

## FCA Releases Discussion Paper Under MiFID II

The revised Markets in Financial Instruments Directive (“MiFID II”) came into force on 2 July 2014. It will have effect on 3 January 2017, reflecting the period required for European Union member states to transpose its provisions into national law. The Financial Conduct Authority (“FCA”) today published a discussion paper implementing certain aspects of MiFID II – DP 15/3 “Developing our approach to implementing MiFID II conduct of business and organisational requirements”. This seeks views from firms, trade bodies and consumer groups on a number of key policy choices which the FCA will make when it implements MiFID II. The FCA will publish more detailed consultations on implementation later in the year.

The discussion paper requests views on, amongst other things:

- i. whether the FCA should apply MiFID II conduct of business rules (such as the “appropriateness” test) to insurance-based investment products and pensions;
- ii. the application of the FCA’s conduct of business rules to structured deposits;
- iii. whether the FCA should ban the rebating to clients of sales commissions received by discretionary investment managers from product providers;
- iv. options for the assessment of local authorities which may be treated as “professional” clients;
- v. the requirements for financial advisers to be treated as independent, and how this could be implemented for advice given on shares, bonds, derivatives and structured deposits;
- vi. how the FCA may apply MiFID II’s remuneration requirements for sales staff and advisers to firms which are not covered by MiFID II;
- vii. the application of the rules on recording of telephone conversations to investment managers;
- viii. practical approaches to implementing MiFID II’s requirements for disclosure of costs and charges, including developing a standardised format for disclosure; and
- ix. the application of MiFID II inducement rules to investment advisers and other firms.

We will publish detailed Alerts on a number of these topics.

The discussion paper can be accessed [here](#).

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