

**CONDUCT OF BUSINESS SOURCEBOOK (PACKAGED RETAIL AND
INSURANCE-BASED INVESTMENT PRODUCTS REGULATION) (AMENDMENT)
INSTRUMENT 2017**

Powers exercised

- A. The Financial Conduct 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 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. Part 1 of the Annex to this instrument comes into force on 1 January 2018.
- D. Part 2 of the Annex to this instrument comes into force on 3 January 2018.

Amendments to the Handbook

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

Citation

- F. This instrument may be cited as the Conduct of Business Sourcebook (Packaged Retail and Insurance-based Investment Products Regulation) (Amendment) Instrument 2017.

By order of the Board
7 December 2017

Annex

Amendments to the Conduct of Business sourcebook (COBS)

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

Part 1: Comes into force on 1 January 2018

13 Preparing product information

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13.5 Preparing product information: other projections

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Projections: other situations

13.5.2 R (1) A firm that communicates a *projection* for a *packaged product* which is ~~not a financial instrument~~: falls within (2) must ensure that the *projection* is either a *standardised deterministic projection* or a *stochastic projection* in accordance with COBS 13 Annex 2.

(2) This rule applies to a *packaged product* which is:

(a) not a *financial instrument* or an *in-force packaged product*; and

(b) either:

(i) a *non-PRIIP packaged product* for which a *key features illustration* is not required to be provided; or

(ii) a *PRIIP* where the *projection* is not in the *key information document*.

~~(1) for which a *key features illustration* is not required to be provided; and~~

~~(2) which is not an *in-force packaged product*;~~

~~must ensure that such a *projection* is either a *standardised deterministic projection* or a *stochastic projection* in accordance with COBS 13 Annex 2.~~

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13.5.2B G Where a firm communicates a *projection* for a *packaged product* that is a *financial instrument*, the firm should consider the *future performance rule* (COBS 4.6.7R).

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Part 2: Comes into force on 3 January 2018**13 Preparing product information**

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13.5 Preparing product information: other projections

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13.5.2B G Where a *firm* communicates a *projection* for a *packaged product* that is a *financial instrument*, ~~the *firm* should consider~~ the following future performance ~~rule (COBS 4.6.7R)~~ requirements are likely to apply:

- (1) article 44(6) of the MiFID Org Regulation (see COBS 4.5A.14EU) where the *firm* is carrying on MiFID, equivalent third country or optional exemption business; or
- (2) COBS 4.6.7R where the *firm* is not carrying on MiFID, equivalent third country or optional exemption business.

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