

DISCLOSURE DOCUMENTS (AMENDMENT) 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 138 (General rule-making power);
 - (b) section 156 (General supplementary powers); and
 - (c) section 157(1) (Guidance); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- 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 on 6 August 2008.

Amendments to the Handbook

- D. The modules of the FSA’s 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
General Provisions (GEN)	Annex B
Conduct of Business sourcebook (COBS)	Annex C
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex D

Notes

- E. In Annex C 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 Disclosure Documents (Amendment) Instrument 2008.

By order of the Board
24 July 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.

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

services and costs disclosure document information about the *scope of advice* or *scope of basic advice* and the nature and costs of the services offered by a *firm* as described in *COBS 6.3.7G*, which contains the keyfacts logo, headings and text described in *COBS 6 Annex 1G*.

Amend the following definitions as shown.

initial disclosure document information about the *scope of advice* ~~or *scope of basic advice*~~ and the nature of the services offered by a *firm* in relation to:

- (a) ~~*packaged products* as described in *COBS 6.3.7G* which contains the keyfacts logo, headings and text described in *COBS 6 Annex 1G G*;~~
- (b) ~~*stakeholder products* as described in *COBS 9.6.9R* (*Disclosure at first contact*) which contains the keyfacts logo, headings and text described in *COBS 6 Annex 1G G*;~~
- (ea) a *regulated mortgage contract* other than a *lifetime mortgage* as required by *MCOB 4.4.1R(1)* and set out in *MCOB 4 Annex 1*;
- (db) an *equity release transaction* as required by *MCOB 4.4.1R(1)* and set out in *MCOB 8 Annex 1R*;
- (ec) a *home purchase plan* as required by *MCOB 4.10.2R* and set out in *MCOB 4 Annex 1R*; or
- (fd) a *non-investment insurance contract* in accordance with *ICOBS 4.5.1G* and set out in *ICOBS 4 Annex 1G*.

Delete the following definition.

~~*menu* a statement maintained by a *firm* in accordance with *COBS 6.3.*~~

Annex B

Amendments to the General Provisions (GEN)

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

GEN 5 Annex 1 Licence for use of the FSA and keyfacts logos by authorised firms and appointed representatives or tied agents

G

...			
Permission to use the keyfacts logo			
3A.1	A <i>firm</i> , its <i>appointed representatives</i> and <i>tied agents</i> are permitted to use the keyfacts logo as and when it is required or permitted to be used by the <i>rules</i> .		
3A.2	The following are examples of places where the <i>rules</i> require or permit the keyfacts logo to be used:		
	(1)	In COBS 6.3 ₂	
		(a)	in an initial <u>a services and costs disclosure document or combined initial disclosure document (COBS 6.3)</u> ; and
		(b)	in a menu (COBS 6.3) .
	...		
...			

Annex C

Amendments to the Conduct of Business sourcebook (COBS)

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

2.2 Information disclosure before providing services

Application

- 2.2.-1 R (1) This section applies in relation to *MiFID* or equivalent third country business.
- (2) This section applies in relation to other *designated investment business* carried on for a *retail client*:
- (a) in relation to a *derivative*, a *warrant* or *stock lending activity*, but as regards the matters in *COBS 2.2.1R(1)(b)* only; and
- (b) in relation to a *packaged product*, but as regards the matters in *COBS 2.2.1R(1)(a)* and (d) only.

[**Note:** Article 19(3) of *MiFID*]

Information disclosure before providing services

- 2.2.1 R (1) A *firm* must provide appropriate information in a comprehensible form to a *client* about:
- (a) the *firm* and its services;
- (b) *designated investments* and proposed investment strategies; including appropriate guidance on and warnings of the risks associated with investments in those *designated investments* or in respect of particular investment strategies;
- (c) execution venues; and
- (d) costs and associated charges;
- so that the *client* is reasonably able to understand the nature and risks of the service and of the specific type of *designated investment* that is being offered and, consequently, to take investment decisions on an informed basis.
- (2) That information may be provided in a standardised format.

- (3) ~~This rule applies in relation to MiFID or equivalent third country business. [deleted]~~
- (4) ~~The requirement to provide information about designated investments and proposed investment strategies also applies to a firm in relation to designated investment business other than MiFID or equivalent third country business carried on for a retail client in relation to a derivative, a warrant or stock lending activity. [deleted]~~

[Note: Article 19(3) of MiFID]

...

6.2 Describing the breadth of a firm's personal recommendations

...

Selling products from the scope and range

- 6.2.11 G In accordance with the *client's best interests rule* and the *fair, clear and not misleading rule*, a firm should not describe its services to a *retail client* as being based on a particular *scope of advice* and *range* unless its business processes are designed to ensure that:

...

- (6) it does not extend the *scope* or *range* in a way that materially alters its remuneration arrangements ~~and~~ unless it provides to the *client* a new and appropriate information on inducements, costs and charges (a firm may do this by providing a further ~~menu~~ services and costs disclosure document or combined initial disclosure document).

...

6.3 Disclosing information about services, fees and commission - packaged products

Application

...

- 6.3.2 R This section does not apply to a firm giving *basic advice* where the firm follows ~~with~~ the *basic advice rules* in COBS 9.6.

Disclosure to retail clients in good time

- 6.3.3 G (1) The rules referred to in (4) ~~and (5)~~ are derived from the *Single Market directives* and the *Distance Marketing Directive*. In the FSA's opinion, a firm ~~will~~ may comply with them ~~if it ensures~~ by ensuring that in good time before:

- (a) a *retail client* is bound by an agreement for the provision of a *personal recommendation on packaged products*; or
- (b) the *firm* performs an act preparatory to the provision of a *personal recommendation*;
- (c) (in relation to the amendment of a *life policy* for that *retail client*), it gives a *personal recommendation* in relation to *packaged products*;

its *representative* provides the *client* with ~~an *initial disclosure document*~~ a *services and costs disclosure document* or *combined initial disclosure document* ~~and a *menu*~~.

- (2) A *firm* should consider the extent to which it is appropriate to provide ~~an *initial disclosure document*~~ a *services and costs disclosure document* or a ~~*menu*~~ *combined initial disclosure document* if the appropriate information has been given to the *client* on a previous occasion and the information is still accurate and appropriate for the *client*.
- (3) A *firm* should provide the information required by this section in a *durable medium*.
- (4) For the purposes of (1), provision of ~~the *menu*~~ a *services and costs disclosure document* or *combined initial disclosure document* will comply with:
 - (a) ~~(other than in relation to a *personal pension deposit*, *SIPP* or a *personal pension product*)~~ the elements of the *rule* on summary disclosure of fees, commissions and non-monetary benefits (*COBS* 2.3.1R(2)(b), as qualified by *COBS* 2.3.2R) that relate to disclosure of fees and commissions and, where included, non-monetary benefits;
 - (b) the *rule* on information about costs and charges (*COBS* 6.1.9R) but only if the hourly rates indicated in the ~~*menu*~~ *services and costs disclosure document* or *combined initial disclosure document* are actual hourly rates rather than indicative hourly rates;
 - (c) the *rule* on information disclosure before providing services (*COBS* 2.2.1R(1)(a) and (d));
 - (d) the items of distance marketing information, set out in paragraphs (1), (2), (4), (5), (19) and (20) of *COBS* 5 Annex 1R;
 - (e) paragraphs (1) (so far as it relates to the *firm*'s name and address), (4) and (6) of the *rule* on disclosure of information about a *firm* and its services (*COBS* 6.1.4R);
 - (f) the investor compensation scheme *rule* in *COBS* 6.1.16R(1)

and (2); and

(g) the rule on information to be provided by an insurance intermediary (COBS 7.2.1R(1) and (2)).

- (5) ~~For the purposes of (1), provision of the initial disclosure document or, where applicable combined initial disclosure document, will comply with:~~
- (a) ~~the rule on information disclosure before providing services (COBS 2.2.1R(1)(a);~~
 - (b) ~~the items of distance marketing information, set out in paragraphs (1), (2), (4), (5), (19) and (20) of COBS 5 Annex 1R;~~
 - (c) ~~paragraphs (1) (so far as it relates to the firm's name and address), (4) and (6) of the rule on disclosure of information about a firm and its services (COBS 6.1.4 R);~~
 - (d) ~~the investor compensation scheme rule in COBS 6.1.16R (1) and (2); and~~
 - (e) ~~the rule on information to be provided by an insurance intermediary (COBS 7.2.1R(1) and (2)). [deleted]~~

6.3.4 R For the purposes of GEN 5, a firm may not use the keyfacts logo in relation to any document that is designed to comply with rules in COBS 5, 6.1 or COBS 7 unless it is ~~an initial disclosure document~~ a services and costs disclosure document, or a combined initial disclosure document ~~or menu~~ produced in accordance with the templates and Notes in the annexes to this chapter.

6.3.5 G Each of the ~~initial disclosure document~~ services and costs disclosure document, and combined initial disclosure document ~~and menu~~ that a firm provides to a client should be documents which the firm reasonably considers will be, or are likely to be, appropriate for the client having regard to the type of service which the firm may provide or business which the firm may conduct.

- 6.3.6 G
- (1) A firm will satisfy the requirements as to timing in the rules referred to in COBS 6.3.3G(4) ~~and (5)~~ if its representative provides information to the client on first making contact with the client.
 - (2) ~~The menu is unlikely to be fair, clear and not misleading if a firm uses it for a service other than personal recommendations.~~
[deleted]

Initial disclosure document Services and costs disclosure document and combined initial disclosure document

- 6.3.7 G (1) ~~An initial disclosure document~~ A services and costs disclosure document is a document that contains the keyfacts logo, headings and text in the order shown in *COBS 6 Annex 1G* and in accordance with the Notes.
- (2) A combined initial disclosure document is a document that contains the keyfacts logo, headings and text in the order shown in *COBS 6 Annex 2* and in accordance with the Notes.

6.3.8 G A firm may include ~~at the end of an initial disclosure document,~~ in a services and costs disclosure document or a combined initial disclosure document, information ~~the firm is~~ required by *COBS* or by the rule on disclosing a tied agent's capacity (*SUP 12.6.13R*) and which is not in the template for the ~~initial disclosure document~~ services and costs disclosure document or combined initial disclosure document, if the information would be sufficiently prominent. For example, a firm may wish to use ~~the those~~ initial disclosure document documents to satisfy:

- (1) the parts of the rule on information about the firm and its services (*COBS 6.1.4 R*);
- (2) the rule on costs and associated charges (*COBS 6.1.9R*);
- (3) the items of distance marketing information described in paragraphs (6), (8), (10) and (11) of COBS 5 Annex 1R;

that would not otherwise be satisfied by providing the ~~initial disclosure document~~ services and costs disclosure document or combined initial disclosure document.

6.3.9 G Firms can obtain from the FSA website <http://www.fsa.gov.uk> a specimen of the ~~initial disclosure document~~ services and costs disclosure document and the combined initial disclosure document. A firm may produce its ~~initial disclosure document~~ services and costs disclosure document or combined initial disclosure document by using its own house style and brand. Electronic tools to help firms to construct their own ~~initial disclosure documents~~ versions of these documents and menus are available from the FSA website.

Menu

- 6.3.10 G (1) ~~A menu is a document that contain the keyfacts logo, heading and text in the order shown in COBS 6 Annex 3G and in accordance with the Notes.~~
- (2) ~~In order to be able to provide an accurate menu, a firm should maintain as many versions of the menu as are appropriate to the different bases on which it may conduct business with retail~~

- clients*. ~~[deleted]~~
- 6.3.11 R (1) ~~A firm must keep its menus up to date and keep a record of each menu for a period of five years from the date on which it was updated or replaced.~~
- (2) ~~A firm must maintain a record of each particular menu which it provides to a retail client (other than when given merely in response to a request). [deleted]~~
- 6.3.12 G ~~A firm may add text at the end of the menu that is designed to comply with the disclosure duties in:~~
- (1) ~~the rule on disclosure of fees, commissions and non-monetary benefits (COBS 2.3.1R(2)) to the extent the menu does not include that information in relation to the relevant product;~~
- (2) ~~the rule on costs and associated charges (COBS 6.1.9R);~~
- (3) ~~the items of distance marketing information described in paragraphs (6), (8), (10) and (11) of COBS 5 Annex 1R. [deleted]~~
- 6.3.13 G ~~If a firm is asked to provide a menu by a person with whom the firm has had no prior contact it may provide the menu which is appropriate for its typical or most prevalent client type and the business it conducts with them. [deleted]~~
- 6.3.14 G ~~A firm would be unlikely to comply with the client's best interests rule and the fair, clear and not misleading rule, if:~~
- (a) ~~the menu services and costs disclosure document or the combined initial disclosure document that it provided initially did not reflect relevant expected commission arrangements; or~~
- (b) ~~the firm arranged to retain any commission which exceeded the amount or rate disclosed without first providing further appropriate inducements information and obtaining the client's prior informed consent to the proposed alteration in a durable medium.~~
- 6.3.15 G ~~Long-term care and whole-of-life policies, for which the example given in the menu refers to the age of the policyholder, are deemed to have a term equal to the difference between the age of the policyholder (at the time that the policy is taken out) and the age of 85. [deleted]~~
- 6.3.16 G ~~If a firm decides to provide a retail client with a personal recommendation on a type of packaged product which falls within a product group specified in Notes 14 or 19 to COBS 6 Annex 3G in relation to which the menu previously given to the client does not contain the information described in the menu, it should issue a new and appropriate menu to that client. [deleted]~~

Provision of information on request

- 6.3.17 G A *firm* should take reasonable steps to ensure that its *representative* ~~provide~~ provides a copy of the appropriate *range* of *packaged products* to a *client* on the *client's* request.

~~Ongoing disclosure~~

- 6.3.18 G (1) ~~In accordance with the *client's best interests rule* and the *fair, clear and not misleading rule*, a *firm* which has started to provide a *retail client* with services in relation to *packaged products* following the provision of information on inducements required under COBS 2.3.1R or a *menu* should not (at least until the completion of those services) arrange to retain any *commission* which exceeds the maximum amount or rate disclosed without first providing further appropriate inducements information or *menu* and obtaining the *client's* prior informed consent to the proposed alteration in a *durable medium*.~~
- (2) (a) Paragraph (1) does not apply if, in relation to a *life policy* or a *pension contract*:
- (i) ~~the maximum amounts or rates already disclosed to the *client* only apply to products of the example term or age of *client* given in the *menu* or other payment information or to products with shorter terms; and~~
 - (ii) ~~the *firm* arranges a product for a term longer than the example term (or longer than the term deemed for the example age given) and the increase in the *commission* which the *firm* arranges to retain over the maximum already disclosed is not more than an amount that is directly proportional to the increase in the duration of the term of the product (or to the term deemed from the age of *client*).~~
- (b) ~~If requested by a *client*, a *firm* should explain the basis of the higher maximum *commission* or *fees* charged in accordance with (1). [deleted]~~

Telephone sales

- 6.3.19 G In cases where *firms* make initial contact with a *client* on the telephone a *firm* may, in addition, have to take into account and comply with the requirements in this sourcebook applicable to the conclusion of ~~distance~~ contracts *distance contracts* (see COBS 5).
- 6.3.20 G (1) In accordance with the *rule* on information disclosure before providing services (COBS 2.2.1R), if a *firm's* initial contact with a *retail client* with a view to providing a *personal recommendation* on *packaged products* is by telephone then the following information

should be provided before proceeding further:

- (a) ...
- (b) whether the *firm* offers *packaged ~~product~~ products* from the whole market or from a limited number of *companies* or from a single *company* or a single group of *companies*;

...

- (2) If a *firm's* initial contact with a *retail client* is by telephone in circumstances in which the *firm* would otherwise provide ~~an *initial disclosure document*~~ a *services and costs disclosure document*, a *menu* or a *combined initial disclosure document*, ~~or both~~, it should consider sending the *client* the *document* as soon as is reasonably practicable following the conclusion of the call.

...

Delete COBS 6 Annex 1G and replace it with the following. The text is not underlined.

COBS 6 Annex 1G: Services and costs disclosure document described in COBS 6.3.7G(1)

Firms should omit the notes and square brackets which appear in the following specimen.



about our services and costs [Note 1]



[Note 2]

[Note 3]

[123 Any Street

Some Town

ST21 7QB]

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2. Whose products do we offer? [Note 4] [Note 7]

We offer products from the whole market. [Note 5] [We offer our own product(s); you can ask us for a list but our recommendation will be made following an analysis of the whole market.] [Note 6]

We [can] [Note 8] only offer products from a limited number of companies.

[These include our own product(s) but our recommendation will be made following an analysis of our entire range of products.] [Note 9]

Ask us for a list of the companies whose products we offer. [Note 11]

We [can] [Note 8] only offer [a] product[s] from [a single group of companies] [name of single company]. [Note 10(1)] [Note 12]

[or] [Note 10(2)]

We only offer our own products.

[free text [Note 13]]

3. Which service will we provide you with? [Note 4]

We will advise and make a recommendation for you after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:

- conduct a full assessment of your needs;
 - offer advice on whether a non-stakeholder product may be more suitable.
- [Note 5]

[free text [Note 14]]

4. What will you have to pay us for our services? [Note 14A]

[non-advised sales [Note 14B]]

[You will pay for our services on the basis of [Note 15][Note16]. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.]

[Paying by fee [Note 17]]

[free text [Notes 18-19]]

[Paying by commission (through product charges) [Note 17]]

[free text [Notes 20-22]]

[Paying by a combination of fee and commission (through product charges) [Note 17]]

[free text [Notes 23-24]]

[Other benefits we may receive [Note 25]]

[free text [Note 25]]

5. Who regulates us? [Note 26]

[ABC Financial Services] [123 Any Street, Some Town, ST21 7QB] [Note 27] [Note 28] is authorised and regulated by the Financial Services Authority. Our FSA Register number is []. [Note 29]

Our permitted business is []. [Note 30]

[or] [Note 31]

[Name of *appointed representative or tied agent*] [Note 2] is [an appointed representative or a tied agent] of [name of *firm*] [address of *firm*] [Note 27] [Note 28] which is authorised and regulated by the Financial Services Authority. [Name of *firm's*] FSA Register number is [].

[Name of *firm's*] permitted business is [] [Note 30] [Name of *appointed representative or tied agent*] is regulated in [an EEA state or the United Kingdom] [Note 29]

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. [Note 29]

6. Loans and ownership [Note 32]

[[XXX plc] owns [YY]% of our share capital.]

[[XXX plc] provides us with loan finance of [YY] per year.]

[[XXX] (or we) have [YY]% of the voting rights in [ZZZ].] [Note 32][Note 33][Note 34][Note 35]

7. What to do if you have a complaint [Note 26]

If you wish to register a complaint, please contact us:

...in writing Write to [ABC Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB].

... by phone Telephone [0121 100 1234]. [Note 36]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 37]

8. Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 26] [Note 38] [Note 39]

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Further information about compensation scheme arrangements is available from the FSCS.

The following notes do not form part of the *services and costs disclosure document*.

Note 1 – permission to use the keyfacts logo: the *Financial Services Authority* has developed a common keyfacts logo to be used on significant pieces of information directed to *clients*. The keyfacts logo and the text ‘about our services and costs’ may only be used and positioned as shown in the *services and costs disclosure document* (see *COBS 6.3.4R*). The logo may be re-sized and re-coloured. It may only be used if it is reasonably prominent and its proportions are not distorted. A specimen of the keyfacts logo can be obtained from the *FSA* website http://www.fsa.gov.uk/pubs/other/keyfacts_logo.

Note 2 – insert the *firm’s* or *appointed representative’s* or *tied agent’s* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo or logos may be included. If an individual who is employed or engaged by an *appointed representative* or *tied agent* provides the information, the individual should not put his or her own name on the *services and costs disclosure document*.

Note 3 – insert the head office or if more appropriate the principal place of business from which the *firm*, *appointed representative* or *tied agent* expects to conduct business (this can include a *branch*) with *clients*. (An *appointed representative* or *tied agent* should include its own name and address rather than those of the *authorised firm*)

Section 2: Whose products do we offer?

Note 4 – the *firm* should select, for example by ticking, one box which is appropriate for the service which it expects to provide to the *clients*. This needs to be done only in relation to the service it is offering to a particular *client*.

Note 5 – if a *firm* indicates that it will be providing *basic advice* on *stakeholder products* then the first box in section 2 should not be ticked as the *firm* will not be doing so on the basis of *personal recommendations* from the whole market.

Note 6 – a *firm* should only include these words if it offers whole of market advice and it owns or operates products that fall within the relevant market (e.g. a *SIPP*). *Firms* that are conducting cross border business and holding themselves out as whole of market, should include such free text as is necessary to explain in a way that meets the *fair, clear and not misleading rule* and the *clients best interest rule*, what whole of market means in that context.

Note 7 – if the *services and costs disclosure document* is provided by an *appointed representative* or *tied agent*, the service described should be that offered by the *appointed representative* or *tied agent*.

Note 8 – insert “can” if the *firm’s* range of products is determined by any contractual obligation. This does not apply where a *product provider, insurer, lender* or company is selling its own products.

Note 9 – a *firm* should only include these words if it offers limited range advice and it owns or operates products that fall within the relevant range (e.g. a *SIPP*).

Note 10 – if the *firm* selects this box, it will be offering the products of one provider to the *client*. It should therefore follow the format specified in (1) below except when offering its own products, in which case it should follow (2) instead. If the *firm* does not select this box, then the text should follow that set out in Note 12 below.

- (1) Insert the name of the provider. For example: “We can only offer products from [name of *product provider*]”. If the provider has only one product, the *firm* should amend the text to the singular – for example: “We can only offer a pension from [name of lender]”.

- (2) If the *firm* is a *product provider* offering only its own products, or is part of a *product provider* offering only the products sold under that part's trading name, it should use this alternative text.

Note 11 – this sentence is required only where a *firm* selects this service option. The list of products will be the range of *packaged products* that is appropriate having regard to the services that the *firm* is providing, or may provide, to the *client*. For services provided in relation to *non-investment insurance contracts*, this is the list required by *ICOBS* 4.1.6R(2).

Note 12 – if the *firm* does not select this box, it should alter the wording to say “a single group of companies”. For example: “We only offer the products from a single group of companies” should replace the text in the specimen *services and costs disclosure document*.

Note 13 – the explanation of whose products the *firm* offers under this section should be fair, clear and not misleading. A *firm* should therefore enter, as free text, such further explanation as is needed of any additional factors that it considers to be relevant.

Section 3: Which service will we provide you with?

Note 14 – a *firm* may include here a list of its services or the products on which advice is offered, but if it chooses to do so the list should be *fair, clear and not misleading* and consist of only a factual description in summary form.

For example

“We offer a full financial planning service or alternatively can provide specific advice on:

- savings and investment,
- protecting yourself and/or loved ones in the event of death, serious illness or disability,
- retirement planning.”

Section 4: What will you have to pay us for our services?

Note 14A - any reference in this section to “commission” means *commission* and *commission equivalent*.

Note 14B - *firms* that are not proposing to give *personal recommendations on packaged*

products can amend this section accordingly. Those *firms* need not provide information regarding payment options but should provide at this section at least a statement explaining that the *client* will be told how much the *firm* will be paid before the *firm* carries out any business for the *client* and honour that undertaking. For example, “We will tell you how we get paid and the amount before we carry out any business for you.”

Note 15 - *firms* should disclose all of the payment options that they will offer to the *client*, from the alternatives of *fee*, commission and/or a combination of both *fee* and commission.

Note 16 - *firms* holding themselves out as independent in accordance with COBS 6.2.15R are reminded that they are required to offer the *fee* option.

Note 17 - *firms* should include the headings: “**Paying by fee**”, “**Paying by commission (through product charges)**” and “**Paying by a combination of fee and commission (through product charges)**” that are relevant to the actual payment options being offered. In addition, in accordance with the reference notes, a *firm* should provide an explanation in its own words relating to each option offered.

Additional text to be included under the heading “Paying by fee”

Note 18 - the text for describing a *firm’s fee* charging arrangements is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of *fees*, including any specific provision as to the timing for the payment of *fees*, the circumstances when *fees* will or will not be payable, (including where relevant payment of any “contingent” *fee*) and the arrangements for any commission paid in addition to *fees*.

For example

“Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of our work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.”

Example alternative text for the contingent *fee* – “If you buy a financial product, you will pay us a fee for our advice and services but if you do not buy a financial product, you will not have to pay us anything.”

Note 19 - a *firm* should provide numerical statements of the amount or rate of its *fees* and these should be expressed in pounds sterling or another appropriate currency, where relevant. A *firm* may describe actual hourly rates where possible or typical hourly rates. If a *firm* describes typical rates it should undertake to provide the actual rate in writing before providing services (and honour

that undertaking).

For example:

“Hourly Rate

We will confirm the rate we will charge in writing before beginning work. Our typical charges are:

Principal/Director/Partner £[XX-YY] per hour

Financial adviser £[XX-YY] per hour

Administration £[XX] per hour

We will tell you if you have to pay VAT.”

“Lump sum

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Investments up to £[XX : YY]

Investments above £[XX : ZZ]

We will tell you if you have to pay VAT.”

“Reviews

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Initial review : £[XX]

Annual review : £[YY]

We will tell you if you have to pay VAT.”

“We may charge from £[XX] to advise and arrange a personal pension for you. We will confirm what we will charge you in writing before beginning work.”

“We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.”

Additional text to be included under the heading “Paying by commission (through product charges)”.

Note 20 - the text for describing a *firm's* commission payment arrangements is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of commission.

For example

“If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider’s own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.”

Note 21 - the *firm* should provide details of typical commission that might be received by the *firm* that reflect its actual business, together with an undertaking (which the *firm* should honour) to confirm the actual commission that will be received from any investments before the investment is completed. For example, a *firm* that does not have a significant weighting of business in any one area may provide examples showing commission for lump sum investments, whole life and pensions, whereas a pensions specialist may want to illustrate commission based purely on pensions.

For example:

“The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age.”

For example:

- “If you invest £[XX] in an individual savings account (ISA) we would receive commission of [Y]% of the amount invested (£[ZZ]) and [AA]% of the value of the fund (roughly £[BB] every year).
- If you pay £[XX] a month into a personal pension (with a term of 25 years) then we would receive commission of £[YY].
- If you pay £[XX] towards a whole life policy then we would receive £[YY].

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.”

Note 22 - *firms* should indicate whether the commission includes payment for any ongoing service such as a periodic or ongoing review.

Additional text to be included under the heading “Paying by a combination of fee and commission (through product charges)”

Note 23 - the text for describing a *firm's* arrangements for paying by a combination of *fee* and commission is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of *fees*, including any specific provision as to the timing for the payment of *fees*, the circumstances as to when *fees* will or will not be payable, (including where relevant payment of any “contingent” *fee*) and the arrangements for any commission paid in addition to *fees*, together with an undertaking (which the *firm* should honour) to confirm the actual commission that will be received from any investments before the investment is completed.

For example:

“We will charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.”

“We charge a consultation fee of up to £[X], and, if you buy a financial product, we will also retain commission within the amounts set out in the section headed “**Paying by commission (through product charges)**”.”

“We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections headed “**Paying by fee**” and “**Paying by commission (through product charges)**”.

“We charge an annual fee as described in the fee information set out above. If we arrange for you to purchase a financial product, then we will also retain commission which will be in line with the arrangements set out in the section headed “**Paying by commission (through product charges)**”.”

Note 24 - if *firms* offer a combination of fee and commission they can either:

- (a) provide the detailed information relating to fees and commission, in which case *firms* should ensure that the information is provided in accordance with the guidance at the relevant Notes; or
- (b) include an appropriate statement that refers the reader to the information provided under the headings of “**Paying by fee**” and “**Paying by commission (through product charges)**”.

Note 25 - in order to comply with COBS 2.3.1R as qualified by 2.3.2R, *firms* receiving non-monetary benefits may wish to disclose such benefits in summary form here, under

the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in COBS 2.3.2R(1) (to provide further details on request) in writing, in this section and honour that undertaking. However, it is not the purpose of this section to provide significant or extensive explanation of non-monetary benefits such that it distracts from the wider purpose of the document.

For example:

“We advise on a range of products from a variety of firms; some of these firms provide us with annual training, which allows us to offer you a better service. This year we expect to receive in total [XX] hours worth of training from XYZ, ABC and DEF firms, predominantly from ABC. Some of the cost of this training may be passed to you as part of the total charges you pay should you chose a product provided by XYZ, ABC or DEF. Further information regarding these arrangements is available on request.”

“ABC firm provides us with a specialised software CD-ROM and accompanying [XX] hours worth of training per annum. We use this software in processing your details when you apply for an investment product. Some of the cost of this software may be passed on to you as part of the total charges you pay ABC firm. Further information regarding this arrangement is available on request.”

Section 5: Who regulates us?

Note 26 – the *firm* may omit this section for services relating to *packaged products* if the *firm* has, on first contact with the *client*, provided the *client* with its *client* agreement which contains that information. If this section is omitted, the other sections of the *services and costs disclosure document* should be renumbered accordingly.

Note 27 – if the *firm*'s address on the *FSA Register* differs from that given on the *services and costs disclosure document* under Note 3, the address on the *FSA Register* should be given in this section. If the address is the same as that given under Note 3 it should be repeated in this section.

Note 28 – where the *authorised firm* trades under a different name from that under which it is *authorised*, it should include the name under which it is *authorised* and listed in the *FSA Register*. It may also include its trading name(s) if it wishes.

Note 29 - an *incoming EEA firm* will need to modify this section if it chooses to use the *services and costs disclosure document* (see GEN 4 Ann 1R(2)). A *tied agent* that is regulated in an *EEA State* other than the *United Kingdom* will similarly need to modify this section.

Note 30 – insert a short, plain language description of the business for which the *firm* has a *permission* which relates to the service it is providing.

Note 31 – where the information is provided by an *appointed representative* or *tied agent*, the *appointed representative* or *tied agent* should use this text instead. The *appointed representative* or *tied agent* should give details of the *authorised firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *client*.

Section 6: Loans and ownership

Note 32 – omit this section where there are no relevant loan or ownership arrangements under the following notes. If this section is omitted the other sections of the *services and costs disclosure document* should be renumbered accordingly. Where the information is provided by an *appointed representative* or *tied agent*, it should cover loans made to or by that *appointed representative* or *tied agent*, or holdings in or held by that *appointed representative* or *tied agent*, as appropriate.

Note 33 – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *firm* which is held by a provider or *operator* of a *packaged product* or by the parent of the provider or *operator*.

Note 34 – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of a provider or *operator* of a *packaged product* which is held by the *firm*.

Note 35 – insert, in the *firm's* own words, a short description of any *credit* provided to the *firm* by a *product provider* (other than *commission* due to the *firm* in accordance with an indemnity claw-back arrangement) or by any *undertaking* in the *immediate group* of the *product provider* where the amount of the *credit* exceeds 10 per cent of the share and loan capital of the *firm*.

Section 7: What to do if you have a complaint

Note 36 – if different to the address in Note 3, give the address and telephone number which is to be used by *client* wishing to complain.

Note 37 – if the *firm* is carrying on an activity from an establishment which is outside the *United Kingdom* it should make clear that the *Financial Ombudsman Service* will not be available. The *firm* may refer to any similar complaints scheme that may be applicable.

Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?

Note 38 – when an *incoming EEA firm* provides the *services and costs disclosure*

document, it should modify this section as appropriate.

Note 39 - when a *firm* which is not a *participant firm* provides the *services and costs disclosure document*, it should answer this question 'No' and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

Replace COBS 6 Annex 2 with the following. The text is not underlined.

COBS 6 Annex 2: Combined initial disclosure document described in COBS 6.3, ICOBS 4.5, MCOB 4.4.1R(1) and MCOB 4.10.2R(1)

This specimen covers services in relation to *packaged products, non-investment insurance contracts and home finance transactions (including equity release transactions)*.

If the *firm* is not providing services in relation to all products, the parts of the *combined initial disclosure document* that are not relevant should be omitted.

Firms should omit the notes and square brackets that appear in the following *combined initial disclosure document*. The completed *combined initial disclosure document* should contain the keyfacts logo, headings and text in the order shown and in accordance with the notes. Subject to this, a *firm* may use its own house style and brand.



about our services and costs

[Note 1]



[Note 2]

[Note 3]

[123 Any Street

Some Town

ST21 7QB]

1 The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2 Whose products do we offer? [Note 4][Note 6]

Investment

[We offer products from the whole market.] [Note 5] [We offer our own product(s); you can ask us for a list, but our recommendation will be made following an analysis of the whole market.] [Note 8]

We [can] [Note 7] only offer products from a limited number of companies. [These include our own product(s) but our recommendation will be made following an analysis of our entire range of products.] [Note 9]

Ask us for a list of the companies whose products we offer. [Note 15]

We [can] [Note 7] only offer [a] product[s] from [a single group of companies] [name of single company]. [Note 11(1)] [Note 16]

[or] [Note 11(2)]

We only offer our own products.

[free text **[Note 17]**]

Insurance

- We offer products from a range of insurers [for] [list the types of *non-investment insurance contracts*].

- We [can] **[Note 7]** only offer products from a limited number of insurers [for] [list the types of *non-investment insurance contracts*].
Ask us for a list of the insurers we offer insurance from. **[Note 15]**

- We [can] **[Note 7]** only offer [a] product[s] from [a single insurer] [name of single *insurance undertaking*] [for] [list the types of *non-investment insurance contracts*]. **[Note 10] [Note 11(1)] [Note 16]**

[or] **[Note 11(2)]**

We only offer our own products for [list the types of *non-investment insurance contracts*].

Home Finance Products [Note 13]

[Compliance with Islamic law [Note 18]

Our services are regularly checked by [name(s) of scholar(s)] to ensure compliance with Islamic law. Ask us if you want further information about the role of our scholar(s).]

[1] [Lifetime] [Mortgages] [Equity Release Products] [and home reversion schemes] [Note 13]

- We offer [lifetime] [mortgages] [home reversion plans] [equity release products] from the whole market.

- We [can] **[Note 7]** only offer [lifetime] [mortgages] [home reversion plans] [equity release products] from a limited number of [lenders / companies].
Ask us for a list of the [lenders / companies] we offer [lifetime] [mortgages] [home

reversion plans] [equity release products] from. [Note 14]

- We [can] [Note 7] only offer [a limited range of the] [a] [lifetime] [mortgage] [s] [home reversion plan] [s] [equity release products] from [a single lender / company] [name of single lender / company]. [Note 11(1) and (3)][Note 16]

[or]

We only offer our own [lifetime] [mortgages] [home reversions plan] [equity release products]. [Note 11(2)]

- We do not offer [lifetime mortgages] [home reversion plans]. [Note 12]

[2] [Islamic Home Purchase Plans] [Note 19] [Note 13]

- We offer Islamic home purchase plans from the whole market.

- We [can] [Note 7] only offer Islamic home purchase plans from a limited number of providers.

Ask us for a list of the providers we offer Islamic home purchase plans from. [Note 14]

- We [can] [Note 7] only offer [a limited range of the] [a] Islamic home purchase plan [s] from [a single provider] [name of single provider]. [Note 11(1) and (3)][Note 16]
- [or]

We only offer our own Islamic home purchase plans. [Note 11(2)]

3 Which service will we provide you with? [Note 4]

Investment

- We will advise and make a recommendation for you after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:

- conduct a full assessment of your needs;
 - offer advice on whether a non-stakeholder product may be more suitable
- [Note 5]**

[free text **[Note 20]**]

Insurance

We will advise and make a recommendation for you after we have assessed your needs [for] [list the types of *non-investment insurance contracts*].

You will not receive advice or a recommendation from us [for] [list the types of *non-investment insurance contracts*]. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

[Home Finance Products] [Note 13]

[1] [Mortgages] [Equity Release Products] [Note 13]

We will advise and make a recommendation for you on [lifetime mortgages] [home reversions] [equity release products] after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of [lifetime mortgages] [home reversions] [equity release products] that we will provide details on. You will then need to make your own choice about how to proceed.

[2] [Islamic Home Purchase Plans] [Note 13]

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

4 What will you have to pay us for our services? [Note 20A]

Investment

[non-advised sales [Note 20B]]

[You will pay for our services on the basis of [Note 21][Note 22]. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.]

[Paying by fee [Note 23]]

[free text [Notes 24-25]]

[Paying by commission (through product charges) [Note 23]]

[free text [Notes 26-28]]

[Paying by a combination of fee and commission (through product charges)[Note 23]]

[free text [Notes 29-30]]

[Other benefits we may receive [Note 31]]

[free text [Note 31]]

Insurance [Note 32]

- A fee [of £ []] [for] [list the types of services provided for *non-investment insurance contracts*].
- No fee [for] [list the types of services provided for *non-investment insurance contracts*].

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

[Home Finance Products] [Note 13]

[1] [Mortgages] [Equity Release Products] [Note 13]

- No fee. [We will be paid by commission from the [lender/company that buys your home].] [Note 33]
- A fee of £[] payable at the outset and £[] payable when you apply for a [lifetime] [mortgage] [home reversion plan] [equity release product]. [We will also be paid commission from the [lender/company that buys your home.]]. [Note 33] [Note 34]

You will receive a *key facts illustration* when considering a particular [lifetime] [mortgage] [home reversion plan] [equity release product], which will tell you about any fees relating to it. [Note 13]

Refund of fees [Note 32] [Note 13]

If we charge you a fee, and your [lifetime] [mortgage] [home reversion plan] does not go ahead, you will receive: [Note 35]

- A full refund [if the [lender/company] rejects your application]. [Note 36]
- A refund of £ [] [if your application falls through]. [Note 36] [Note 37]
- No refund [if you decide not to proceed]. [Note 36]

[2] [Islamic Home Purchase Plans] [Note 13]

- No fee. [We will be paid by commission from the provider.] [Note 33]

- A fee of £[] payable at the outset and £[] payable when you apply for an Islamic home purchase plan. [We will also be paid commission from the provider]. [Note 18]

Refund of fees [Note 35]

If we charge you a fee, and your Islamic home purchase plan does not go ahead, you will receive: [Note 32]

- A full refund [if the provider] rejects your application]. [Note 36]
- A refund of £ [] [if your application falls through]. [Note 36] [Note 37]
- No refund [if you decide not to proceed]. [Note 36]

5 Who regulates us? [Note 39]

[ABC Financial Services] [123 Any Street, Some Town, ST21 7QB] [Note 40] [Note 41] is authorised and regulated by the Financial Services Authority. Our FSA Register number is []. [Note 42]

Our permitted business is []. [Note 43]

[or] [Note 44]

[Name of *appointed representative or tied agent*] [Note 2] is [an appointed representative or a tied agent] of [name of *firm*] [address of *firm*] [Note 40] [Note 41] which is authorised and regulated by the Financial Services Authority. [Name of *firm's*] FSA Register number is [].

[Name of *firm's*] permitted business is [] [Note 43] [Name of *appointed representative or tied agent*] is regulated in [an EEA state or the United Kingdom] [Note 42]

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. [Note 42]

6 Loans and ownership [Note 45]

[[XXX plc] owns [YY]% of our share capital]

[[XXX plc] provides us with loan finance of £[YY] per year.]

[[XXX] (or we) have [YY]% of the voting rights in [ZZZ].] **[Note 45][Note 46]**
[Note 47][Note 48][Note 49][Note 50]

7 What to do if you have a complaint [Note 39]

If you wish to register a complaint, please contact us:

...in writing Write to [ABC Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB].

... by phone Telephone [0121 100 1234]. **[Note 41]**

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. **[Note 52] [Note 53] [Note 54]**

8 Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 39] [Note 55] [Note 56]

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Investment

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Insurance

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the

remainder of the claim, without any upper limit.

[or] [Note 57] [Note 58]

For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

[Mortgages] [and] [and Home Purchase Plans] [Equity Release Products] [Note 13]

[Mortgage], [and] [Home purchase] [and] [Equity release] advising and arranging is covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Further information about compensation scheme arrangements is available from the FSCS.

[Note 59] Message from the Financial Services Authority

Think carefully about this information before deciding whether you want to go ahead.

If you are at all unsure about which equity release product is right for you, you should ask your adviser to make a recommendation.

[Note 60] Think carefully about the product and services you need. [We can only offer services in relation to Islamic home purchase plans and cannot provide advice on standard mortgages.] [If you want [information][or][advice] on standard mortgages, please ask.]

The following notes do not form part of the *combined initial disclosure document*.

Note 1 – permission to use the keyfacts logo: the *Financial Services Authority* has developed a common keyfacts logo to be used on significant pieces of information directed to *clients*. The keyfacts logo and the text ‘about our services and costs’ may only be used and positioned as shown in the *combined initial disclosure document* (see *COBS 6.3.4R*). The logo may be re-sized and re-coloured. It may only be used if it is reasonably prominent and its proportions are not distorted. A specimen of the keyfacts logo can be obtained from the *FSA* website http://www.fsa.gov.uk/pubs/other/keyfacts_logo.

Note 2 – insert the *firm’s*, *appointed representative’s* or *tied agent’s* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo or logos may be included. If an individual who is employed or engaged by an *appointed representative* or *tied agent* provides the information, the individual should not put his or her own name on the *combined initial disclosure document*.

Note 3 – insert the head office or if more appropriate the principal place of business from which the *firm*, *appointed representative* or *tied agent* expects to conduct business (this can include a *branch*) with *clients*. (An *appointed representative* or *tied agent* should not include the name and address of the *authorised firm* instead of its own.)

Section 2: Whose products do we offer? And Section 3: Which services will we provide you with?

Note 4 – a *firm* should describe the services that it expects to provide to, the particular *client*. For services in relation to:

- *packaged products* – the *firm* should select, for example by ticking, one box.
- *non-investment insurance contracts* – the *firm* should select more than one box if the scope of the service or the type of service it provides varies by type of contract (e.g. if it deals with a single *insurance undertaking* for motor insurance and a range of *insurance undertakings* for household insurance). If more than one box is selected, the *firm* should specify which box relates to which type of *non-investment insurance contract*, by adding text to the *combined initial disclosure document*. *Firms* should not omit the boxes not selected.
- *equity release transactions* – the *firm* should select a maximum of two boxes within this section. *Firms* should not omit the boxes not selected.

Note 5 – if a *firm* indicates that it will give *basic advice* then the first box in section 2 should not be ticked as the *firm* will not be doing so on the basis of *personal recommendations* from the whole market.

Note 6 – if the *combined initial disclosure document* is provided by an *appointed representative* or *tied agent*, the service described should be that offered by the *appointed representative* or *tied agent*.

Note 7 – insert “can” if the *firm*’s range of products is determined by any contractual obligation. This does not apply where a *product provider*, *insurer*, *lender*, *home purchase provider* or *home reversion provider* is selling its own products.

Note 8 – a *firm* should only include these words if it offers whole of market *personal recommendations* and it owns or operates products that fall within the relevant market (e.g. a *SIPP*). *Firms* that are conducting cross border business and holding themselves out as whole of market, should include such free text as is necessary to explain in a way that meets the *fair, clear and not misleading rule* and the *clients best interest rule*, what whole of market means in that context.

Note 9 – a *firm* should only include these words if it offers limited range *personal recommendations* and it owns or operates products that fall within the relevant range (e.g.

a SIPP).

Note 10 – if the *insurance intermediary* or *insurer* deals with a different *insurance undertaking* for different types of *non-investment insurance contracts*, it should identify all the *insurance undertakings* and specify the type of contract to which they relate on the *combined initial disclosure document*. This only needs to be done in relation to the service it is offering a particular *client*. For example, “we can only offer products from ABC Insurance for motor insurance and ABC Insurance for household insurance”.

Note 11 – if the *firm* selects this box, it will be offering the products of one provider for a particular product type. It should therefore follow the format specified in (1) below except when offering its own products, in which case it should follow (2) instead. In the case of *non-investment insurance contracts*, where the *firm* is providing a service in relation to different types of insurance, this box covers the situation where it is offering a particular type of insurance from a single *insurance undertaking*.

- (1) Insert the name of the provider, namely the *product provider* for *packaged products*, the *insurance undertaking(s)* for *non-investment insurance contracts*, the *lender* for *regulated mortgage contracts* and *regulated lifetime mortgage contracts* and the *home reversion provider* for *home reversion plans*. For example: “We can only offer products from [name of *product provider*]”. For *non-investment insurance contracts* the type of insurance offered should also be included. For example: “We only offer ABC’s household insurance and ABC’s motor insurance.” If the provider has only one product, the *firm* should amend the text to the singular – for example: “We can only offer a mortgage from [name of *lender*]”. If the *firm* does not offer all of the *home finance transactions* generally available from that provider, it should insert the words “a limited range of” as shown in the specimen.
- (2) If the *firm* is a *product provider* offering only its own products, or is part of a *product provider* offering only the products sold under that part’s trading name, it should use this alternative text.
- (3) If the *firm* offers *home reversion plans* from only one *reversion provider*, and *lifetime mortgages* from only one *lender*, which is different from the *reversion provider*, then the *firm* should identify the *lender* and the *reversion provider* and specify the type of *equity release transaction* to which they relate. For example, “We can only offer lifetime mortgages from ABC Mortgages Ltd and home reversion plans from ABC Reversions Ltd.”

Note 12 – if the *firm* does not give *personal recommendations* advise or give personalised information on both types of *equity release transactions*, then it should indicate to the *client* the sector that the *firm* does not cover. However, if the *firm*’s scope of service does not include *equity release transactions*, the last box (“We do not offer [lifetime mortgages] [home reversion plans]”), should be omitted.

Note 13 – in describing the services and products provided, *firms* should omit the text in brackets that do not apply and ensure that they describe accurately their activities with respect of the services and products that they offer, as follows:

(1) Headings and sub-headings:

- a. If the *firm* offers both *regulated mortgage contracts* and *home purchase plans*, it should include the heading “Home Finance Products” in the *combined initial disclosure document* and describe the *regulated mortgage contracts* and *home purchase plans* that it offers under two separate sub-headings. The sub-headings (“Mortgages” and “Home Purchase Plans”) should be numbered accordingly. If the *firm* only offers one of these two products, then the heading “Home Finance Products” should be omitted and the heading will read “Mortgages” or “Home Purchase Plans”, as appropriate.
- b. If the *firm* offers *equity release transactions*, then the heading “Home Finance Products” should be omitted and the heading will read “Equity Release Products” (even if the *firm* offers *equity release transactions* from only one sector).

(2) Describing the products:

- a. If a *firm* gives *personal recommendations* or gives personalised information on lifetime mortgages, it should change “mortgage” to “lifetime mortgage”
- b. If a *firm* gives *personal recommendations* or gives personalised information on home reversion plans, it should use the text in brackets relating to home reversion plans.
- c. If the *firm* gives *personal recommendations* or gives personalised information on products from both equity release market sectors, then it should use the term ‘equity release products’ when referring to them collectively.

(3) Describing the provider: If a *firm* gives *personal recommendations* or gives personalised information on *home purchase plans* or *home reversion plans*, it should change “mortgage” to “product” and “lender” to “company” or “provider”, as appropriate.

Note 14 – for services provided in relation to *home finance transactions*, this sentence is required only where a *firm* selects this service option. It may also be omitted if a *firm* chooses to list all of the *lenders*, *home purchase providers* and *home reversion providers* it offers *home finance transactions* from in the previous line, so long as the *firm* offers all of the products generally available from each.

Note 15 – this sentence is required only where a *firm* selects this service option. For services provided in relation to *packaged products*, the list of products will be the range of *packaged products* that is appropriate having regard to the services that the *firm* is providing, or may provide, to the *client*. For services provided in relation to *non-investment insurance contracts*, this is the list required by *ICOB*S 4.1.6R(2).

Note 16 – if the *firm* does not select this box, it should alter the wording to say “a single group of companies” for *packaged products*, “a single insurer” for *non-investment insurance contracts*, “a single lender” for *regulated mortgage contracts* or *lifetime mortgages* and “a single company” (or “a single provider”) for *home purchase plans* and *home reversion plans*. For example: “We only offer the products from a single group of companies” should replace the text in the specimen *combined initial disclosure document*.

Note 17 - the explanation of whose products the *firm* offers under this section should be fair, clear and not misleading. A *firm* should therefore enter, as free text, such further explanation as is needed of any additional factors that it considers to be relevant.

Section 2: Subsection on “Compliance with Islamic law” or other beliefs

Note 18 – This subsection is optional unless the *firm* holds itself, its *regulated mortgage contract* or *home purchase plan* products or services out as compliant with Islamic law in the *combined initial disclosure document*. If a *firm* includes this section it should describe it as Section 2 and renumber subsequent sections accordingly.

A *firm* that wishes to hold itself, its *regulated mortgage contract* or *home purchase plan* products or services out as compliant with religious or philosophical beliefs other than Islamic law in the *combined initial disclosure document* may also use the subsection in accordance with this note and modify the wording in the section to the extent appropriate.

Note 19 – A *firm* that carries on *home purchase activities* may omit the word “Islamic” from “Islamic home purchase plan(s)” if one or more *home purchase plans* within its scope of service is not held out as compliant with Islamic law. If “Islamic” is omitted, it should be omitted consistently throughout the document. However, a *firm* may omit the word “Islamic” in sections 5 and 8 without having to omit it throughout the document. A *firm* that wishes to hold itself, its products or services out as compliant with religious or philosophical belief other than Islamic law in the *combined disclosure document* may make appropriate amendments to references to “Islamic” and “Islamic law”.

Note 20 - a *firm* may include here a list of its services or the products on which advice is offered but if it chooses to do so the list should be fair, clear and not misleading and consist of only a factual description in summary form.

For example:

“We offer a full financial planning service or alternatively can provide specific advice on:

- savings and investment,
- protecting yourself and/or loved ones in the event of death, serious illness or disability,
- retirement planning.”

Section 4: What will you have to pay us for our services?

Note 20A - any reference in this section to “commission” means *commission* and *commission equivalent*.

Note 20B – *firms* that are not proposing to give *personal recommendations* on *packaged products* can amend this section accordingly. Those *firms* need not provide information regarding payment options but should provide at this section at least a statement explaining that the *client* will be told how much the *firm* will be paid before the *firm* carries out any business for the *client* and honour that undertaking. For example, “We will tell you how we get paid and the amount before we carry out any business for you.”

Note 21 - *firms* should disclose all of the payment options that they will offer to the client, from the alternatives of *fee*, *commission* and/or a combination of both *fee* and *commission*.

Note 22 - *firms* holding themselves out as independent in accordance with COBS 6.2.15R are reminded that they are required to offer the *fee* option.

Note 23 - *firms* should include the headings: “**Paying by fee**”, “**Paying by commission (through product charges)**” and “**Paying by a combination of fee and commission (through product charges)**”. In addition, in accordance with the reference notes, a *firm* should provide an explanation in its own words relating to each option offered.

Additional text to be included under the heading “Paying by fee”

Note 24 - the text for describing a *firm’s fee* charging arrangements is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of *fees*, including any specific provision as to the timing for the payment of *fees*, the circumstances when *fees* will or will not be payable, (including where relevant payment of any “contingent” *fee*) and the arrangements for any *commission* paid in addition to *fees*.

For example:

“Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of our work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.”

Example alternative text for the contingent fee – “If you buy a financial product, you will pay us a fee for our advice and services but if you do not buy a financial product, you will not have to pay us anything.”

Note 25 - a *firm* should provide numerical statements of the amount or rate of its *fees* and these should be expressed in pounds sterling or another appropriate currency, where relevant. A *firm* may describe actual hourly rates where possible or typical hourly rates. If a *firm* describes typical rates it should undertake to provide the actual rate in writing before providing services (and honour that undertaking).

For example:

“Hourly Rate

We will confirm the rate we will charge in writing before beginning work. Our typical charges are:

Principal/Director/Partner £[XX-YY] per hour

Financial adviser £[XX-YY] per hour

Administration £[XX] per hour

We will tell you if you have to pay VAT.”

“Lump sum

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Investments up to £[XX : YY]

Investments above £[XX : ZZ]

We will tell you if you have to pay VAT.”

“Reviews

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Initial review : £[XX]

Annual review : £[YY]

We will tell you if you have to pay VAT.”

“We may charge from £[XX] to advise and arrange a personal pension for you. We will confirm what we will charge you in writing before beginning work.”

“We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.”

Additional text to be included under the heading “Paying by commission (through product charges)”

Note 26 - the text for describing a *firm’s* commission payment arrangements is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of commission.

For example:

“If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider’s own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.”

Note 27 - the *firm* should provide details of typical commission that might be received by the *firm* that reflect its actual business, together with an undertaking (which the *firm* should honour) to confirm the actual commission that will be received from any investments before the investment is completed. For example, a *firm* that does not have a significant weighting of business in any one area may provide examples showing commission for lump sum investments, whole life and pensions, whereas a pensions specialist may want to illustrate commission based purely on pensions.

For example:

“The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age.”

For example,

- “If you invest £[XX] in an individual savings account (ISA) we would receive commission of [Y]% of the amount invested (£[ZZ]) and [AA]% of the value of the fund (roughly

£[BB] every year).

- If you pay £[XX] a month into a personal pension (with a term of 25 years) then we would receive commission of £[YY].
- If you pay £[XX] towards a whole life policy then we would receive £[YY].

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.”

Note 28 - *firms* should indicate whether the commission includes payment for any ongoing service such as a periodic or ongoing review.

Additional text to be included under the heading “Paying by a combination of fee and commission (through product charges)”

Note 29 - the text for describing a *firm’s* arrangements for paying by a combination of *fee* and commission is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of *fees*, including any specific provision as to the timing for the payment of *fees*, the circumstances as to when *fees* will or will not be payable, (including where relevant payment of any “contingent” *fee*) and the arrangements for any commission paid in addition to *fees*, together with an undertaking (which the *firm* should honour) to confirm the actual commission that will be received from any investments before the investment is completed.

For example:

“We will charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.”

“We charge a consultation fee of up to £[X], and, if you buy a financial product, we will also retain commission within the amounts set out in the section headed “**Paying by commission (through product charges)**”.”

“We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections headed “**Paying by fee**” and “**Paying by commission (through product charges)**”.”

“We charge an annual fee as described in the fee information set out above. If we

arrange for you to purchase a financial product, then we will also retain commission which will be in line with the arrangements set out in the section headed “**Paying by commission (through product charges)**”.”

Note 30 - if *firms* offer a combination of *fee* and commission they can either:

(a) provide the detailed information relating to *fees* and commission, in which case *firms* should ensure that the information is provided in accordance with the guidance at the relevant Notes; or

(b) include an appropriate statement that refers the reader to the information provided under the headings of “**Paying by fee**” and “**Paying by commission (through product charges)**”.

Note 31 - in order to comply with *COBS* 2.3.1R as qualified by *COBS* 2.3.2R, *firms* receiving non-monetary benefits may wish to disclose such benefits in summary form here, under the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in *COBS* 2.3.2R(1) (to provide further details on request) in writing, in this section (and honour that undertaking). However, it is not the purpose of this section to provide significant or extensive explanation of non-monetary benefits such that it distracts from the wider purpose of the document.

For example:

“We advise on a range of products from a variety of firms; some of these firms provide us with annual training, which allows us to offer you a better service. This year we expect to receive in total [XX] hours worth of training from XYZ, ABC and DEF firms, predominantly from ABC. Some of the cost of this training may be passed to you as part of the total charges you pay should you chose a product provided by XYZ, ABC or DEF. Further information regarding these arrangements is available on request.”

“ABC firm provides us with a specialised software CD-ROM and accompanying [XX] hours worth of training per annum. We use this software in processing your details when you apply for an investment product. Some of the cost of this software may be passed on to you as part of the total charges you pay ABC firm. Further information regarding this arrangement is available on request.”

Note 32 – if the *customer* will be charged a *fee* for *insurance mediation activities* in connection with *non-investment insurance contracts*, insert a plain language description of what each *fee* is for and when each *fee* is payable. This should include any *fees* for *advising on* or *arranging a non-investment insurance contract* and any *fees* over the life of the contract, for example, for mid-term adjustments. If a *firm* does not charge a *fee* the text in the first box should be abbreviated to ‘A fee’. If the *firm* is offering more than one type of service in connection with *non-investment insurance contracts*, the *firm* may aggregate the *fees* over all the services provided, and (if that is the case) identify the services for which there is no *fee*.

Note 33 – if the *firm* receives commission instead of, or in addition to, *fees* from the *client* for services relating to *home finance transactions*, it should insert a plain language explanation of this (see specimen for a plain language example). If the *firm* will pay over to the *client* any commission the *firm* receives, it may refer to that fact here.

Note 34 – insert a plain language description of when any *fees* are payable for services relating to *home finance transactions*. This description could include, for example, a cash amount, a percentage of the loan or reversion amount or the amount per hour, as appropriate. However, where a cash amount is not disclosed, one or more examples of the cash amount should be included. If a *firm* offers more than one pricing option in relation to *equity release transactions*, it should specify the pricing policy for each of them. For example, “A fee of £[XX] payable at the outset and £[YY] when you apply for a lifetime mortgage and £[ZZ] when you apply for a home reversion plan”. If a *firm* does not charge a *fee*, the text for the second box should be abbreviated to ‘A fee’.

Note 35 – omit this part of the *combined initial disclosure document* on ‘Refund of fees’ if the *firm* has indicated that there will be “No fee” for services in relation to *home finance transactions* or that any *fee* will be payable only if the product completes.

Note 36 – *firms* may select as many boxes as appropriate.

Note 37 – insert a short, plain language description of the circumstances in which the *fee* for services in relation to *home finance transactions* is refundable or not refundable as described. If the refund policy is different depending on the *equity release transaction* in question, the *firm* should specify the refund policy for each of them. For example, “A refund of £[XX] if your lifetime mortgage application falls through and a refund of £[YY] if your home reversion plan application falls through.”

Note 38 – a *firm* may delete this line if it does not offer a partial refund for services in relation to *home finance transactions* in any circumstances.

Section 5: Who regulates us?

Note 39 – the *firm* may omit this section for services relating to *packaged products* if the *firm* has, on first contact with the *client*, provided the *client* with its *client agreement* which contains that information. This section may be omitted for services relating to *non-investment insurance contracts* if the information covered by this section is not required by *ICOBS* or is required by *ICOBS* but is provided to the *customer* by some other means. This section may be omitted for services relating to *home finance transactions* in accordance with *MCOB* 4.4.1R(3). If this section is omitted, the other sections of the *combined initial disclosure document* should be renumbered accordingly.

Note 40 – if the *firm's* address on the *FSA Register* differs from that given on the *combined initial disclosure document* under Note 5, the address on the *FSA Register* should be given in this section. If the address is the same as that given under Note 5 it should be repeated in this section.

Note 41 – where the *authorised firm* trades under a different name from that under which it is *authorised*, it should include the name under which it is *authorised* and listed in the *FSA Register*. It may also include its trading name(s) if it wishes.

Note 42 – an *incoming EEA firm* will need to modify this section if it chooses to use this *combined initial disclosure document* (see *GEN 4 Ann 1R(2)*). A *tied agent* that is regulated in an *EEA State* other than the *United Kingdom* will similarly need to modify this section.

Note 43 – insert a short, plain language description of the business for which the *firm* has a *permission* which relates to the service it is providing.

Note 44 – where the information is provided by an *appointed representative* or *tied agent*, the *appointed representative* or *tied agent* should use this text instead. The *appointed representative* or *tied agent* should give details of the *authorised firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *client*.

Section 6: Loans and ownership

Note 45 – omit this section where there are no relevant loan or ownership arrangements under the following notes or if the *firm* is an *insurer* selling its own *non-investment insurance contracts*. If this section is omitted the other sections of the *combined initial disclosure document* should be renumbered accordingly. If the *firm* is not providing services in relation to *packaged products*, the heading of this section should be changed to 'Ownership'. Where the information is provided by an *appointed representative* or *tied agent*, it should cover loans made to or by that *appointed representative* or *tied agent* or holdings in, or held by, that *appointed representative* or *tied agent* as appropriate.

Notes 46, 47 and 48 apply only to a *firm* making a *personal recommendation, dealing in, or arranging* in relation to *packaged products*.

Note 46 – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *firm* which is held by a provider or *operator* of a *packaged product* or by the parent of the provider or *operator*.

Note 47 – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of a provider or *operator*

of a *packaged product* which is held by the *firm*.

Note 48 – insert, in the *firm's* own words, a short description of any *credit* provided to the *firm* by a *product provider* (other than *commission* due to the *firm* in accordance with an indemnity claw-back arrangement) or by any *undertaking* in the *immediate group* of the *product provider* where the amount of the *credit* exceeds 10 per cent of the share and loan capital of the *firm*.

Notes 49 and 50 apply to an *insurance intermediary* providing services in relation to *non-investment insurance contracts*.

Note 49 – insert, in the *insurance intermediary's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *insurance intermediary* which is held by an *insurance undertaking* or by the parent of an *insurance undertaking*.

Note 50 – insert, in the *insurance intermediary's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of an *insurance undertaking* which is held by the *insurance intermediary*.

Section 7: What to do if you have a complaint

Note 51 – if different to the address in Note 3, give the address and telephone number which is to be used by *clients* wishing to complain.

Note 52 – this text may be omitted for *non-investment insurance contracts* if the *insurance intermediary* or *insurer* is aware that a *commercial customer* would not be an *eligible complainant*.

Note 53 – if the *combined initial disclosure document* is provided by an *authorised professional firm* which is exclusively carrying on *non-mainstream regulated activities*, the *authorised professional firm* should delete this sentence and refer to the alternative complaints handling arrangements.

Note 54 – if the *firm* is carrying on an activity from an establishment which is outside the *United Kingdom* it should make clear that the *Financial Ombudsman Service* will not be available. The *firm* may refer to any similar complaints scheme that may be applicable.

Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?

Note 55 – when an *incoming EEA firm* provides the *combined initial disclosure document*, it

should modify this section as appropriate.

Note 56- when a *firm* which is not a *participant firm* provides the *combined initial disclosure document*, it should answer this question ‘No’ and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

Note 57 – where the *insurance intermediary* or *insurer* provides a service in relation to a compulsory class of insurance, such as *employers’ liability insurance*, it should use this alternative text.

Note 58 – where the *insurance intermediary* or *insurer* provides a service in relation to a contract which covers both a compulsory class of insurance and a class of insurance which is not compulsory, it should indicate the level of compensation that applies to each class.

Home finance products warning

Note 59 – this warning box should be added when the *firm* sells *lifetime mortgages* or home reversion plans or both.

Note 60 – a *firm* should only include this paragraph if the services to which the *combined initial disclosure document* relates include *home purchase activities*. If the *firm* does not carry on *regulated mortgage activities*, it should include the second sentence and delete the third. If the *firm* carries on *regulated mortgage activities* as well as *home purchase activities* it should omit the second sentence and include the third.

The text of the following Annexes is deleted in full. The deleted text is not shown.

~~COBS 6 Annex 3G (Menu described in COBS 6.3) [deleted]~~

~~COBS 6 Annex 4G Identifying and describing the maximum rate of commission (or equivalent), the market average and the Example [deleted]~~

~~COBS 6 Annex 5G Calculation of a maximum rate of commission [deleted]~~

Amend the following as shown.

7.2 Information to be provided by the insurance intermediary

...

Interface with the ~~initial~~ services and costs disclosure document

7.2.2 G A firm will satisfy elements of the requirement immediately above if it provides ~~an initial disclosure document~~ a services and costs disclosure document or a combined initial disclosure document to a client (see COBS 6.3).

7.2.2A R A firm may provide an ~~initial disclosure document~~ to a client who buys a non-advised life policy [deleted]

7.2.2B G A firm may provide a services and costs disclosure document or a combined disclosure document to a client who buys a non-advised life policy.

...

9.6 Special rules for giving basic advice on a stakeholder product

...

9.6.6 G (1) A firm may give a retail client the basic advice initial disclosure information (COBS 9 Annex 1R) as part of an:

(a) ~~initial disclosure document~~ a services and costs disclosure document; or

- (b) a *combined initial disclosure document* if it has reasonable grounds to believe that it will provide services relating to a *stakeholder product* and a *non-investment insurance contract*, a *regulated mortgage contract*, an *equity release transaction* or a *home purchase plan*.
- (2) If a *firm* provides ~~an *initial disclosure document*~~ a *services and costs disclosure document* or *combined initial disclosure document* to a *retail client* it will comply with the requirements under:
 - (a) *COBS 2.2.1R(1)(a) and (d)*;
 - (b) *COBS 9.6.5R(1)* and *COBS 9 Annex 1R*;
 - (c) the items of distance marketing information set out in paragraphs (1), (2), (4), (5) (19) and (20) of *COBS 5 Annex 1R*; and
 - (d) any duties that apply to it under the *rule* on information to be provided by the insurance intermediary (*COBS 7.2.1R(1)* and (2)).

9.6.7 R For the purposes of *GEN 5*, a *firm* may not use the keyfacts logo in relation to any *document* that is designed to comply with *rules* in *COBS 9.6* or *COBS 7* unless it is ~~an *initial disclosure document*~~ a *services and costs disclosure document*, or a *combined initial disclosure document* ~~or *menu*~~ produced in accordance with the templates and notes in the annexes to *COBS 6*.

...

**COBS
TP2**

Other Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
...					
2.2 A	<i>COBS 6.3</i> (Disclosing information about services, fees and commission—packaged	R	(1) A <i>firm</i> may use the keyfacts logo on an <i>initial disclosure document</i>, a <i>combined initial disclosure document</i> or a fees and commissions statement that complied with the <i>rules</i> in <i>COB 4.3</i> in effect on 31	From 1 November 2007 until 1 May 2008	1 November 2007

	products)		October 2007. (2) In this transitional <i>rule</i> , “fees and commissions statement” has the meaning given by the Handbook glossary on 31 October 2007.		
2.2 A	COBS 6.3 (Disclosing information about services, fees and commission – packaged products)	G	Under GEN 5.1.5R and COBS 6.3.4R , a <i>firm</i> may not use the keyfacts logo on a <i>document</i> designed to comply with disclosure requirements in <i>COBS</i> unless it is an <i>initial disclosure document</i> , a <i>combined initial disclosure document</i> or a menu prepared in accordance with COBS 6.3. TP 2.2A R allows a <i>firm</i> to use existing stocks of the equivalent <i>documents</i> produced under <i>COB</i> for a transitional period.	From 1 November 2007 until 1 May 2008	1 November 2007
2.2 B	<u>COBS 6.3 (Disclosing information about services, fees and commission - packaged products)</u>	R	A <i>firm</i> may use the <u>keyfacts logo on an <i>initial disclosure document</i>, a <i>combined initial disclosure document</i> or <i>menu</i> that complied with the <i>rules</i> in <u>COBS 6.3 in effect on 5 August 2008.</u></u>	<u>From 6 August 2008 until 31 August 2009</u>	<u>6 August 2008</u>
2.2 C	<u>COBS 6.3 (Disclosing information about services, fees and commission - packaged products)</u>	G	Under <u>GEN 5.1.5 R and COBS 6.3.4 R</u> , a <i>firm</i> may not use the keyfacts logo on a <i>document</i> designed to comply with disclosure requirements in <i>COBS</i> unless it is a <i>services and costs disclosure document</i> or a <i>combined initial disclosure document</i> prepared in accordance with <u>COBS 6.3 and the relevant COBS 6 annexes.</u> TP 2.2B R allows a <i>firm</i> to	<u>From 6 August 2008 until 31 August 2009.</u>	<u>6 August 2008</u>

			<u>use the equivalent documents produced under the COBS rules in effect at 5 August 2008 for a transitional period.</u>		
...					

Annex D

Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)

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

MCOB TP 1.1 Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
...					
<u>11</u>	<u>MCOB 4.4.1R</u> , <u>MCOB 4.4.7R</u> and <u>MCOB 4.10.2R</u>	<u>R</u>	A firm may use a <u>combined initial disclosure document prepared in accordance with the rules in COBS 6.3 and COBS 6 Annex 2 in effect at 5 August 2008.</u>	From <u>6 August 2008</u> until <u>31 August 2009</u>	<u>6 August 2008</u>