

**RECORDKEEPING TABLE**

Topic	Type of record	Content of the record	Time Record Created or Provided to client
<b>CLIENT ASSESSMENT</b>			
<b>INFORMATION TO CLIENTS ABOUT INVESTMENT ADVICE AND FINANCIAL INSTRUMENTS<sup>1</sup></b>	Information to clients.	<ul style="list-style-type: none"> <li>• The appropriate information provided to clients with regard to the investment firm and its services, the financial instruments and proposed investment strategies, execution venues and all costs and related charges, including more specifically the following:               <ul style="list-style-type: none"> <li>(a) when investment advice is provided:                   <ul style="list-style-type: none"> <li>(i) whether or not the advice is provided on an independent basis;</li> <li>(ii) whether the advice is based on a broad or on a more restricted analysis of different types of financial instruments and, in particular, whether the range is limited to financial instruments issued or provided by entities having close links with the investment firm or any other legal or economic relationships, such as contractual relationships, so close as to pose a risk of impairing the independent basis of the advice provided;</li> <li>(iii) whether the investment firm will provide the client with a periodic assessment of the suitability of the financial instruments recommended to that client;</li> </ul> </li> </ul> </li> </ul>	In good time before the provision of investment services or ancillary services <sup>2</sup> .

<sup>1</sup> Article 24 (4) MiFID and [DR1](#)

<sup>2</sup> Article 46 [DR1](#)

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		<p>(b) the information on financial instruments and proposed investment strategies must include appropriate guidance on and warnings of the risks associated with investments in those instruments or in respect of particular investment strategies and whether the financial instrument is intended for retail or professional clients, taking account of the identified target market.</p> <p>(c) the information on all costs and associated charges must include information relating to both investment and ancillary services, including the cost of advice, where relevant, the cost of the financial instrument recommended or marketed to the client and how the client may pay for it, also encompassing any third-party payments. The information about all costs and charges, including costs and charges in connection with the investment service and the financial instrument, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow the client to understand the overall cost as well as the cumulative effect on return of the investment, and where the client so requests, an itemised breakdown shall be provided. Where applicable, such information shall be provided to the client on a regular basis, at least annually, during the life of the investment.</p> <ul style="list-style-type: none"> <li>• Further detail on additional requirements contained in <a href="#">DR1</a>, including: <ul style="list-style-type: none"> <li>(a) Clear, fair and not misleading information requirements (See Article 44 of <a href="#">DR1</a>)</li> <li>(b) Information concerning client categorisation (See Article 45 of <a href="#">DR1</a>): <ul style="list-style-type: none"> <li>○ Notification of categorisation.</li> <li>○ Right to request different categorisation in a durable medium.</li> </ul> </li> <li>(c) Information about the investment firm and its services for clients or potential clients (See Article 47 of <a href="#">DR1</a>)</li> <li>(d) Information about financial instruments (See Article 48 <a href="#">DR1</a>)</li> <li>(e) Information concerning the safeguarding of client financial instruments and client funds (See Article 49 of <a href="#">DR1</a>)</li> <li>(f) Information on costs and Associate charges (Article 50 of <a href="#">DR1</a>)</li> <li>(g) General Requirements for information to clients (See Article 46 of <a href="#">DR1</a>)</li> </ul> </li> </ul>	

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CLIENT AGREEMENTS <sup>3</sup>	Client agreements	<p>Documents agreed between the investment firm and the client which set out the rights and obligations of the parties, and the other terms on which the investment firm will provide services to the client (the rights and duties of the parties may be incorporated by references to other documents).</p> <ul style="list-style-type: none"> <li>• The written agreement shall set out the essential rights and obligations of the parties, and shall include the following: <ul style="list-style-type: none"> <li>(a) a description of the services, and where relevant the nature and extent of the investment advice, to be provided;</li> <li>(b) in case of portfolio management services, the types of financial instruments that may be purchased and sold and the types of transactions that may be undertaken on behalf of the client, as well as any instruments or transactions prohibited; and</li> <li>(c) a description of the main features of any services to be provided, including where applicable the role of the firm with respect to corporate actions relating to client instruments and the terms on which securities financing transactions involving client securities will generate a return for the client (See Article 58 <a href="#">DR1</a>).</li> </ul> </li> </ul> <p>Shall be retained for at least the duration of the relationship.</p>	In good time before client is bound by any terms of the agreement or before the provision of those services (whichever is earlier) <sup>4</sup>
SUITABILITY AND APPROPRIATENESS <sup>5</sup>	Suitability and Appropriateness records	<ul style="list-style-type: none"> <li>• The information about the client's or potential client's knowledge and experience, financial situation and investment objectives, relevant to the specific product or service, obtained to perform the suitability or appropriateness assessment, in particular: <ul style="list-style-type: none"> <li>○ When providing investment advice or portfolio management the investment firm shall obtain the necessary information regarding the client's or potential client's knowledge and experience in the investment field relevant to the specific type of product or service, that person's financial situation</li> </ul> </li> </ul>	Upon providing the relevant service and/ or suitability report.

<sup>3</sup> Article 25 (5) MiFID2 and [DR1](#)

<sup>4</sup> Article 46 [DR1](#)

<sup>5</sup> Article 25(2) and (3) and [DR1](#)

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		<p>including his ability to bear losses, and his investment objectives including his risk tolerance so as to enable the investment firm to recommend to the client or potential client the investment services and financial instruments that are suitable for him and, in particular, are in accordance with his risk tolerance and ability to bear losses.</p> <ul style="list-style-type: none"> <li>○ where an investment firm provides investment advice recommending a package of services or products bundled, the overall bundled package is suitable.</li> <li>○ When providing investment services other than (other than investment advice or portfolio management) , information regarding that person’s knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the investment firm to assess whether the investment service or product envisaged is appropriate for the client.</li> <li>○ Where the investment firm considers, on the basis of the information received, that the product or service is not appropriate to the client or potential client, the investment firm shall warn the client or potential client. That warning may be provided in a standardised format.</li> <li>○ Where clients or potential clients do not provide the information, or where they provide insufficient information regarding their knowledge and experience, the investment firm shall warn them that the investment firm is not in a position to determine whether the service or product envisaged is appropriate for them. That warning may be provided in a standardised format.</li> </ul> <ul style="list-style-type: none"> <li>● Further details of assessment of suitability and appropriateness set out in Article 54 <a href="#">DR1</a>. In particular, firms are required to ensure that the information regarding a client's or potential client's knowledge and experience in the investment field includes the following, to the extent appropriate to the nature of the</li> </ul>	

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		<p>client, the nature and extent of the service to be provided and the type of product or transaction envisaged, including their complexity and the risks involved:</p> <p>(a) the types of service, transaction and financial instrument with which the client is familiar;</p> <p>(b) the nature, volume, and frequency of the client's transactions in financial instruments and the period over which they have been carried out;</p> <p>(c) the level of education, and profession or relevant former profession of the client or potential client.</p> <p>Suitability Policy: Investment firms shall establish, implement and keep a record of their suitability assessment policy in relation to clients who are legal individual person or groups of two or more natural persons or where one or more natural persons are represented by another natural person. The policy should outline who should be subject to the suitability assessment and how this assessment will be done in practice, including from whom information about knowledge and experience, financial situation and investment objectives should be collected.</p> <p>Records of the suitability reports, that must include:</p> <ul style="list-style-type: none"> <li>• an outline of the advice given; and</li> <li>• how the recommendation provided is suitable for the retail client, including how it meets the client's objectives and personal circumstances with reference to the investment term required, client's knowledge and experience and client's attitude to risk and capacity for loss. Where the recommended instruments are likely to require the retail client to seek a periodic review of their arrangements, this shall be brought to the client's attention and included in the report.</li> </ul> <p>The suitability report should contain the date and time of the day when the advice was given to the client. Firms should also keep a record of the date and time when the suitability report was provided to the client (if these dates differ, as may be the case when the interaction with the client occurs through a means of distance communication). Finally, firms must keep the respective suitability report according to MiFID2 record keeping requirements. To fulfill these reporting and documentation requirements, it may be useful to timestamp the suitability reports. However, if firms comply with the above in any other way, a timestamp may not be necessary.<sup>6</sup></p>	

<sup>6</sup> See [ESMA Investor Protection Q&A](#) (updated 18 December 2017)

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		<p>Investment firms shall maintain records of the appropriateness assessments undertaken which shall include the following:</p> <ul style="list-style-type: none"> <li>(a) the result of the appropriateness assessment;</li> <li>(b) any warning given to the client where the investment service or product purchase was assessed as potentially inappropriate for the client, whether the client asked to proceed with the transaction despite the warning and, where applicable, whether the firm accepted the client's request to proceed with the transaction;</li> <li>(c) any warning given to the client where the client did not provide sufficient information to enable the firm to undertake an appropriateness assessment, whether the client asked to proceed with the transaction despite this warning and, where applicable, whether the firm accepted the client's request to proceed with the transaction.</li> </ul>	
<b>ORDER HANDLING</b>			
<b>CLIENT ORDER HANDLING<sup>7</sup></b>	Client order-handling: General and aggregated transactions.	<ul style="list-style-type: none"> <li>• Order Allocation Policy: The procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or the trading interests of the investment firm<sup>8</sup> and provides for a fair allocation of aggregated orders and transactions including how the volume and price of orders determines allocations and treatment of partial executions. Those procedures and arrangements shall allow for the execution of otherwise comparable orders in accordance with the time of reception.</li> <li>• Record of orders accurately recorded and allocated. (See Article 67 to 70 of <a href="#">DR1</a>).</li> <li>• Records of orders aggregated.</li> </ul>	Must be maintained and up to date – no specific time. Promptly and accurately recorded at time of order

<sup>7</sup> Article 24(1) and 28(1) MiFID2.

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CLIENT ORDER HANDLING <sup>9</sup>	Client order-handling - Aggregation and allocation of transactions for own account	<ul style="list-style-type: none"> <li>Procedures designed to be included in Order Allocation Policy to prevent the re-allocation of orders in a way that is detrimental to the client, of transactions for own account which are executed in combination with client orders.</li> <li>Records of aggregated and of transactions for own account. (See Article 69 of <a href="#">DR1</a>).</li> </ul>	Promptly and accurately recorded at time of order.
<b>CLIENT ORDERS AND TRANSACTIONS</b>			
RECORD KEEPING <sup>10</sup>	Record of client orders or decision to deal	<ul style="list-style-type: none"> <li>An investment firm shall, in relation to every initial order received from a client and in relation to every initial decision to deal taken, immediately record and keep at the disposal of the competent authority the following (the additions/amendments proposed are marked in <b>bold</b>; the elements in <i>italics</i> are already required to be recorded under MiFID1): <ul style="list-style-type: none"> <li><i>a. name and designation of the client;</i></li> <li><i>b. name and designation of any relevant person acting on behalf of the client;</i></li> <li><b>c. a designation to identify the Trader (Trader ID) responsible within the investment firm for the investment decision;</b></li> <li><b>d. a designation to identify the Algo (Algo ID) responsible within the investment firm for the investment decision;</b></li> <li><i>e. B/S indicator;</i></li> <li><i>f. instrument identification</i></li> <li><i>g. unit price and price notation;</i></li> <li><b>h. price</b></li> <li><b>i. price multiplier</b></li> <li><b>j. Currency 1</b></li> </ul> </li> </ul>	Immediately after receipt of the order or after taking the decision to deal.

<sup>9</sup> Article 24(1) and 28(1) MiFID2 and [DR1](#).

<sup>10</sup> Article 16 (6) MiFID2 and [DR1](#).

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		<p><b>k. Currency 2</b>  <i>l. initial quantity and quantity notation;</i>  <i>m. validity period</i>  <i>n. type of the order;</i>  <i>o. any other details, conditions and particular instructions from the client;</i>  <i>p. the date and exact time of the receipt of the order</i> <b>or the date and exact time of when the decision to deal was made. The exact time must be measured according to the methodology prescribed under the RTS on clock synchronization.</b></p> <p>(See Article 74 <a href="#">DR1</a>)</p>	
RECORD KEEPING <sup>11</sup>	Record keeping of transactions and order processing	<ul style="list-style-type: none"> <li>Investment firms shall, immediately after receiving a client order or making a decision to deal to the extent they are applicable to the order or decision to deal in question, record and keep at the disposal of the competent authority the following (the additions/amendments proposed are marked in bold; the elements in italics are already required to be recorded under MiFID1). <ul style="list-style-type: none"> <li><i>a. name and designation of the client;</i></li> <li><i>b. name and designation of any relevant person acting on behalf of the client;</i></li> <li><b>c. a designation to identify the Trader (Trader ID) responsible within the investment firm for the investment decision;</b></li> <li><b>d. a designation to identify the Algo (Algo ID) responsible within the investment firm for the investment decision;</b></li> <li><b>e. Transaction reference number</b></li> <li><b>f. a designation to identify the order (Order ID);</b></li> <li><b>g. the identification code of the order assigned by the trading venue upon receipt of the order;</b></li> <li><b>h. a unique identification for each group of aggregated clients' orders (which will be subsequently placed as one block order on a given trading venue). This identification should indicated "aggregated_X" with X representing the number of clients whose orders have been aggregated;</b></li> </ul> </li> </ul>	Immediately after receipt of the order or after taking the decision to deal.

<sup>11</sup> Article 16 (6) MiFID2 and [DR1](#).

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		<p><b>i. the segment MIC code of the trading venue to which the order has been submitted;</b></p> <p><i>j. the name and other designation of the person to whom the order was transmitted;</i></p> <p><i>k. Designation to identify the Seller &amp; the buyer;</i></p> <p><b>l. the trading capacity;</b></p> <p><b>m. a designation to identify the Trader (Trader ID) responsible for the execution;</b></p> <p><b>n. a designation to identify the Algo (Algo ID) responsible for the execution;</b></p> <p><i>o. B/S indicator;</i></p> <p><b>p. instrument identification;</b></p> <p><b>q. Ultimate underlying;</b></p> <p><b>r. Put/Call identifier;</b></p> <p><b>s. Strike price;</b></p> <p><b>t. Up-front payment;</b></p> <p><b>u. Delivery type;</b></p> <p><b>v. Option style;</b></p> <p><b>w. Maturity date;</b></p> <p><i>x. unit price and price notation;</i></p>	

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		<p><i>y. price;</i></p> <p><i>z. price multiplier;</i></p> <p><i>aa. Currency 1;</i></p> <p><i>bb. Currency 2;</i></p> <p><i>cc. remaining quantity;</i></p> <p><i>dd. modified quantity;</i></p> <p><i>ee. executed quantity;</i></p> <p><b>ff. the date and exact time of submission of the order or decision to deal. The exact time must be measured according to the methodology prescribed under the RTS on clock synchronisation (Article 50.2 MiFID2);</b></p> <p><b>gg. the date and exact time of any message that is transmitted to and received from the trading venue in relation to any events affecting an order. The exact time must be measured according to the methodology prescribed under the RTS on clock synchronization;</b></p> <p><b>hh. the date and exact time any message that is transmitted to and received from another investment firm in relation to any events affecting an order. The exact time must be measured according to the methodology prescribed under the RTS on clock synchronization;</b></p> <p><b>ii. Any message that is transmitted to and received from the trading venue in relation to orders placed by the investment firm;</b></p> <p><b>jj. Any other details and conditions that was submitted to and received from another investment firm in relation with the order;</b></p> <p><b>kk. Each placed order's sequences in order to reflect the chronology of every event affecting it, including but not limited to modifications, cancellations and execution;</b></p> <p><b>ll. Short selling flag;</b></p> <p><b>mm. SSR exemption flag;</b></p> <p><b>nn. Waiver flag.</b></p> <p>(See Article 75 <a href="#">DR1</a>)</p>	

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TELEPHONE TAPING	Records of telephone conversations or other channels	<p>Record telephone conversations and electronic communications relating to the following services:</p> <ul style="list-style-type: none"> <li>▪ reception and transmission of orders;</li> <li>▪ execution of orders on behalf of clients; and</li> <li>▪ dealing on own account.</li> <li>▪ Includes portfolio management.</li> </ul> <p>Electronic Communications are to include (but not limited to- video conferencing, fax, email, Bloomberg mail, SMS, business to business devices, chat, instant messaging and mobile phone application<sup>12</sup> (See <a href="#">ESMA - Investor Protection Q&amp;A</a>)</p> <p>Obligation to record applies not just to conversations between a firm and third parties (for example when the execution desk passes an order to a broker) but also internal or intra-group conversations.</p> <p>Firms to record entire conversations from start to end.</p> <p>Written Records of Face to Face communications: Firms to record in written format orders placed by clients through other channels (e.g. face to face conversations, meetings). ESMA <a href="#">Investor Protection Q&amp;A</a> confirms that records of any internal face to face conversations caught by the requirements will also have to be recorded.</p> <p>Information recorded from face-to-face conversations is at the discretion of the firm, but must include at least: (i) date and time of meetings; (ii) location of meetings; (iii) identity of the attendees; (iv) initiator of the meetings; and (v) relevant information about the client order including the price, volume, type of order and when it shall be transmitted or executed.</p> <p>The phone recordings and electronic communications must:</p> <ul style="list-style-type: none"> <li>• be kept in a “durable medium” which allows them to be replayed or copied, and must be retained in a format that does not allow the original record to be altered or deleted; and</li> </ul>	At time of communication

<sup>12</sup> See [ESMA Investor Protection Q&A](#) (updated 18 December 2017)

Topic	Type of record	Content of the record	Time Record Created or Provided to client
		<ul style="list-style-type: none"> <li>• be “readily accessible” and available to clients on request- note clients are to be given access to both internal and external communications;</li> <li>• be retained for a period of five years, or up to seven years if requested by a competent authority.</li> </ul>	
<b>REPORTING TO CLIENTS</b>			
	Obligation in respect of services to clients	<ul style="list-style-type: none"> <li>• Execution of orders other than for portfolio management:               <ul style="list-style-type: none"> <li>○ Record of information concerning execution of order.</li> <li>○ Notice in a durable medium confirming execution of the order as soon as possible and no later than the first business day following execution or, where the confirmation is received by the investment firm from a third party, no later than the first business day following receipt of the confirmation from the third party containing details set out in Article 59(4) of <a href="#">DR1</a>) which include:                   <ul style="list-style-type: none"> <li>(a) Firm identifier;</li> <li>(b) the name or other designation of the client;</li> <li>(c) the trading day;</li> <li>(d) the trading time;</li> <li>(e) the type of the order;</li> <li>(f) the venue identification;</li> <li>(g) the instrument identification;</li> <li>(h) the buy/sell indicator;</li> <li>(i) the nature of the order if other than buy/sell;</li> <li>(j) the quantity;</li> <li>(k) the unit price;</li> <li>(l) the total consideration;</li> <li>(m) a total sum of the commissions and expenses charged;</li> <li>(n) the rate of exchange obtained where the transaction involves a conversion of currency;</li> <li>(o) the client's responsibilities in relation to the settlement of the transaction;</li> <li>(p) where the client's counterparty was the investment firm itself or any person in the investment firm's group or another client of the investment firm.</li> </ul> </li> </ul> </li> <li>○ Status of client order sent to client on request.</li> <li>• Portfolio Management:</li> </ul>	Promptly after order carried out or Periodically.

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		<ul style="list-style-type: none"> <li>○ Periodic statement of portfolio management activities carried out on behalf of the client containing details set out in Article 60(2) of <a href="#">DR1</a> which includes:               <ul style="list-style-type: none"> <li>(a) the name of the investment firm;</li> <li>(b) the name or other designation of the client's account;</li> <li>(c) a statement of the contents and the valuation of the portfolio, including details of each financial instrument held, its market value, or fair value if market value is unavailable and the cash balance at the beginning and at the end of the reporting period, and the performance of the portfolio during the reporting period;</li> <li>(d) the total amount of fees and charges incurred during the reporting period, itemising at least total management fees and total costs associated with execution, and including, where relevant, a statement that a more detailed breakdown will be provided on request;</li> <li>(e) a comparison of performance during the period covered by the statement with the investment performance benchmark (if any) agreed between the investment firm and the client;</li> <li>(f) the total amount of dividends, interest and other payments received during the reporting period in relation to the client's portfolio;</li> <li>(g) information about other corporate actions giving rights in relation to financial instruments held in the portfolio;</li> <li>(h) for each transaction executed during the period, the information referred to above in (c) to (l) where relevant, unless the client elects to receive information about executed transactions on a transaction-by-transaction basis.</li> </ul> </li> <li>○ Any information provided to client on transaction by transaction basis.</li> <li>● Reports of depreciations of portfolio as required under Article 62 of <a href="#">DR1</a>.</li> </ul> <p>Report to the client where the overall value of the portfolio at the beginning of each reporting period depreciates by 10% and thereafter at multiples of 10%;</p>	

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		<p>For retail client accounts that include positions in leveraged financial instruments or contingent liability transactions shall report to the client, where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. Such reports to retail clients should be done on an instrument-by-instrument basis unless otherwise agreed with the client.</p> <p>To be sent no later than the end of the business day in which the threshold is exceeded</p> <p>Statement (sent at least quarterly) of client financial instruments or funds (note: this does not apply to a credit institution authorised under CRD IV in respect of deposits. Statements shall include the following information:</p> <ul style="list-style-type: none"> <li>○ details of all the financial instruments or funds held by the investment firm for the client at the end of the period covered by the statement;</li> <li>○ the extent to which any client financial instruments or client funds have been the subject of securities financing transactions;</li> <li>○ the extent of any benefit that has accrued to the client by virtue of participation in any securities financing transactions, and the basis on which that benefit has accrued;</li> <li>○ a clear indication of the assets or funds which are subject to MiFID protections and those that are not, such as those that are subject to TTCA;</li> <li>○ a clear indication of which assets are affected by some peculiarities in their ownership status, for instance due to some security interest; and</li> <li>○ the market or estimated value, when the market value is not available, of the financial instruments included in the statement with a clear indication of the fact that the absence of a market price is likely to be indicative of a lack of liquidity. The evaluation of the estimated value shall be done by the firm on a best effort basis.</li> </ul>	

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<b>SAFEGUARDING OF CLIENT ASSETS</b>			
	Client financial instruments held by an investment firm	<ul style="list-style-type: none"> <li>• Such records and accounts as are necessary to enable the firm at any time and without delay to distinguish assets held for one client from assets held for any other client, and from their own assets.</li> <li>• Must maintain records and accounts in a way that ensures their accuracy, and in particular their correspondence to the financial instruments and funds held for clients that they may be used for audit trail.</li> </ul>	At all times whilst client assets held.
	Client funds held by an investment firm	<ul style="list-style-type: none"> <li>• Sufficient records to and accounts as are necessary to enable the firm at any time and without delay to distinguish funds held for clients.</li> <li>• Must maintain records and accounts in a way that ensures their accuracy and in particular their correspondence to the financial instruments and funds held for clients that they may be used for audit trail.</li> <li>• Information to be available:               <ul style="list-style-type: none"> <li>○ Internal accounts and funds showing balance of funds held by each client;</li> <li>○ Details of accounts where client funds are held;</li> <li>○ Details of accounts opened with relevant third parties;</li> <li>○ Details of third parties carrying out outsourced functions;</li> <li>○ Details of individuals involved in oversight of firms requirements.</li> </ul> </li> </ul>	At all times whilst client assets held.
	Use of client financial instruments	<ul style="list-style-type: none"> <li>• Details of any use of client financial instruments. In particular;               <ul style="list-style-type: none"> <li>○ Prior express consent provided by the client in writing for the use of the financial instruments;</li> <li>○ Details of the specified terms to which the client consents.</li> </ul> </li> <li>• Records including details of the client on whose instructions the use of the financial instruments have been effected as well as the number of financial instruments used belonging to each client who has given consent.</li> </ul>	When instructions/ consent provided.
<b>COMMUNICATION WITH CLIENTS</b>			

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<b>INFORMATION TO CLIENTS ABOUT COSTS AND CHARGES<sup>13</sup></b>	Information about Costs and Associated Charges	<p>The records should include information on all costs and associated charges and must include information relating to both investment and ancillary services, including the cost of advice, where relevant, the cost of the financial instrument recommended or marketed to the client and how the client may pay for it, also encompassing any third-party payments (see Article 50 of <a href="#">DR1</a>)</p> <p>For ex ante and ex post disclosure firms shall aggregate the following:</p> <ol style="list-style-type: none"> <li>i. All costs and charges charged by firm or other parties where client has been directed to the other party;</li> <li>ii. All costs and associated charges associated with the manufacturing and managing instruments.</li> </ol> <p>(Details of costs and charges to be disclosed are set out in Annex 2 of the DR1 and include one-off charges, on-going charges, transaction costs and incidental costs – see below)</p>	On the date on which it is provided (i.e. point of sale) and where applicable, on a regular basis, at least annually. Ex ante costs disclosure must be provided to the client in good time.

<sup>13</sup> Article 24(4)(c) and Article 50 of [DR1](#).

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<b>INFORMATION TO CLIENTS ABOUT INVESTMENT ADVICE AND</b>	Information about the investment firm and its services, financial	<p>Record of the following general information provided to clients or potential clients</p> <ul style="list-style-type: none"> <li>(a) the name and address of the investment firm, and the contact details necessary to enable clients to communicate effectively with the firm;</li> <li>(b) the languages in which the client may communicate with the investment firm, and receive documents and other information from the firm;</li> </ul>	At the time the communication is issued. Information to be provided to client in good time before the provision															

Topic	Type of record	Content of the record	Time Record Created or Provided to client
FINANCIAL INSTRUMENTS <sup>14</sup>	instruments and safeguarding of client assets	<ul style="list-style-type: none"> <li>(c) the methods of communication to be used between the investment firm and the client including, where relevant, those for the sending and reception of orders;</li> <li>(d) a statement of the fact that the investment firm is authorised and the name and contact address of the competent authority that has authorised it;</li> <li>(e) where the investment firm is acting through a tied agent, a statement of this fact specifying the Member State in which that agent is registered;</li> <li>(f) the nature, frequency and timing of the reports on the performance of the service to be provided;</li> <li>(g) if the investment firm holds client financial instruments or client funds, a summary description of the steps which it takes to ensure their protection, including summary details of any relevant investor compensation or deposit guarantee scheme which applies to the firm;</li> <li>(h) a description, which may be provided in summary form, of the conflicts of interest policy;</li> <li>(i) at the request of the client, further details of that conflicts of interest policy in a durable medium or by means of a website which satisfies the following requirements: <ul style="list-style-type: none"> <li>(i) the provision of the information is in a medium which is appropriate to the context in which the business between the firm and the client is or is to be carried on;</li> <li>(ii) the client must specifically consent to the provision of that information in that form;</li> <li>(iii) the client must be notified electronically of the address of the website, and the place on the website where the information may be accessed;</li> <li>(iv) the information must be up to date;</li> <li>(v) the information must be accessible continuously by means of that website for such a period of time as the client may reasonably need to inspect it.</li> </ul> </li> </ul>	of investment services and/or ancillary service.

<sup>14</sup> Article 24(4) and [DR1](#).

Topic	Type of record	Content of the record	Time Record Created or Provided to client
		<p>In case of portfolio management, the following additional information should be provided in good time before the provision of investment services or ancillary services to clients or potential clients:</p> <ul style="list-style-type: none"> <li>• information on the method and frequency of valuation of the financial instruments in the client portfolio;</li> <li>• details of any delegation of the discretionary management of all or part of the financial instruments or funds in the client portfolio;</li> <li>• a specification of any benchmark against which the performance of the client portfolio will be compared;</li> <li>• the types of financial instrument that may be included in the client portfolio and types of transaction that may be carried out in such instruments, including any limits;</li> <li>• the management objectives, the level of risk to be reflected in the manager's exercise of discretion, and any specific constraints on that discretion.</li> </ul> <p>Records of the following general information should be provided to clients or potential clients:</p> <ul style="list-style-type: none"> <li>• Records of the following general information should be provided to clients: <ol style="list-style-type: none"> <li>1. A general description of the nature and risks of financial instruments, taking into account, in particular, the client's categorisation. That description must explain the nature of the specific type of instrument concerned, as well as the risks particular to that specific type of instrument, including: <ol style="list-style-type: none"> <li>(a) the risks associated with that type of financial instrument including an explanation of leverage and its effects and the risk of losing the entire investment;</li> <li>(b) the volatility of the price of such instruments and any limitations on the available market for such instruments;</li> </ol> </li> </ol> </li> </ul>	

Topic	Type of record	Content of the record	Time Record Created or Provided to client
		<p>(c) the fact that an investor might assume, as a result of transactions in such instruments, financial commitments and other additional obligations, including contingent liabilities, additional to the cost of acquiring the instruments;</p> <p>(d) any margin requirements or similar obligations, applicable to instruments of that type.</p> <p>2. To the extent applicable, the prospectus.</p> <p>3. Where a financial instrument is composed of two or more different financial instruments or services, the investment firm shall provide an adequate description of the legal nature of the financial instrument, the components of that instrument and the way in which the interaction between the components affects the risks of the investment.</p> <p>4. In the case of financial instruments that incorporate a guarantee or capital protection, the investment firm shall provide a client or a potential client with information about the scope and nature of such guarantee or capital protection. When the guarantee is provided by a third party, information about the guarantee shall include sufficient detail about the guarantor and the guarantee to enable the client or potential client to make a fair assessment of the guarantee.</p> <p>Records of the following general information provided to clients or potential clients if the investment firms hold financial instruments or funds belonging to clients:</p> <p>1. Whether the financial instruments or funds of that client may be held by a third party on behalf of the investment firm and of the responsibility of the investment firm under the applicable national law for any acts or omissions of the third party and the consequences for the client of the insolvency of the third party.</p> <p>2. Whether financial instruments of the client or potential client may, if permitted by national law, be held in an omnibus account by a third party and a prominent warning of the resulting risks.</p>	

Topic	Type of record	Content of the record	Time Record Created or Provided to client
		<ol style="list-style-type: none"> <li>3. Where it is not possible under national law for client financial instruments held with a third party to be separately identifiable from the proprietary financial instruments of that third party or of the investment firm and shall provide a prominent warning of the resulting risks.</li> <li>4. Where accounts that contain financial instruments or funds belonging to that client or potential client are or will be subject to the law of a jurisdiction other than that of a Member State and the rights of the client or potential client relating to those financial instruments or funds may differ accordingly.</li> <li>5. About the existence and the terms of any security interest or lien which the firm has or may have over the client's financial instruments or funds.</li> <li>6. Before using (i.e. securities financing transactions) in relation to financial instruments held by it on behalf of a retail client, provide the retail client, with clear, full and accurate information on the obligations and responsibilities of the investment firm with respect to the use of those financial instruments, including the terms for their restitution, and on the risks involved.</li> </ol>	
<b>COMMUNICATION WITH CLIENTS</b>	Information to clients: records of communication	<ul style="list-style-type: none"> <li>• Records of client communications pursuant to Article 24(3) of MiFID2 and <a href="#">DR1</a>.</li> </ul>	At the time the communication is issued
<b>COMMUNICATION WITH CLIENTS</b>	Marketing communications (except in oral form)	<ul style="list-style-type: none"> <li>• Marketing communications addressed by the investment firm to clients or potential clients, which must be identified as such?</li> </ul>	At the time the investment firm first issues the marketing communication

Topic	Type of record	Content of the record	Time Record Created or Provided to client
COMMUNICATION WITH CLIENTS	Investment advice to retail clients	<ul style="list-style-type: none"> <li>• Record of: (i) the fact, time and date that investment advice was rendered and (ii) the financial instrument that was recommended (iii) the suitability report provided to the retail client.</li> </ul>	At the time the investment advice is rendered
COMMUNICATION WITH CLIENTS	Investment research	<ul style="list-style-type: none"> <li>• A record of each item of investment research issued by the investment firm in writing in a durable medium should be retained.</li> </ul>	At the time the investment firm issues the item of investment research
<b>ORGANISATIONAL REQUIREMENTS</b>			
ORGANISATIONAL REQUIREMENTS <sup>15</sup>	The firm's business and internal organization	<ul style="list-style-type: none"> <li>• Adequate and orderly records of the business and internal organisation should be retained to ensure of the firm its employees and agents with MIFID2 obligations including all policies and procedures identified in Article 16(2) to (10) MIFID2 which shall include: <ul style="list-style-type: none"> <li>○ Conflict of interest policy;</li> <li>○ Product approval and process strategy;</li> <li>○ Execution policy and procedures;</li> <li>○ Business continuity procedures and practices;</li> <li>○ Administrative and Accounting procedures;</li> <li>○ Outsourcing arrangements and procedures;</li> <li>○ Data Security Procedures;</li> <li>○ Telephone and communications policy;</li> <li>○ Policies in relation to underwriting and placing;</li> <li>○ Client fund arrangements and procedures.</li> </ul> </li> </ul>	On-going requirement.

<sup>15</sup> Article 16(2) to (10) MIFID2.

Topic	Type of record	Content of the record	Time Record Created or Provided to client
ORGANISATIONAL REQUIREMENTS <sup>16</sup>	Compliance reports	<ul style="list-style-type: none"> <li>A record of each compliance report to management body should be retained.</li> </ul>	At time of the relevant report
ORGANISATIONAL REQUIREMENTS <sup>17</sup>	Conflict of Interest record	<ul style="list-style-type: none"> <li>Record of the kinds of investment or ancillary service or investment activity carried out by or on behalf of the firm in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an on-going service or activity, may arise.</li> <li>To be provided to senior management on a frequent basis, at least annually.</li> </ul>	At time of the relevant report
ORGANISATIONAL REQUIREMENTS <sup>18</sup>	Inducements	<ul style="list-style-type: none"> <li>Record of the information disclosed to clients if the firm is paid any inducements or has paid any inducements, not benefiting from an exemption, which information shall include: the existence, nature and amount of the payment or benefit, or, where the amount cannot be ascertained, the method of calculating that amount pursuant to Article 24(9) MIFID2.</li> </ul>	At time the information is disclosed
ORGANISATIONAL REQUIREMENTS – BUSINESS CONTINUITY <sup>19</sup>	Risk management reports	<ul style="list-style-type: none"> <li>A record of each risk management report to senior management should be retained.</li> </ul>	At time of the relevant report
ORGANISATIONAL REQUIREMENTS	Internal audit reports	<ul style="list-style-type: none"> <li>A record of each internal audit report to senior management should be retained</li> </ul>	At time of the relevant report

<sup>16</sup> Article 16(2) MIFID2.

<sup>17</sup> Article 16(3) MIFID2.

<sup>18</sup> Article 24(9) MIFID2.

<sup>19</sup> Article 16(4) MIFID2.

Topic	Type of record	Content of the record	Time Record Created or Provided to client
– OUTSOURCING, DATA SECURITY <sup>20</sup>			
ORGANISATIONAL REQUIREMENTS COMPLAINTS HANDLING <sup>21</sup>	Complaints-handling records	<ul style="list-style-type: none"> <li>A record of complaint and the complaint handling measures taken to address the complaint should be retained</li> </ul>	On receipt of complaint/ As measures are taken
ORGANISATIONAL REQUIREMENTS <sup>22</sup>	Records of personal transactions	<ul style="list-style-type: none"> <li>Records of each personal transaction notified to the firm or identified by it, including any authorisation or prohibition in connection with such a transaction</li> </ul>	At the time the personal transaction is notified

**A note on retention:**

Generally, UK firms must keep records relating to their MiFID business for at least 5 years. The record keeping requirements, which transpose the MiFID2 requirements into the UK domestic regime can be found in [COBS Schedule 1](#) of the FCA Handbook. The telephone taping requirements are found in [SYSC 10A](#) of the FCA Handbook and follow the MiFID2 requirements in Art 16(7), in that records must be provided by the firm to the client upon request, and retained for five years, and where requested by the FCA, for up to seven years.

The [Delegated Regulation](#) published on 25 April 2016 provides more detail on the various record keeping requirements under MiFID2.

Section 8 deals with record keeping and matters going to duration of retention are highlighted in yellow below:

**RECORD-KEEPING**

**Article 72**

**Retention of records**

*(Article 16(6) of Directive 2014/65/EU)*

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<sup>20</sup> Article 16(5) MiFID2.

<sup>21</sup> Article 16(2) MiFID2.

<sup>22</sup> Article 16(2) MiFID2.

1. The records shall be retained in a medium that allows the storage of information in a way accessible for future reference by the competent authority, and in such a form and manner that the following conditions are met:
  - (a) the competent authority is able to access them readily and to reconstitute each key stage of the processing of each transaction;
  - (b) it is possible for any corrections or other amendments, and the contents of the records prior to such corrections or amendments, to be easily ascertained;
  - (c) it is not possible for the records otherwise to be manipulated or altered;
  - (d) it allows IT or any other efficient exploitation when the analysis of the data cannot be easily carried out due to the volume and the nature of the data; and
  - (e) the firm's arrangements comply with the record keeping requirements irrespective of the technology used.
2. Investment firms shall keep at least the records identified in Annex I to this Regulation depending upon the nature of their activities. The list of records identified in Annex I to this Regulation is without prejudice to any other record-keeping obligations arising from other legislation.
3. Investment firms shall also keep records of any policies and procedures they are required to maintain pursuant to Directive 2014/65/EU, Regulation (EU) No 600/2014, Directive 2014/57/EU and Regulation (EU) No 596/2014 and their respective implementing measures in writing. Competent authorities may require investment firms to keep additional records to the list identified in Annex I to this Regulation.

#### **Article 73**

##### **Record keeping of rights and obligations of the investment firm and the client**

###### **(Article 25(5) of Directive 2014/65/EU)**

Records which set out the respective rights and obligations of the investment firm and the client under an agreement to provide services, or the terms on which the firm provides services to the client, shall be retained for at least the duration of the relationship with the client.

#### **Article 74**

##### **Record keeping of client orders and decision to deal**

###### **(Article 16(6) of Directive 2014/65/EU)**

An investment firm shall, in relation to every initial order received from a client and in relation to every initial decision to deal taken, immediately record and keep at the disposal of the competent authority at least the details set out in Section 1 of Annex IV to this Regulation to the extent they are applicable to the order or decision to deal in question.

Where the details set out in Section 1 of Annex IV to this Regulation are also prescribed under Articles 25 and 26 of Regulation No (EU) 600/2014, these details should be maintained in a consistent way and according to the same standards prescribed under Articles 25 and 26 of Regulation No (EU) 600/2014.

*On retention period: MiFIR Article 25(1) provides as follows:*

Investment firms shall keep at the disposal of the competent authority, for five years, the relevant data relating to all orders and all transactions in financial instruments which they have carried out, whether on own account or on behalf of a client. In the case of transactions carried out on behalf of clients, the records shall contain all the information and details of the identity of the client, and the information required under Directive 2005/60/EC of the European Parliament and of the Council. ESMA may request access to that information in accordance with the procedure and under the conditions set out in Article 35 of Regulation (EU) No 1095/2010.

#### **Article 75**

##### **Record keeping of transactions and order processing**

###### **(Article 16(6) of Directive 2014/65/EU)**

Investment firms shall, immediately after receiving a client order or making a decision to deal to the extent they are applicable to the order or decision to deal in question, record and keep at the disposal of the competent authority at least the details set out in Section 2 of Annex IV.

Where the details set out in Section 2 of Annex IV are also prescribed under Articles 25 and 26 of Regulation No (EU) 600/2014, they shall be maintained in a consistent way and according to the same standards prescribed under Articles 25 and 26 of Regulation (EU) No 600/2014.

#### **Article 76**

##### **Recording of telephone conversations or electronic communications**

###### **(Article 16(7) of Directive 2014/65/EU)**

1. Investment firms shall establish, implement and maintain an effective recording of telephone conversations and electronic communications policy, set out in writing, and appropriate to the size and organisation of the firm, and the nature, scale and complexity of its business. The policy shall include the following content:

- (a) the identification of the telephone conversations and electronic communications, including relevant internal telephone conversations and electronic communications, that are subject to the recording requirements in accordance with Article 16(7) of Directive 2014/65/EU; and

(b) the specification of the procedures to be followed and measures to be adopted to ensure the firm's compliance with the third and eighth subparagraphs of Article 16(7) of Directive 2014/65/EU where exceptional circumstances arise and the firm is unable to record the conversation/communication on devices issued, accepted or permitted by the firm. Evidence of such circumstances shall be retained and shall be accessible to competent authorities.

2. Investment firms shall ensure that the management body has effective oversight and control over the policies and procedures relating to the firm's recording of telephone conversations and electronic communications.

3. Investment firms shall ensure that the arrangements to comply with recording requirements are technology-neutral. Firms shall periodically evaluate the effectiveness of the firm's policies and procedures and adopt any such alternative or additional measures and procedures as are necessary and appropriate. At a minimum, such adoption of alternative or additional measures shall occur when a new medium of communication is accepted or permitted for use by the firm.

4. Investment firms shall keep and regularly update a record of those individuals who have firm devices or privately owned devices that have been approved for use by the firm.

5. Investment firms shall educate and train employees in procedures governing the requirements in Article 16(7) of Directive 2014/65/EU.

6. To monitor compliance with the recording and record-keeping requirements in accordance with Article 16(7) of Directive 2014/65/EU, investment firms shall periodically monitor the records of transactions and orders subject to these requirements, including relevant conversations. Such monitoring shall be risk based and proportionate.

7. Investment firms shall demonstrate the policies, procedures and management oversight of the recording rules to the relevant competent authorities upon request.

8. Before investment firms provide investment services and activities relating to the reception, transmission and execution of orders to new and existing clients, firms shall inform the client of the following:

(a) that the conversations and communications are being recorded; and

(b) that a copy of the recording of such conversations with the client and communications with the client will be available on request for a period of five years and, where requested by the competent authority, for a period of up to seven years.

The information referred to in the first sub-paragraph shall be presented in the same language(s) as that used to provide investment services to clients.

9. Investment firms shall record in a durable medium all relevant information related to relevant face-to-face conversations with clients. The information recorded shall include at least the following:

(a) date and time of meetings;

(b) location of meetings;

(c) identity of the attendees;

(d) initiator of the meetings; and

(e) relevant information about the client order including the price, volume, type of order and when it shall be transmitted or executed.

10. Records shall be stored in a durable medium, which allows them to be replayed or copied and must be retained in a format that does not allow the original record to be altered or deleted.

Records shall be stored in a medium so that they are readily accessible and available to clients on request.

Firms shall ensure the quality, accuracy and completeness of the records of all telephone recordings and electronic communications.

11. The period of time for the retention of a record shall begin on the date when the record is created.