

A MiFID II guide and gap analysis for retail investment firms

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PART OF THE MiFID II SERIES



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Overview

The Markets in Financial Instruments Directive II (MiFID II) is EU legislation that regulates firms who provide MiFID investment services to clients in relation to MiFID financial instruments. This builds on the original Directive, and aims to further strengthen investor protection.

What are MiFID investment services?

These include a wide range of different activities but for retail investment firms the key activity caught by this is 'investment advice'. Where a firm provides advice to a client on a MiFID financial instrument, it is deemed to be conducting MiFID business.

What is a MiFID 'financial instrument'?

'Financial instruments' include:

- Transferable securities (shares, including investment trusts)
- Units in collective investment schemes
- Money market instruments (bonds)
- Derivatives, Options, Futures, Swaps
- Financial contracts for differences

As per the highlighted instrument above, advice to a retail client to invest in a UCITS fund (i.e. ABC UK equity fund within a general investment account on a platform) would be deemed as carrying out MiFID business.

What is not a MiFID 'financial instrument'?

- Personal pensions
- Insurance based investments e.g. investment bonds

Article 3 Exempt firms

The original Directive allowed home member states (the FCA) to exempt firms carrying out MiFID business where they were not; advising clients in other EEA States, acting under a discretionary mandate, safeguarding client assets. These firms are known as 'Article 3 exempt' firms. MiFID II continues to allow this exemption but requires these firms to apply the same or 'at least analogous' (comparable) requirements to certain provisions within the revised Directive. Whilst the FCA has attempted to make these rules proportionate, it will result in a number of changes to the way business is conducted.

How this document has been developed

The FCA produced Policy Statement 17/14 and set out through a number of Chapters the implications and requirements for firms to apply on implementation. Having reviewed this paper and considered the impact of the changes, we provide a summary of each Chapter (not all will apply but are recorded for information purposes), any action firms are required to take and the support we are able to, or will, provide.

What firms should do

We encourage firms to review this document and assess how the changes will affect their business to ensure it remains compliant post MiFID II implementation.

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CHAPTER 4

Client Assets Sourcebook (CASS)

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>There will be a requirement for firms to ensure appropriate collateral is provided and monitored to ensure its continuing suitability when arranging securities lending for clients.</p>	<p>If you do not hold client money or assets (CASS status) NO ACTION is required.</p> <p>If your firm holds client money or assets in relation to investment business and is subject to CASS we would strongly recommend that you read this chapter to ensure an understanding of the various changes.</p>	

CHAPTER 5

Complaints handling

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>A new section will be added to the Dispute Resolution Sourcebook (DISP 1.1A) applying specific rules for handling MiFID complaints of a MiFID firm. This ensures Professional Customers and (certain) Eligible Counterparties become 'eligible complainants' in relation to MiFID business</p> <p>All other requirements are similar to those currently in place but with some more explicit provisions. For example:</p> <ul style="list-style-type: none"> • Senior management are responsible for the implementation of the policy, and the monitoring and analysis of complaints • The information that must be recorded / reported • Identification of systemic problems 	<p>This section does not apply to non-MiFID firms (Article 3 exempt firms).</p> <p>If you are a MiFID firm you should review this new section of the FCA handbook.</p>	<p>All our complaints related documentation will be updated to reflect the new complaints handling rules for MiFID complaints of a MiFID firm.</p>

CHAPTER 6

Inducements, including adviser charging

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>Extension of the RDR ‘commission’ ban will apply to DFMs, regardless of how they operate the service. Previously they were able to receive and rebate commission payments but this will no longer be permitted.</p>	<p>You may need to review your relationship with any DFMs that have previously received and rebated any commission, as this could have an effect on their charging structure.</p>	
<p>Only minor non-monetary benefits are allowed and only where these are capable of enhancing the quality of the service to the client. Typically, these include seminars, training events (including refreshments), written materials, etc.</p>	<p>This largely remains unchanged from the rules brought in at the time of the RDR. It is important to be mindful of this but it is unlikely further action will be required.</p>	
<p>A Structured Deposit (see also chapter 23) will not be classed as a Retail Investment Product (RIP) and will therefore not be subject to the adviser charging rules. They will however be subject to the inducement rules.</p>	<p>You will need to decide whether to have a separate charging method for Structured Deposits (i.e. payment by way of commission) and if so, you should update your client agreement to reflect this.</p>	<p>Template client agreements are available within our website and can be personalised to include a separate reference to structured deposits in the charges section, if appropriate. Any commission payments received will be subject to the full disclosure rules.</p>

CHAPTER 7

Inducements relating to research

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>Research provided by a third party to an investment firm may be considered as an inducement under MiFID II.</p>	<p>This section does not apply to retail financial advisers and no action is required.</p>	
<p>A new section COBS 2.3B sets out the requirements that must be met to allow a firm to receive third party research without it constituting an inducement.</p>		
<p>Research will not be an inducement if the firm either directly pays for it out of its own resources, or from a separate research payment account (RPA), which is controlled by the investment firm and which meets a number of conditions.</p>		

CHAPTER 8

Client categorisation

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>This brings smaller local authorities into the definition of a 'retail client' and means they will be afforded a greater level of regulatory protection.</p> <p>It also restricts other local authorities from opting up to become eligible counterparties.</p>	<p>If you deal with a local authority, you should review how you categorise them. If not, no action is required.</p>	

CHAPTER 9

Disclosure requirements

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>Firms will need to provide clients with information on all costs and charges on a regular basis (at least annually) during the lifetime of the investment. For advisory firms, this applies whilst there is a continuing relationship with the client.</p>	<p>This applies to all firms in relation to MiFID business. Please refer to Annex 1 for further information and guidance.</p>	<p>Our suitability reports and 'investment review' templates will be updated to include a prompt for this information.</p>
<p>Discretionary investment managers will have to send valuation reports to clients every 3 months. Where a client's investment portfolio depreciates by 10% from the start of the reporting period, and thereafter by multiples of 10%, the client has to be informed no later than at the end of the business day in which the threshold is exceeded.</p>	<p>THIS DOES NOT APPLY TO ADVISORY FIRMS</p> <p>Firms may however wish to liaise with any DFMs they appoint to gain an understanding of how they will meet this requirement. This applies where the DFM operates on a client-by-client basis or holds instruments that are leveraged and could result in a loss greater than the client's initial investment.</p>	

CHAPTER 10

Independence

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
The definition of Independence has changed to that under MiFID. This provides greater flexibility when describing independent services.	It is important to review the scope of your advice, especially if you provide restricted advice to determine if this is still correctly categorised.	Please refer to Annex 2 for detailed guidance on these requirements.
Firms can choose to be wholly independent or independent for focused areas of advice.	Within the scope of independence will be the need to consider structured deposits, NS&I products and cash ISAs.	Please refer to Chapter 23 for further details on structured deposits.
This also focuses on how a firm can provide both independent and restricted services.	There will be a restriction on advisers providing both independent and restricted advice. A firm can offer both types of service, provided they are clearly separated, but each must be provided by separate advisers.	The FCA have confirmed an exception to this rule where the adviser provides both types of advice/services for non-MiFID business only.

CHAPTER 11

Suitability

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
A new suitability chapter (COBS 9A) is being added to the FCA Handbook for MiFID business. This is largely the same as the existing requirements but focuses on a client's ability to bear any losses.	There is a continuing need to demonstrate suitability linked to risk and capacity for loss for all investment products. This does not change from the current approach.	Suitability report templates are available on our website and incorporate these MiFID requirements.
Issuing a suitability report. This reflects the change to the definition of advice and which captures buying, selling or holding an investment/fund.	The report must be issued prior to the transaction being concluded. Where the recommendation is to hold (retain an existing holding) a report must be provided at the time of, or prior to, the advice.	This is explained further in Annex 3 and should be considered against the MiFID definition of regulated financial advice.
Where a firm provides an on-going service and a suitability assessment of the product, this review must be carried out at least annually.	Service propositions must be reviewed to ensure any periodic review of suitability or rebalancing is carried out at least annually. This has to be confirmed prior to the time of the investment advice.	Template are available on our website under the title 'Service Proposition & Engagement'. Firms can also refer to our 'Investment Review' letter for a template annual review report. This will be required for all reviews carried out.

CHAPTER 12

Appropriateness

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>This requires firms distributing MiFID products without the provision of a personal recommendation to assess the 'knowledge and understanding' of retail investors before allowing them to buy complex financial instruments.</p>	<p>If you operate a non-advised service (on-line investing or direct offer promotions) you should consider the complexity of the product before a transaction is concluded with a customer.</p>	<p>The SimplyBiz Group recommends complex products are not sold without advice to ordinary retail clients.</p>
<p>This is known as the 'appropriateness test'.</p> <p>It is the end distributor that has the responsibility of assessing whether or not the product is deemed complex.</p>	<p>Non-complex products are:</p> <ul style="list-style-type: none"> • UCITS funds • Shares traded on a regulated market • Structured deposits, that do not incorporate a complex structure <p>Structured products, and ETFs with a complex underlying structure, would require an appropriateness test to be carried out.</p>	

CHAPTER 13

Dealing & managing

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>These new measures will require firms to record more granular details on the client instruction, the security traded and the different parties involved in the execution of the order. Firms will also be required to record all necessary order references that will allow their records to be matched to the new transaction reporting requirements applicable to trading venues and the exact sequence of the order execution.</p>	<p>No action is required.</p>	

CHAPTER 14

Underwriting and placing

SUMMARY OF MAIN CHANGES

This introduces new requirements for firms carrying out underwriting and placing activities.

ACTION REQUIRED

No action is required.

SIMPLYBIZ SUPPORT

CHAPTER 15

Investment research

SUMMARY OF MAIN CHANGES

MiFID II requires an explicit requirement for firms to introduce a physical separation between financial analysts and other persons whose responsibilities or business interests may conflict with the interests of the persons to whom the research is disseminated.

ACTION REQUIRED

No action is required.

SIMPLYBIZ SUPPORT

CHAPTER 16

Client agreements

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
This must not be confused with the requirement to provide information about the services of the firm (initial disclosure).	See also chapter 11 – Suitability.	Our website contains templates under the title ‘Service Proposition & Engagement’ for the provision of on-going services.
This chapter refers to the provision of on-going services and requires a firm to provide a description of the service being provided to the client.	<p>Where an on-going service provides an assessment to the suitability of the client’s investment(s), it must be carried out at least annually.</p> <p>If your firm offers biennial reviews that provide an assessment to the suitability of MiFID financial instruments, you will need to review your service proposition.</p>	

CHAPTER 17

Product governance

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
As part of the product governance process, a manufacturer must assess each product and assign it a target market that clearly defines the type of investors the product is aimed at, and the allowable distribution strategies for that product.	An investment fund authorised under the UCITs directive is excluded from this as they are designed for retail investors (unless it contains a complex structure i.e. structured products)	Our template compliance plan will be updated to reflect these changes.
This data then needs to be communicated throughout the chain right down to the adviser community, which will ensure each point of distribution/redistribution has a clear view on how the product should be sold, and to whom it can be sold.	<p>You should be prepared to provide product manufacturers with information on sales and, where appropriate, the outcomes of your regular reviews and monitoring.</p> <p>You should always ensure products distributed to clients are suitable for the target market.</p>	

CHAPTER 18

Knowledge & competence

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
<p>A maximum time period of four years during which relevant individuals providing advice or information in a MiFID context need to acquire knowledge and competence has been introduced. There are no 'grandfathering' arrangements.</p> <p>A minimum time period of six months for such relevant individuals to be considered eligible to have acquired appropriate experience has been introduced.</p>	<p>You should ensure all relevant staff have an understanding of the new TC rules and timescales</p>	<p>All our relevant T&C documentation will be updated to reflect these changes.</p>
<p>Firms must undertake due diligence before making a decision on outsourcing the supervision of staff. The approach should be risk-based and proportionate, taking into account the nature, scale and complexity of a firm's operations.</p> <p>Whilst firms can outsource regulatory activities, they cannot outsource the responsibility.</p>		

CHAPTER 19

Taping

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
Any firm that receives a request, through a telephone call or by way of an electronic communication, to buy or sell a MiFID financial instrument must record the call or communication.	If you are a MiFID firm or if you decide to record telephone calls, you will need to ensure that an appropriate recording system is in operation by 3rd January 2018.	Our template telephone call discussion document that will be available in our website (see also Annex 4) will assist firms if they choose to take notes of a telephone call.
For calls, this could apply where advice is provided over the phone or where a client calls requesting to proceed with an investment or to switch funds, etc.	For more information on which calls need to be recorded and the information that needs to be contained in a written record, please refer to Annex 4.	An option to avoid the need to record or take written notes of calls would be to include a statement in your client agreement to confirm you do not accept instructions over the phone i.e. we only accept instructions in writing or by electronic communication.
Article 3 exempt firms however have the choice to make a written record of the request instead of recording the telephone call.	IMPORTANT – only one option of recording can be chosen and firms cannot select the method on a client-by-client basis.	

CHAPTER 20

Specialist regimes

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
Specialist conduct of business regime requirements have been implemented in COBS 18. These changes will affect – Trustee firms, Energy market participants (EMPs) and oil market participants (OMPs), Corporate finance business, Stock lending activity, Residual CIS operators, UCITS management companies and AIFMs, Lloyd's, ICVCs and Authorised professional firms.	<p>Authorised Professional Firms (APF) are caught by all chapters where they carry out MiFID business.</p> <p>The chapters do not apply where the regulated activity is incidental to an activity carried out under their main profession.</p>	

CHAPTER 21

Small and medium-sized enterprise (SME) growth markets

SUMMARY OF MAIN CHANGES

This introduces a new sub-category of multilateral trading facility (MTF) called SME growth markets, with the intention of raising the visibility and profile of growth markets or junior markets across the EU.

ACTION REQUIRED

No action is required.

SIMPLYBIZ SUPPORT

CHAPTER 22

Supervision manual (SUP)

SUMMARY OF MAIN CHANGES

Transitional arrangements are in place to help firms bring their passports into line with the changes of scope resulting from MiFID II. These were scheduled to be in place between 31 July 2017 and 3 January 2018.

ACTION REQUIRED

Our understanding is that firms who already have passports will be moved across (grandfathered) into the new regime and will not need to complete any new applications via the Connect system.

SIMPLYBIZ SUPPORT

The SimplyBiz Group can assist firms with their passporting applications.

The FCA is bringing forward the date on which they will start accepting MiFID II passporting notifications via the FCA CONNECT system to 4 December 2017.

If you need to bring your firm's passports rights into line with the changes resulting from MiFID II we would recommend this is undertaken as soon as possible.

CHAPTER 23

Structured deposits

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
Where a firm is wholly independent these products must be considered.	Firms are required to vary their scope of permissions to include these products as a specific type of designated investment. Where firms do not add this product type to their permissions, they will not be able to advise on them and could therefore limit the nature of a firm's independence.	<p>IMMEDIATE ACTION REQUIRED</p> <p>Please refer to Compliance & Technical Times 193 that can be accessed here for full details and how to request this permission, without cost, prior to January 2018.</p>

CHAPTER 24

General provisions

SUMMARY OF MAIN CHANGES	ACTION REQUIRED	SIMPLYBIZ SUPPORT
The FCA have made rules to offer firms the flexibility to make changes related to MiFID II ahead of January 2018.	Please refer to previous chapters	Please refer to previous chapters.

ANNEX 1

Disclosure Requirements (Chapter 9)

The following sets out the additional requirements under MiFID II applicable to the disclosure of cost and charges.

Disclosure at outset

Firms must provide 'appropriate information' to investors in good time before conclusion of a transaction and must include information on both investment and ancillary services to include: the cost of advice, the cost of the financial instrument and how the client may pay for it.

This information must be presented as an aggregated cost to allow the client to understand the overall costs and the cumulative effect on the return of the investment. Where requested by a client, a full itemised breakdown of the costs must be provided.

Our view - Our expectation is that these requirements will be met by the provider/platform when they prepare the key investor information document (KIID). It should be noted that it is the responsibility of the end distributor in the chain (usually the advisory firm) to provide this information to the client. Firms should confirm this with the product/platform provider.

Where the firm's charge for advice is paid directly by the client the firm will need to create their own table of aggregated costs (see below).

Ongoing disclosure

Firms must provide an aggregated breakdown of costs and charges accumulated where they have had a relationship with the client. This should be provided on a regular basis, at least annually, during the lifetime of the investment and should also be provided on a personalised basis.

Our view - Again, we expect this requirement to be met by the provider/platform when they prepare the six monthly or annual statements. Firms applying the cost of on-going services direct to the client will again have to create their own aggregated table (see below).

Transactional only business

Where advice relates to the transaction of an investment with no on-going service being provided, it would be the provider/platform that would have to provide on-going disclosure. Firms however need to be mindful that if they still hold the agency for the client, it is likely to be perceived, by the provider/platform, that there is an ongoing relationship with the client and they could deem the firm responsible for all on-going disclosure. In these circumstances, firms should liaise with the provider/platform or remove their agency following completion of the transaction.

We are liaising with providers and platforms to gain an understanding of their position.

Aggregated costs and charges table

Aggregated costs need to be created for each financial instrument (i.e. ISA, General Investment Account, ETF, Investment Trust). Where costs are shared (cost of advice, platform, etc.) it is for the firm to determine how to separate these costs and charges.

This table is an example of how aggregated costs and charges can be shown:

Investment services and/or ancillary services – cost of advice, platform costs, discretionary fund management cost, etc	£X,XXX	X.XX %
Third party payments received by the investment firm – it is not envisaged this would apply to any advisory firm when disclosing as it generally refers to trades and execution	£X,XXX	X.XX %
Financial instrument/The Product – the investment/scheme	£X,XXX	X.XX %
Total costs and charges	£X,XXX	X.XX %

Both cash and percentages terms must be provided

ANNEX 2

Independence (Chapter 10)

The rules when providing independent advice will be aligned to the definition within MiFID. This requirement means:

A firm must assess a sufficient range of relevant products available on the market which must be sufficiently diverse with regard to their

- type; and
- issuers or product providers

to ensure that the client's investment objectives can be suitably met; and must not be limited to relevant products issued or provided by

- the firm itself or by entities having close links with the firm; or
- other entities with which the firm has such close legal or economic relationships, including contractual relationships, as to present a risk of impairing the independent basis of the advice provided.

This does not mean a firm has to assess every financial instrument or retail investment product but the range of products considered should be relevant to the typical client of the firm. It should however consider providers from the whole of market.

Financial instruments are those listed within the introduction of this gap analysis. Many of the instruments appropriate for retail investors are within the existing definition of a retail investment product (OEICs, investment trusts, ETFs). We would consider the additional instruments not to be suitable for an ordinary retail investment client and should therefore be discounted.

In addition to the above, it will be a requirement for independent advisers to consider structured deposits, national saving & investments (NS&I) products and cash ISAs, within their range of considerations.

This will not preclude the firm from placing platform business with one platform provider for the majority of its clients but that platform must have a sufficient range of products and demonstrate its suitability based on the firm's typical client, accounting for other factors i.e. charges, fees, etc. The suitability of using a platform must be assessed on a client-by-client basis.

Applying the above principles will mean a firm will be able to hold itself out as Independent Financial Advisers.

Independent focused advice

The new rules will allow for firms to provide independent advice but on focused areas. This will mean the firm will be able to state they are independent but in doing so they must confirm if this independence is focused on specialised or specific areas of advice. The title of the firm can still include reference to independent financial advisers but all marketing material and description of services should clearly describe the nature of the advice service or products. Examples of focused advice could include:

- Ethical and socially responsible investing
- At retirement services
- Regulated collective, and insurance based, investment schemes
- Personal pension schemes
- Long term care

When considering each focused area the firm should consider all products that could meet the objectives of the client. Where no product is suitable the firm must not provide a recommendation to the client.

Within any focused independent advice, firms must always consider NS&I and cash ISAs.

Restricted advice

Restricted advice is where the standards of independent advice are not met.

The nature of the restriction should be clearly described. It goes without saying the firm must not make any reference to independence.

Firms providing both independent and restricted advice

Firms must separate both the services and advisers to ensure there is no consumer confusion to the type of advice they are receiving.

This means that an adviser cannot offer both independent and restricted advice. Whilst this is a requirement of the Directive, the FCA have made a provision in the rules that will allow an adviser who only provides advice on non-MiFID retail investment products (non-collective investment schemes) to provide both independent and restricted advice. We consider circumstances where this could apply to be the exception not the norm, but could look like:

- Independent for long term care
- Restricted for insurance based pensions and/or investment bonds

It is the firm's responsibility to ensure the respective services are appropriate for the client.

ANNEX 3

Suitability (Chapter 11)

A new definition of regulated financial advice came into effect on 3rd January 2018 to align to the definition of investment advice set out in MiFID II.

This will apply to advice on all products (both MiFID and non-MiFID investments) and essentially means for advice to be regulated it must involve the provision of a personal recommendation to a customer, either upon the customer's request or on the firm's initiative. It comprises three main elements:

- there must be a recommendation that is made to a person in their capacity as an investor or potential investor (or in their capacity as an agent for an investor or personal investor);
- the recommendation must be presented as suitable for the person to whom it is made, or based on the investor's circumstances;
- the recommendation must relate to taking certain steps in respect of a particular investment, namely to buy, sell, subscribe for, exchange, redeem, hold or underwrite.

The other key factor in this is that, unlike previously, any advice to hold/retain a product/fund i.e. to do nothing, will constitute a personal recommendation and will therefore require a suitability report.

Where a personal recommendation is to hold an existing investment, the suitability report must be issued at the time the advice is provided (the suitability report could be considered to be the confirmation of advice). This is because there will be no conclusion of a transaction. It will also mean a suitability report will have to be provided at the time of each suitability assessment review (typically annually). A template report is available within the Vision website under the title 'Investment Review' and this can be located in the suitability reports area and in the Ongoing Service & Review area of the site.

Important update to all suitability reports for MiFID business

To evidence the client accepts the recommendation of the firm and the date the advice was provided, we will be including a disclaimer and client signature section at the end of the reports.

ANNEX 4

Taping (Chapter 19)

What type of telephone calls need recording or notes taken of them?

The following types of telephone calls would need recording or notes to be made -

- A client calls to state that they want to proceed based on the advice given at a previous meeting.
- A client calls to request (full/partial) encashment of/from their general investment account.
- A client calls wishing to invest a further amount into their ISA.
- An adviser sends a written report to the client in relation to a fund switch and later calls the client. During the call the client gives instructions for the switch to proceed.

The following type of telephone call would not need recording or notes to be made -

- An adviser gives advice to a client who says that they need to go away and think about it.
- A client calls and states they do not wish to proceed with a recommendation (it would be good commercial practice to confirm this in writing to avoid any future dispute).
- A client calls to seek the valuation of their portfolio.

What information needs to be included if the firm chooses to make a written record of the telephone call?

If your firm chooses to take notes of telephone calls then you should ensure that the information to be recorded includes at least –

- the date and time of the meeting
- the location of the meeting
- the identity of the attendees
- the initiator of the meetings
- relevant information about the client order including the price, volume, type of order and when it shall be transmitted or executed.

The FCA will also expect you to capture the main points of the conversation to provide a degree of consumer protection.

Firms do not however have to accept instructions orally and can insist that non-face to face instructions be accepted only by written or electronic means.

Client Discussion notes

Call taken by			
Client Name			
Date		Time	
Who instigated call	Adviser / Client / Other		
Location	Office / Meeting address / Telephone		
Record of telephone conversation			
Document all the main points of the full conversation to provide an accurate and comprehensive record of the conversation			
Record of any instructions			
Product/funds to switch/funds to sell/ amount to realise / % to switch etc			
Document the main points of the conversation.			
Details of order transmission and/or execution			
Confirmation details of order completion.			