

Chapter 5

Commission Delegated Regulation (EU) 2016/958

**Article 4 Additional obligations in relation to
objective presentation of recommendations
applicable to the persons referred to Article
3(1)(34)(i) of Regulation (EU) No 596/2014
and experts**

(1) In addition to the information laid down in Article 3, the persons referred to Article 3(1)(34)(i) of Regulation (EU) No 596/2014 and experts shall include in the recommendation the following information in a clear and prominent manner:

(a) if the recommendation has been disclosed to the issuer to which the recommendation, directly or indirectly, relates and it has been subsequently amended, a statement to that effect;

(b) a summary of any basis of valuation or methodology and the underlying assumptions used to either evaluate a financial instrument or an issuer, or to set a price target for a financial instrument, as well as an indication and a summary of any changes in the valuation, methodology or underlying assumptions;

(c) an indication of the place where detailed information about the valuation or methodology and the underlying assumptions is directly and easily accessible, in the event that the person who produces recommendations has not used proprietary models;

(d) an indication of the place where material information about the proprietary models used is directly and easily accessible, in the event that the person who produces recommendations has used proprietary models;

(e) the meaning of any recommendation made, such as the recommendations to "buy", "sell" or "hold", and the length of time of the investment to which the recommendation relates are adequately explained and any appropriate risk warning, which shall include a sensitivity analysis of the assumptions, is indicated;

(f) a reference to the planned frequency of updates to the recommendation;

(g) an indication of the relevant date and time for any price of financial instruments mentioned in the recommendation;

(h) where a recommendation differs from any of their previous recommendations concerning the same financial instrument or issuer that has been disseminated during

the preceding 12-month period, the change(s) and the date of that previous recommendation are indicated; and

(i) a list of all their recommendations on any financial instrument or issuer that were disseminated during the preceding 12-month period, containing for each recommendation: the date of dissemination, the identity of the natural person(s) referred to in Article 2(1)(a), the price target and the relevant market price at the time of dissemination, the direction of the recommendation and the validity time period of the price target or of the recommendation.

(2) Where the disclosure of the information required in points (b), (e) or (i) of paragraph 1 is disproportionate in relation to the length or form of the recommendation, including in the case of a non-written recommendation that is made using modalities, such as meetings, road shows, audio or video conferences, as well as radio, television or website interviews, the person who produces recommendations shall state in the recommendation where the required information can be directly and easily accessed by the persons receiving the recommendation free of charge.