

**CONDUCT OF BUSINESS SOURCEBOOK
(RECORD KEEPING FOR INDUCEMENTS) INSTRUMENT 2008**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
 - (2) section 156 (General supplementary powers); and
 - (3) section 157(1) (Guidance).
- B. The rule-making powers listed 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 November 2008.

Amendments to the Handbook

- D. The Conduct of Business sourcebook (COBS) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Conduct of Business Sourcebook (Record Keeping for Inducements) Instrument 2008.

By order of the Board
29 October 2008

Annex

Amendments to the Conduct of Business sourcebook (COBS)

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

Record keeping: inducements

- 2.3.17 R (1) ~~In relation to its MiFID or equivalent third country business, a firm must make a record of each fee, commission or non-monetary benefit given to another firm that meets the criteria set out in COBS 2.3.1R(2)(b)(ii)~~ A firm must make a record of the information disclosed to the client in accordance with COBS 2.3.1R(2)(b) and must keep that record for at least five years from the date on which it was given.
- (2) A firm must also make a record of each benefit given to another firm which does not have to be disclosed to the client in accordance with ~~COBS 2.3.14G~~ COBS 2.3.1R(2)(b)(ii), and must keep that record for at least five years from the date on which it was given.

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Sch 1 Record keeping requirements

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Sch 1.3

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>COBS</i> 2.3.17R(1)	Fee, commission or non-monetary benefit under COBS 2.3.1R(2)(a)(ii) <u>Information disclosed to the client in accordance with COBS 2.3.1R(2)(b)</u>	Each fee, commission or non-monetary benefit given <u>The information disclosed</u>	When benefit is given <u>information is disclosed</u>	5 years from date of benefit information <u>is given</u>
<i>COBS</i> 2.3.17R(2)	Reasonable indirect benefits <u>Each benefit given to another</u>	Each benefit given to another firm in accordance with COBS	When benefit is given	5 years from date of benefit

	<u>firm which does not have to be disclosed to the client in accordance with COBS 2.3.1R(2)(b)(ii)</u>	<u>2.3.14G</u> <u>Each benefit given</u>		
...				