

Financial services, regulation and ethics

R01: 2017–18 edition

Web update 2: 29 March 2018

Please note the following update to your copy of the R01 study text:

Chapter 4, section C2, page 4/9

Please replace the final sentence in this section with the following:

Markets in Financial Instruments Directive II (MiFID II)

MiFID II took effect on 3 January 2018, to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. MiFID II extended the MiFID requirements in a number of areas, including:

- new market structure requirements;
- new and extended requirements in relation to transparency;
- new rules on research and inducements;
- new product governance requirements for manufacturers and distributors of MiFID 'products'; and
- introduction of a harmonised commodity position limits regime.

For retail investment firms the main changes are in the areas of:

- disclosure of costs and charges;
- product governance;
- describing advice services;
- structured deposits;
- suitability;
- recording conversations; and
- inducements.

