

## **MIFID II Roles and Responsibilities**

### **Appropriateness**

#### **1. Introduction**

Where firms are selling Products on a non-advised basis, MiFID I requires steps be taken to determine whether those Products are appropriate for the consumer in question. In the UK, these requirements are included in Chapter 10 of COBS. MiFID II and the IDD make changes to existing requirements, increasing the scope of Products for which an appropriateness assessment must be undertaken so that firms can determine a customer's or potential customer's knowledge and experience of specific product types or of services being sold. Appropriateness assessments will be required for some direct-offer or non-advised businesses, but are not when suitability is determined in advised or discretionary business.

As a result of the change from MiFID I to MiFID II the number of firms performing appropriateness assessments is likely to increase.

#### **2. Scope - where does appropriateness apply?**

Appropriateness assessments apply to complex products (i.e. those not deemed to be non-complex) provided on a non-advised basis. UCITS products are deemed to be non-complex and will not require an appropriateness assessment. Other types of products sold on a non-advised basis that are deemed to be complex if certain criteria are met, will require that an appropriateness assessment be conducted irrespective of account type or wrapper.

#### **3. Conclusion and requirements**

At this point, no action is believed necessary for TA's