

October 2007

07
newsletter

/ 18



This newsletter provides a summary of PS07/18. Please see 'Who should read this paper?' below to see if PS07/18 is relevant to you.

Financial Services Authority

Conduct of Business regime

Including feedback on CP07/9: Conduct of Business regime – non-MiFID deferred matters; CP07/16: Consequential Handbook Amendments and MiFID Permissions & Notifications Guide

Why are we issuing the Policy Statement (PS)?

The paper substantially completes the consultation programme arising from implementation of the Markets in Financial Instruments Directive (MiFID) and our reform of the Conduct of Business regime (COBS).

It gives our feedback on responses to the following consultations:

- CP07/9: 'Conduct of Business regime: non-MiFID deferred matters' (May 2007);
- CP07/16: 'Consequential Handbook Amendments' (July 2007); and
- our proposed precautionary measures applicable to incoming firms from late-implementing EEA states (published as part of our September 2007 update to the MiFID Permissions and Notifications Guide).

Who should read the PS?

The PS is relevant to all firms affected by the implementation of MiFID and our reform of the conduct of business regime. Section C is of particular relevance to those incoming EEA firms, regulated markets and multilateral trade facilities that provide investment services in the UK from states that will be late in implementing MiFID.

What is the background to this?

MiFID comes into effect on 1 November 2007, when it will replace the existing Investment Services Directive (ISD). It extends the coverage of the current ISD and introduces new and more extensive requirements that firms will have to adapt to, in particular for their conduct of business and internal organisation.

For more information on the background to MiFID implementation, please see our website: www.fsa.gov.uk/Pages/About/What/International/EU/fsap/mifid/index.shtml

How is the paper set out?

The structure of the PS broadly follows the order of the consultations listed above, and the chapters in those papers.

What happens next?

The changes to the Handbook covered in the PS come into effect on 1 November 2007, but with transitional arrangements for certain requirements applicable to non-MiFID firms and business. These relate mainly to COBS requirements (for example, best execution and various parts of the Specialist Regimes), and are explained in more detail in each relevant chapter of the PS.

Queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FSA. For most firms this will be the FSA's Firm Contact Centre:

Tel: 0845 606 9966 Fax: 020 7066 0991 Email: fcc@fsa.gov.uk

Alternatively, our COBS and Transaction Reporting Policy Teams are on hand to help at COBS@fsa.gov.uk and tmu@fsa.gov.uk respectively.

Post: Firm Contact Centre
Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

How can I get the full paper?

You can download the full Policy Statement from:

www.fsa.gov.uk/pages/Library/Policy/Policy/2007/07_18.shtml

Or you can order hard copies of the paper:

Phone our helpline on **0845 608 2372**, quoting reference **PS07/18**

Copies are available at **£30** each. Please allow five working days for delivery.

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