insurance contracts</i>	<u>Yes</u>
	8. <i>Investments in the course of corporate finance business</i>	<u>Yes</u>
	9. <i>Advising on syndicate participation at Lloyd's</i>	<u>Yes</u>
Undertaking the activity in column 2	10. <i>Broker fund adviser</i>	Yes
	11. <i>Pension transfer specialist</i>	<u>Yes</u>
Advising and dealing	12. <i>Securities which are not stakeholder pension schemes or broker funds</i>	Yes
	13. <i>Derivatives</i>	<u>Yes</u>
Managing	14. <i>Investments</i>	Yes
Overseeing on a day-to-day basis	15. <i>Operating a collective investment scheme or undertaking the activities of a trustee or depositary of a collective investment scheme</i>	Yes
	16. <i>Safeguarding and administering investments or holding client money</i>	<u>Yes</u>

	17. <i>Administrative functions in relation to managing investments</i>	<u>Yes</u>
	18. <i>Administrative functions in relation to effecting or carrying out contracts of insurance, which are life policies</i>	<u>Yes</u>
	19. <i>Administrative functions in relation to the operation of stakeholder pension schemes</i>	<u>Yes</u>
<i>Regulated mortgage activity and reversion activity carried on for a customer</i>		
Advising	20. <i>Regulated mortgage contracts for a non-business purpose</i>	Yes
	21. <i>Equity release transactions</i>	<u>Yes</u>
Designing scripted questions for non-advised sales	...	...
...		

## Annex J

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3.1.2	R	Applicable sections (see SUP 3.1.1 R)			
		(1) Category of firm	(2) Sections applicable to the firm	(3) Sections applicable to its auditor	
		...	...	...	...
		(7)	<i>Investment management firm</i> , (other than an <i>exempt CAD firm</i> ), <i>personal investment firm</i> (other than a <i>small personal investment firm</i> or <i>exempt CAD firm</i> ), or <i>securities and futures firm</i> (other than an <i>exempt CAD firm</i> or an <i>exempt BIPRU commodities firm</i> ) which, in each case, has an auditor appointed under or as a result of a statutory provision other than in the <i>Act</i> (Notes 3 and 3A)	<i>SUP 3.1 - SUP 3.7</i>	<i>SUP 3.1, SUP 3.2, SUP 3.8, SUP 3.10</i>
		(7A)	<i>Investment management firm</i> ( <u>other than an exempt CAD firm</u> ), <i>personal investment firm</i> (other than a <i>small personal investment firm</i> or <i>exempt CAD firm</i> ), or <i>securities and futures firm</i> (other than an <i>exempt CAD firm</i> or an <i>exempt BIPRU commodities firm</i> ) not within (7) to which the <i>non-directive custody chapter</i> , <i>non-directive client money chapter</i> , <i>MiFID custody chapter</i> or <i>MiFID client money chapter</i> apply	<i>SUP 3.1 - SUP 3.7</i>	<i>SUP 3.1, SUP 3.2, SUP 3.8, SUP 3.10</i>
		(7C)	<del><i>BIPRU investment firm</i></del> or <del><i>exempt CAD firm</i></del> <u><i>UK MiFID investment firm</i></u> , which has an auditor appointed under or as a result of a statutory provision other than in the <i>Act</i> (Note 3B)	<i>SUP 3.1 - 3.7</i>	<i>SUP 3.1, SUP 3.2, SUP 3.8, SUP 3.10</i>
		(7D)	<i>Sole trader</i> or <i>partnership</i> that is a <u><i>UK MiFID investment firm</i></u> (other than an <i>exempt CAD firm</i> ) (Note	<i>SUP 3.1 - SUP 3.7</i>	<i>SUP 3.1, SUP 3.2, SUP 3.8,</i>

			3BC)		SUP 3.10
		...	...	...	...
		...			
		Note 3A = If the <i>firm</i> has elected to comply with the <i>MiFID custody chapter</i> or the <i>MiFID client money chapter</i> also in respect of its <i>non-MiFID business</i> then SUP 3.10 will apply to the whole of the business within the scope of the <i>MiFID custody chapter</i> or the <i>MiFID client money chapter</i> .			
		<u>Note 3B = UK MiFID investment firms include exempt CAD firms. An exempt CAD firm that has opted into MiFID can benefit from the audit exemption for small companies in the Companies Act legislation if it meets the relevant criteria in that legislation and fulfils the conditions of regulation 4C(3) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007. If a firm does so benefit then SUP 3 will not apply to it. For further details about exempt CAD firms, see PERG 13, Q58.</u>			
		Note 3BC = A sole trader or a partnership that is a UK MiFID investment firm to which the <i>MiFID custody chapter</i> or <i>MiFID client money chapter</i> apply must have its annual accounts audited.			
		...			

- 7.2.3 G The FSA may also use its powers under section 45 for enforcement purposes. ~~ENF 3~~ EG 8 sets out in detail the FSA's powers under section 45 and the circumstances under which the FSA may vary a firm's permission in this way, whether for enforcement purposes or as part of its day to day supervision of firms. ...
- 7.2.4 G ... There are similar but more limited powers under Part XIII of the Act in relation to the permission of an incoming EEA firm or incoming Treaty firm under Schedules 3 or 4 to the Act (see ~~ENF 4~~ EG 8.26 to EG 8.27).
- 7.2.5 G If the FSA exercises its powers under section 45 of the Act, it will do so by issuing a supervisory notice. The procedure that will be followed is set out in ~~DEC 3~~ DEPP 2 and a flowchart is provided in ~~DEC 3 Annex 2~~.
- 7.2.6 G A firm has a right of referral to the Financial Services and Markets Tribunal (see ~~DEC 5~~) in respect of the exercise by the FSA of its powers to vary, on its own initiative, the firm's Part IV permission.
- 10.2.1 G The immediate purpose of SUP 10.3 to SUP 10.10 is to specify, under section 59 of the Act, descriptions of the ~~22~~ 16 controlled functions which are listed in SUP 10.4.5R. ....
- 12.2.14 G (1) ...

(2) If a firm appoints an *appointed representative* who is an individual in (1), that *appointed representative* will also be a *representative*. The individual may need to be approved to perform the *customer function*, (see SUP 12.6.8G and SUP 12.6.9G). In these circumstances, in addition to complying with the requirements of SUP 12 and other regulatory requirements, the firm should ensure that the *rules for representatives* in ~~COB 5 (Advising and selling)~~ COBS 6 (Information about the firm, its services and remuneration) are complied with.

- 12.5.6 G (1) If the *appointed representative* is appointed to *give advice on investments to retail clients concerning packaged products*, the firm should also satisfy itself that:
- (a) the contract requires compliance with the *rules* in ~~COB 5.1 (Advising of packaged products)~~ COBS 6 (Information about the firm, its services and remuneration). ; ~~and~~
  - (b) ~~if the firm is a provider firm, the contract prevents the appointed representative from giving advice on investments to a retail client concerning the purchase of a packaged product which is not issued by the firm or by another member of its marketing group or is not an adopted packaged product (see COB 5.1.8 R).~~

...

### SUP 12 Annex 3R Appointed representative appointment form

11 Will the appointed representative undertake designated investment business ~~insurance~~    
mediation? \*

If question 11 is answered "yes", you must complete the 3 fields immediately below:

Name of main contact for FSA register

Title

Forename(s)

Surname

Yes No

12 Will the appointed representative undertake home finance activities? \*

13 Is the application in respect of:\*

(1) an appointed representative who will carry on insurance mediation activities?

**If question 13(1) is answered "yes", you must complete the 3 fields immediately below:**

**Name of main contact for FSA register**

Title

Forename(s)

Surname

or

(2) a tied agent?

Replace SUP 16.12.7R with the following (the text is not underlined):

16.12.17 R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.16R.

Data item	Monthly submission	Quarterly submission	Half yearly submission	Annual submission
Annual accounts				80 <i>business days</i>
Annual reconciliation				80 <i>business days</i>
Annual accounts of the <i>mixed-activity holding company</i>				7 months
Solvency statement				3 months
FSA001		20 <i>business days</i>	30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
FSA002		20 <i>business days</i>	30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
FSA003	15 <i>business days</i>	20 <i>business days</i>	30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
FSA004		20 <i>business days</i>	30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
FSA005		20 <i>business days</i>	30 <i>business days</i> (note 2);	

			45 <i>business days</i> (note 3)	
FSA006		20 <i>business days</i>		
FSA007				2 months
FSA008		20 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)		
FSA016			30 <i>business days</i>	
FSA018		45 <i>business days</i>		
FSA019				2 months
FSA028			30 <i>business days</i>	
FSA029		20 <i>business days</i>		80 <i>business days</i>
FSA030		20 <i>business days</i>		80 <i>business days</i>
FSA031		20 <i>business days</i>		
FSA032		20 <i>business days</i>		
FSA033		20 <i>business days</i>		80 <i>business days</i>
FSA034		20 <i>business days</i>		80 <i>business days</i>
FSA035		20 <i>business days</i>		80 <i>business days</i>
FSA036		20 <i>business days</i>		80 <i>business days</i>
FSA038			30 <i>business days</i>	
FSA039			30 <i>business days</i>	
FSA040		15 <i>business days</i>		
FSA041				30 <i>business days</i>
FSA042		20 <i>business days</i>		
FSA045		20 <i>business days</i>	30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
FSA046			30 <i>business days</i> (note 2); 45 <i>business days</i> (note 3)	
Section A RMAR		30 <i>business days</i>	30 <i>business days</i>	
Section B RMAR		30 <i>business days</i>	30 <i>business days</i>	
Section C RMAR		30 <i>business days</i>	30 <i>business days</i>	
Section D1 and D2 RMAR		30 <i>business days</i>	30 <i>business days</i>	
Section F RMAR			30 <i>business days</i>	

Note 1	[deleted]
Note 2	For unconsolidated and solo-consolidated reports.
Note 3	For <i>UK consolidation group</i> reports.

Amend the following text as shown.

App 1.8.2G Note 2

...	
Activities from which the most substantial part of the firm's gross income, including commissions, from regulated activities is derived	Firm's prudential category
<ul style="list-style-type: none"> <li>(i) <i>Managing investments</i> other than for <del>private customers</del> <u>retail clients</u> or if the assets managed are primarily <i>derivatives</i>;</li> <li>(ii) <i>OPS activity</i>;</li> <li>(iii) acting as the <i>manager</i> or <i>trustee</i> of an <i>AUT</i>;</li> <li>(iv) acting as the <i>ACD</i> or <i>depository</i> of an <i>ICVC</i>;</li> <li>(v) <del>establishing, operating or winding up a collective investment scheme</del> <u>establishing, operating or winding up a collective investment scheme</u> other than an <i>AUT</i> or <i>ICVC</i>; <del>and</del></li> <li>(va) <u>establishing, operating or winding up a personal pension scheme;</u> <u>and</u></li> <li>(vi) <i>safeguarding and administering investments.</i></li> </ul>	<i>Investment management firm</i>
...	

## Annex K

### Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, striking through indicates deleted text.

#### Comes into force on 6 March 2008

Respondents with two-stage complaints procedures

1.6.5 R If, within eight weeks of receiving a *complaint*, the *respondent* sends the complainant a written response which:

...

(4) indicates it will regard the *complaint* as closed if it does not receive a reply within eight weeks ~~of the complainant's receipt of the response;~~

the *respondent* is not obliged to continue to comply with *DISP* 1.6.2R unless the complainant indicates that he remains dissatisfied, in which case, the obligation to comply with *DISP* 1.6.2R resumes.

## Annex L

### Amendments to the Electronic Money sourcebook (ELM)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 6.3.10 G The *redemption right* applies against the issuer of *e-money*. Issuer means the same thing as it does for the purpose of article 74A of the *Regulated Activities Order* (Electronic money). There is *guidance* on the meaning of issuer under that article in *PERG 3* (~~The~~ Guidance on the scope of the regulated activity of issuing e-money).
- 8.3.3 G *PERG 3.4* gives *guidance* on the restrictions on financial promotion in section 21 of the *Act* (Restrictions on financial promotion) in relation to *e-money*.

## Annex M

### Amendments to the Professional Firms sourcebook (PROF)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 5 Non-mainstream regulated activities

#### 5.3 Reference to other sourcebooks and manuals

Conduct of business sourcebook

5.3.2 G *COBS* 18.11 provides that *COBS* does not apply to an *authorised professional firm* with respect to its *non-mainstream regulated activities*, except for:

...

(3) *COBS* 8.1.3 R (Client agreements), except for the requirement to provide information on conflicts of interest; and

(4) *COBS* 5.2 (E-commerce).

...

## Annex N

### Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 12.4.7 R Unless *LR 12.4.8R* applies, a *company* with *listed securities* convertible into, or exchangeable for, or carrying a right to subscribe for *equity shares* of the *class* proposed to be purchased must (prior to entering into any agreement to purchase such *shares*):
- (1) convene a separate meeting of the holders of those *securities*: and
  - (2) obtain their approval for the proposed purchase of *equity shares* by ~~an extraordinary~~ a special resolution.

#### LR TR 1

[In the following schedule of transitional provisions, row 5 is renumbered 1A and moved to the first part of the schedule. A new row 1B is inserted in the same part. This part is named “General Transitional Provisions”. Amendments are made to the remainder of the schedule as shown.]

LR TR 1 Transitional Provisions: ~~for Sponsors~~ General and Venture Capital Trusts

...

#### General Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	Amendments to LR set out in Annex B ...	...	...	...	...
<del>5</del> <u>1A</u>	LR provisions referring to Companies Acts ...	...	...	...	...
<u>1B</u>	<u>LR 12.4.7R(2)</u>	<u>R</u>	<u>A company may obtain the approval required by LR 12.4.7R(2) by extraordinary resolution (rather than a special resolution) if there is a reference to an extraordinary resolution in</u>	<u>From 6 February 2008 until further notice</u>	<u>1 July 2005</u>

			<u>the company's memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph 23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.</u>		
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Transitional provisions for venture capital trusts

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2	...	...	...	...	...
3	...	...	...	...	...
4	...	...	...	...	...

~~General Transitional Provisions~~

<del>(1)</del>	<del>(2)</del> <del>Material to which the transitional provision applies</del>	<del>(3)</del>	<del>(4)</del> <del>Transitional provision</del>	<del>(5)</del> <del>Transitional provision: dates in force</del>	<del>(6)</del> <del>Handbook provision: coming into force</del>
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## Annex O

### Amendments to the Prospectus Rules sourcebook (PR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Supplementary prospectus to be submitted as soon as practicable

- 3.4.3 R In the event that a requirement for a supplement is triggered, then as soon as practicable after the new factor, mistake or inaccuracy arises or is noted, a ~~A~~ person referred to in section 87G(2) of the Act must submit a *supplementary prospectus* referred to in that section to the FSA for approval ~~as soon as practicable after the new factor, mistake or inaccuracy arises or is noted.~~

App 3.1.1 EU ...

#### ANNEX I

Minimum Disclosure Requirements for the Share Registration Document  
(schedule)

...	
20.1	<p>Historical Financial Information</p> <p>Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</del> ...</p>
...	

## ANNEX IV

### Minimum Disclosure Requirements for the Debt and Derivative Securities Registration Document (schedule)

(Debt and derivative securities with a denomination per unit of less than EUR 50,000)

...	
13.1	<p><b>Historical Financial Information</b></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</del> ...</p>
...	

## ANNEX VII

### Minimum Disclosure Requirements for Asset Backed Securities Registration Document (schedule)

...	
8.2	<p><b>Historical Financial Information</b></p> <p>Where, since the date of incorporation or establishment, an issuer has commenced operations and financial statements have been made up, the registration document must contain audited historical financial information covering the latest 2 financial years (or shorter period that the issuer has been in operation) and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member</p>

	<p>State's national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del></p>
8.2 bis	<p>This paragraph may be used only for issues of asset-backed securities having a denomination per unit of at least EUR 50,000.</p> <p>Where, since the date of incorporation or establishment, an issuer has commenced operations and financial statements have been made up, the registration document must contain audited historical financial information covering the latest 2 financial years (or shorter period that the issuer has been in operation) and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u></p> <p>Such financial information must be prepared according to Regulation (EC) No 1606/2002 or, if not applicable, to a Member State's national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del></p>
...	

## ANNEX IX

### Minimum Disclosure Requirements for the Debt and Derivative securities Registration Document (schedule)

(Debt and derivative securities with a denomination per unit of at least EUR 50,000)

...	
11.1	<p>Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to</p>

	Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del>
...	

## ANNEX X

### Minimum Disclosure Requirements for the Depository Receipts issued over shares (schedule)

...

...	
20.1	<p>Historical Financial Information</p> <p>Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del></p>
20.1 bis	<p>This paragraph may be used only for issues of depository receipts having a denomination per unit of at least EUR 50,000.</p> <p>Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference</del></p>

	<p><del>date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del></p>
...	

ANNEX XI

Minimum Disclosure Requirements for the Bank's Registration Document (schedule)

...	
11.1	<p><u>Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. <u>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter.</u> Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. <del>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. ...</del></p>
...	

## Annex P

### Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 2.2.3 G ...
- (9) If not, do I benefit from the few provisions of the Act that *authorise* me without a *permission* under Part IV of the Act (see ~~PERG 2.9.10G~~ 2.10.10G (Members of Lloyd's))?
- 8.21.20 G Article ~~71~~ 70 applies to a *non-real time financial promotion* included in:
- (1) *listing particulars*; or
  - (2) *supplementary listing particulars*; or
  - (3) a prospectus or supplementary prospectus approved in line with *Prospectus Rules* or by the competent authority of another EEA State (provided the requirements of section 87H of the Act are met) – including part of such a prospectus or supplementary prospectus; and or
  - (4) any other document required or permitted to be published by *listing rules* or *Prospectus Rules*.

Article 70 also applies to a non-real time financial promotion comprising the final terms of an offer or the final offer price or amount of securities which will be offered to the public and that complies with articles 5(4), 8(1) and 14(2) of the Prospectus Directive.

The comments in *PERG* 8.21.14G about when something is required or permitted to be published apply also to (4).