

Chapter 5 – EXECUTION OF CLIENTS’ ORDERS

Introduction

As a general principle, it is expected that Regulated Persons shall, at all times, carry out their activities with utmost good faith and integrity.

This Chapter is principally addressed to persons falling under paragraph (i) of the definition of Regulated Person in the Glossary, including UCITS Management Companies where applicable.

Regulated Persons which execute orders on behalf of their Clients shall take all reasonable steps to obtain, when executing orders, the best possible result for their Clients. By way of guidance, the application of the best execution requirement is ultimately dependent on whether the Client legitimately relies on the Regulated Person to protect his or her interests in relation to the pricing and other elements of the transaction that may be affected by the choices made by the Regulated Person when executing the order.

In order for Regulated Persons to obtain the best possible result for their Clients, this Chapter deals with the requirement to establish and implement an order execution policy. In addition, Regulated Persons are required to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of Client orders.

Correspondingly, this Chapter requires persons falling under paragraph (iv) of the definition of Regulated Person, excluding Tied Insurance Intermediaries, to do everything which is reasonably possible to satisfy the insurance requirements of their Clients and to place the interests of those Clients before all other considerations.

Application

The Rules and any relative Guidance set out under Part A under the heading ‘Rules which apply generally to all Regulated Persons’ are applicable to all Regulated Persons, except as otherwise indicated.

The Rules and any relative Guidance set out under Part B are applicable to persons falling under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, including UCITS Management Companies.

The Rules and any relative Guidance set out under Part C are applicable to persons falling under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, excluding UCITS Management Companies.

The Rules and any relative Guidance set out under Part D are applicable to UCITS Management Companies.

The Rules and any relative Guidance set out under Part E are applicable to persons falling under paragraph (iv) of the definition of Regulated Person in the Glossary to these Rules, excluding Tied Insurance Intermediaries.

Part A **Rules which are applicable to all Regulated Persons**

General Rule

R.5.1 A Regulated Person shall at all times carry out its activities with utmost good faith and integrity.

Part B **Rules Applicable to persons which fall under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, including UCITS Management Companies.**

Obligation to execute orders on terms most favourable to the client

R.5.2 For the purposes of this Part, a ‘Regulated Person’ shall refer to a person which falls under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, and includes a UCITS management company.

R.5.3 A Regulated Person, shall take all reasonable steps to obtain, when executing orders, the best possible result for its Clients taking into account the best execution factors of price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

A UCITS management company shall, in relation to each UCITS scheme it manages, act in the best interests of the UCITS scheme when executing decisions to deal on its behalf in the context of the management of its portfolio, and the requirements of this Rule relating to best execution shall apply in relation to all such decisions.

In order to ensure compliance with this Rule, a Regulated Person is also required to comply with the requirements relating to the obligation to execute orders on terms most favourable to the client as set out in Part C below, as applicable.

R.5.4 The above rule applies to Regulated Persons which:

- (a) Execute orders on behalf of clients or directly execute discretionary investment management decisions to deal on behalf of clients; and/or
- (b) Provide the service of portfolio management, when placing orders with other entities for execution that result from decisions to deal in instruments on behalf of clients’ portfolios; and/or
- (c) Provide the service of reception and transmission of orders when transmitting such orders to other entities for execution.

G.5.1 *The obligation of best execution as set out in R.5.3 is also owed by Regulated Persons which “act on behalf of a client” and which therefore either:*

- (a) *directly execute orders themselves; or*
- (b) *make investment management decisions to deal on behalf of clients; or*
- (c) *transmit or place orders with other entities for execution on behalf of clients.*

G.5.2 *The application or otherwise of the best execution requirements will depend on whether the execution of the client’s order by the Regulated Person can be seen as being truly done on behalf of the client. This is a question of fact in each case which ultimately depends on whether the client legitimately relies on the Regulated Person to protect his or her interests in relation to the pricing and other elements of the transaction that may be affected by the choices made by the Regulated Person when executing the order.*

G.5.3 *The following factors should be taken into consideration cumulatively in order to determine the applicability or otherwise of the best execution requirements:*

- (a) *Whether the Regulated Person initiates the transaction with the Client or, whether it is the Client who approaches the Regulated Person first. In the former case it is more probable that the Client (especially when it is a retail client) will be relying on the Regulated Person to protect his or her interests in relation to the pricing and other details of the transaction, whilst in the latter case it is less probable that such reliance will subsist;*
- (b) *Questions of market practice will help to determine whether it is legitimate for Clients to rely on the Regulated Person;*
- (c) *The transparency of a market - It will be more likely that Clients rely on the Regulated Person in relation to the pricing of the transaction in markets where Clients do not have ready access to prices ;*
- (d) *The information provided by the Regulated Person about its services and the terms of an agreement between the Client and the Regulated Person will also be relevant, but not determinative of the question. The use of standard term agreements to characterise commercial relationships otherwise than in accordance with economic reality should be avoided.*

G.5.4 *The factors referred to in the G.5.3 above are likely to indicate that, in ordinary circumstances, a retail client legitimately relies on the Regulated Person to protect his or her interests in relation to the pricing and other parameters of the transaction.*

G.5.5 *Transactions based on a Client’s request to a Regulated Person to buy or sell a financial instrument for him, fall within the concept of “execution of an order on behalf of a client”. Such transactions include:*

- (a) *Executing a Client order by dealing as agent for a Client. In this situation, the Regulated Person takes a Client’s order and places the order on behalf of the Client with an execution venue for execution;*
- (b) *Executing a Client order against the Regulated Person’s own proprietary position (including as a systematic internaliser), where the Regulated Person is making decisions as to how the order is executed, for example, where it is “working the order” on the Client’s behalf;*
- (c) *Executing a Client order by dealing as a riskless principal on behalf of the Client, including cases where the Client is charged a spread on the transaction. In this type of transaction, the Regulated Person will typically deal as principal with its Client at the same time, and on the same terms (as to instrument, time and price – allowing for any spread) as it enters a transaction as a principal with a counterparty.*

G.5.6 *Regulated Persons which operate by providing “quotes” i.e. prices at which they may be willing to buy or sell, are still considered to deal on their own account and hence subject to the best execution requirements. This applies irrespective of whether such quotes are provided continuously (for example through bulletin boards) or to particular persons who request the Regulated Person to provide a quote for a particular instrument and then dealing with the person to whom they made a quote.*

G.5.7 *In determining whether an entity is likely to enable the Regulated Person to obtain the best possible result for its clients as required by R.5.3, a Regulated Person which transmits or places orders with other entities for execution may also need to consider:*

- (a) *Whether the entity itself is an investment firm within the meaning of Directive 2014/65/EU (MiFID) executing or receiving and transmitting orders on behalf of the Regulated Person and the entity has agreed to treat the Regulated Person as a retail or professional client;*
- (b) *Whether the entity will undertake by contract to comply with any or all of the best execution requirements in relation to the relevant business with the result that it has contractual but not regulatory responsibilities for best execution; and*
- (c) *Whether the entity can demonstrate that it delivers a high level of execution quality for the kind of orders that the Regulated Person is likely to place with or transmit to it.*

- G.5.8** *The obligation to deliver the best possible result when executing client orders applies in relation to all types of financial instruments. However, given the differences in market structures or the structure of financial instruments, it may be difficult to identify and apply a uniform standard procedure for best execution that would be valid and effective for all classes of instruments. The obligation to execute orders on terms most favourable to the client should therefore be applied in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments. For example transactions involving a customised over-the –counter (“OTC”) financial instrument that involve a unique contractual relationship tailored to the circumstances of the client and the Regulated Person may not be comparable for best execution purposes with transactions involving shares traded on centralised execution venues.*
- G.5.9** *The quality of execution, which includes aspects such as the speed and likelihood of execution (fill rate) and the availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is crucial in enabling Regulated Persons and clients to identify those execution venues that deliver the highest quality of execution for their clients.*
- R.5.5** When providing the service of portfolio management or management of UCITS, a Regulated Person shall act in accordance with the best interests of its clients when executing decisions or placing orders with other entities for execution.
- G.5.10** *In order to comply with the requirement to act in the best interest of its clients, a Regulated Person should consider transmitting client orders instead of executing them itself where that would deliver a better result for clients, provided the Regulated Person is licensed to receive and transmit orders on behalf of clients.*
- R.5.6** When executing client orders, the Regulated Person shall take into account the following criteria for determining the relative importance of the factors referred to in R.5.3:
- (a) the characteristics of the Client, including the categorisation of the Client as Retail or Professional Client;
 - (b) the characteristics of the client order;
 - (c) the characteristics of the financial instruments that are the subject of that order;
 - (d) the characteristics of the execution venues to which that order can be directed;

- (e) for a UCITS management company, the objectives, investment policy and risks specific to the UCITS scheme, as indicated in its prospectus or instrument constituting the fund, rules or articles of association of the UCITS.

Order execution policy

R.5.7 A Regulated Person, including a Regulated Person providing the service of portfolio management, shall establish and implement effective execution arrangements to ensure compliance with R.5.3. In particular a Regulated Person shall establish and implement an order execution policy to allow it to obtain, for its Client orders, the best possible result in accordance with R.5.3. A Regulated Person is required to comply with the requirements relating to the order execution policy as set out in Parts C and D below, as applicable.

G.5.11 *The “execution arrangements” are the means that the Regulated Person employs to obtain the best result when executing orders to deal, whereas the “execution policy” is the document that describes the most important and/or relevant elements of those execution arrangements.*

R.5.8 The order execution policy shall be clear, precise and sufficiently detailed to ensure that it is easily understood by Clients.

G.5.12 *The order execution policy should set out the Regulated Person’s strategy for complying with R.5.3 and the key steps it is taking to implement that strategy and how those steps enable the Regulated Person to obtain the best possible result.*

The execution policy should be differentiated, for example by type of instrument, client or order type, to the extent necessary. The policy should reflect any important variations in the way that orders for different types of client and different financial instruments are executed or transmitted.

The policy should also include:

- (a) Information on how those factors affect the Regulated Person’s choice of execution venues or entities to which it transmits orders;*
- (b) Information on the manner in which the types of service provided modify the type of policy required (for example, a Regulated Person should select an executing firm when it transmits orders for execution and an executing venue when the firm itself executes the order);*
- (c) Information on known fees and charges of each alternative venue, presented in the context of the respective services offered by the different venues in order for the client to understand both the advantages and disadvantages of choosing a venue or entity rather than an alternative. The information should be fair, clear, not misleading and sufficient to prevent*

the client from choosing one execution venue or entity rather than another on the sole basis of the price policy applied by the firm.

- R.5.9** A Regulated Person that executes orders or transmits or places orders with other entities for execution can include a single venue or entity in its policy if it is able to show that this allows it to satisfy the overarching best execution requirement;
- R.5.10** A Regulated Person shall ensure that the venue or entity it selects will enable it to obtain results for its clients that are at least as good as the results that it reasonably could expect from using alternative entities.
- G.5.13** *It is possible to include only a single execution venue in a Regulated Person’s order execution policy in cases where a single venue or entity will deliver the best possible result for some Financial instruments and orders. However, at arriving at such conclusion the Regulated Person should have assessed all the possible alternatives to the inclusion of a single venue/entity, including the advantages of indirect access (i.e. the transmitting or orders of its clients to another execution intermediary rather than executing those orders itself).*
- G.5.14** *The order execution policy must include, in respect of each class of Financial instruments, information on the different venues where the Regulated Person executes its Client orders and the factors affecting the choice of execution venue. This means that the execution policy of a Regulated Person, irrespective of whether that Regulated Person executes the order itself or passes on that order for execution to another intermediary) should reflect any significant variations in its approach with respect to each class of Financial instrument. It follows that appropriate information about these significant variations should be included as part of the information that must be disclosed by the Regulated Person to its Clients.*
- Appropriate differentiation will depend on the types of Clients a Regulated Person serves, the instruments for which it handles orders and the relevant market structures and execution venues available for those instruments.*
- In addition to differentiation by class of Financial instrument, it is recommended that a Regulated Person distinguish its policy by Client or order type.*
- R.5.11** A Regulated Person shall reply clearly and within a reasonable time when their Clients make reasonable and proportionate requests for information about its policies or arrangements and how they are reviewed.
- Where a Regulated Person executes orders for Retail clients, such clients shall be provided with a summary of the relevant policy, focused on the total costs they incur in order to give understandable information. The summary shall provide a link to the most recent execution quality data published in accordance with R.5.50.

Monitoring and Review

R.5.12 Regulated Persons who execute Client orders shall monitor the effectiveness of their order execution arrangements and order execution policy in order to identify and, where appropriate, correct any deficiencies.

G.5.15 *Monitoring is an assessment, on a regular basis, of particular transactions in order to establish whether a Regulated Person is executing orders or decisions to deal, or transmitting orders or decisions to deal, in line with its order execution policy and arrangements, and whether the particular transactions are delivering the best possible result for the client.*

There are two main areas which the Regulated Person may need to monitor to establish the effectiveness of its execution policy and arrangements:

(a) **Compliance with the execution policy:** *The Regulated Person must ensure that it is actually following the execution policy it has established;*

(b) **The quality of execution obtained through its execution policy:** *The Regulated Person must assess whether it is actually obtaining the best possible result under its execution policy. This can be done by comparing similar transactions:*

i. *On the same venue, in order to test whether a Regulated Person’s judgement about how orders are executed is correct; or*

ii. *On different venues chosen from among those in the Regulated Person’s execution policy, in order to test whether the best venue is being chosen for a given type of transaction.*

Regulated Persons which execute client orders will need to review order execution policies in order to ascertain whether the venues they are using are delivering the best possible result for execution of their client orders, and decide whether to connect to execution venues excluded from the current execution policy. It is recommended that the execution quality being delivered by the venues currently included in the policy also be monitored.

Regulated Persons dealing on own account with clients will need to review their own execution quality relative to other execution venues which they or their clients could potentially access.

Regulated Persons should also monitor the impact of their own actions on the execution quality they achieve.

G.5.16 *The method for monitoring is at the discretion of the Regulated Person. However, it is not necessary for these purposes that a Regulated Person reviews every transaction. Other approaches such as sampling could suffice. Sampling must*

however reflect the size and nature of the transactions performed and the Regulated Person must appropriately assess and compare the relevant available data.

- G.5.17** *Where monitoring reveals that a Regulated Person has fallen short of obtaining the best possible result, the Regulated Person should consider whether this is because it has failed to follow its execution policy and/or arrangements or because of a deficiency in such policy and/or arrangements and make appropriate amendments.*
- R.5.13** A Regulated Person, including a Regulated Person providing the service of portfolio management, shall review annually the execution policy established as well as their execution arrangements.

Such a review shall also be carried out whenever a material change occurs that affects the Regulated Person’s ability to continue to obtain the best possible result of the execution of their clients’ orders on a consistent basis using the venues included in their execution policy, or when providing the service of portfolio management or management of UCITS, to obtain the best possible result for their clients.
- R.5.14** For the purposes of R.5.13 above, a material change should be understood as a significant event of internal or external nature that could impact parameters of best execution (cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order). A Regulated Person shall assess whether a material change has occurred which requires it to consider making changes to the relative importance of the best execution factors or to the venues or entities on which it places significant reliance in meeting the overarching best execution requirement.
- G.5.18** *‘Review’ is an overall assessment exercise of the policy and arrangements aimed at verifying whether a Regulated Person is taking all reasonable steps to deliver best execution of orders to its Clients. The Regulated Person should review its approach generally to see whether it could make any changes to improve overall performance. More specifically, the Regulated Person should consider whether the relative importance it has assigned to the factors in R.5.3 has led it to deliver the best possible result for its clients or whether it should reconsider this aspect of its execution approach.*
- R.5.15** A Regulated Person shall document its review process and ensure that it is made available to the MFSA upon request.
- R.5.16** A Regulated Person shall demonstrate to its Clients, at their request, that it has executed their orders in accordance with the Regulated Person’s order execution policy and it shall also ensure that it is able to demonstrate to the MFSA upon request, that the Regulated Person is in compliance with the Rules.
- R.5.17** Rule 5.16 above does not apply to Regulated Persons that transmit client orders to other entities for execution or place discretionary investment management decisions to deal on behalf of clients with other entities for execution.

Client Order Handling Rules

R.5.18 When carrying out client orders, including when a Regulated Person is authorised to execute orders on behalf of Clients, such Regulated Person shall implement 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 Regulated Person.

In fulfilling the requirements of this Rule, the Regulated Person shall satisfy the following conditions:

- (a) It must ensure that orders executed on behalf of Clients or UCITS, as applicable, are promptly and accurately recorded and allocated;
- (b) It must carry out otherwise comparable Client or UCITS orders, as applicable, promptly and sequentially in accordance with the time of their reception by the Regulated Person, unless the characteristics of the order or prevailing market conditions make it impracticable, or the interests of the Client or UCITS, as applicable, require otherwise;
- (c) It must inform Clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.
- (d) It must ensure that Financial instruments or sums of money, received in settlement of the executed orders shall be promptly and correctly delivered to the account of the appropriate Client or UCITS as applicable. In the case of an investment firm, this requirement shall apply where it is responsible for overseeing or arranging the settlement of an executed order.

G.5.19 *Client orders should not be treated as otherwise comparable if they are received by different media and if it would not be practicable for them to be treated sequentially.*

R.5.19 A Regulated Person shall not misuse information relating to pending client or UCITS orders, and shall take all reasonable steps to prevent the misuse of such information by any of its Relevant persons.

G.5.20 *Any use by a Regulated Person of information relating to a pending client order in order to deal on own account in the financial instruments to which the client order relates, or in related financial instruments, should be considered a misuse of that information. However, the mere fact that market makers or bodies authorised to act as counterparties confine themselves to pursuing their legitimate business of buying and selling financial instruments, or that persons authorised to execute orders on behalf of third parties confine themselves to carrying out an order dutifully, should not in itself be deemed to constitute a misuse of information.*

R.5.20 A Regulated Person shall not carry out a Client order, or a UCITS order, or a transaction for own account in aggregation with another Client order or with an order of another UCITS unless the following conditions are met:

- (a) It must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of a Client or of any UCITS whose order is to be aggregated;
- (b) It must be disclosed to each Client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- (c) An order allocation policy must be established and effectively implemented, provided in sufficiently precise terms for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where a Regulated Person aggregates an order with one or more orders of other UCITS or other Client orders and the aggregated order is partially executed, it is expected to allocate the related trades in accordance with its order allocation policy.

G.5.21 *The execution of orders in financial instruments as an ancillary activity between two persons whose main business, on a group basis, is neither the provision of investment services nor of banking activities should not be considered to be dealing on own account when executing client orders.*

R.5.21 Where a Regulated Person has aggregated transactions for own account with one or more UCITS’ orders or Clients’ orders, as applicable, such Regulated Person shall not allocate the related trades in a way that is detrimental to the UCITS or to another Client.

R.5.22 Where a Regulated Person aggregates a Client order, or an order of a UCITS with a transaction for own account and the aggregated order is partially executed, the Regulated Person is expected to allocate the related trades to the Client or to the UCITS in priority over those for own account.

Provided that if the Regulated Person is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy referred to in R.5.20(c).

R.5.23 The Regulated Person shall, as part of the order allocation policy referred to in R.5.20(c), put in place procedures designed to prevent the reallocation, in a way that is detrimental to the Client or to a UCITS, of transactions for own account which are executed in combination with client orders or with orders from other UCITS.

G.5.22 *Dealing on own account with clients by a Regulated Person should be considered as the execution of client orders. However, if a Regulated Person provides a quote to a client and that quote would meet the Regulated Person’s obligations to execute an*

order on terms most favourable to the client if the Regulated Person executed that quote at the time the quote was provided, then the Regulated Person will meet those same obligations if it executes its quote after the client accepts it, provided that, taking into account the offer and acceptance of the quote, the quote is not manifestly out of date.

Reporting Obligations

- R.5.24** A Regulated Person shall notify Clients with whom it has an ongoing Client relationship, or in the case of a UCITS management company, the unit holders, of any material changes to its order execution arrangements or order execution policy.
- G.5.23** *In determining whether a change is material, a Regulated person should have regard to the nature and scope of any change and the nature and size of a Regulated Person’s business. A change is material where its disclosure is necessary to enable the client to make a properly informed decision about whether to continue utilising the services of the Regulated Person and when it falls within the description of R.5.14 above.*
- G.5.24** *A Regulated Person that only transmits or places orders with other entities for execution and which does not execute orders or decisions to deal should also notify its Clients of any material changes to its policies (such as a change to the list of the entities to which orders are transmitted for execution).*
- R.5.25** In addition to the reporting obligations set out in this sub-section, a Regulated Person shall also be required to comply with the requirements relating to reporting obligations as set out in Parts C and D below, as applicable.

Part C **Rules Applicable to Regulated persons which fall under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, excluding UCITS management companies.**

R.5.26 For the purposes of this Part, a ‘Regulated Person’ shall refer to a person which falls under paragraph (i) of the definition of Regulated Person in the Glossary to these Rules, excluding UCITS management companies.

Obligation to execute orders on terms most favourable to the client

R.5.27 Notwithstanding the provisions of R.5.3 above, whenever there is a specific instruction from the Client, the Regulated Person shall execute the order following the specific instruction. The Regulated Person shall be deemed to have satisfied its obligation under R.5.3 to take all reasonable steps to obtain the best possible result for a Client to the extent that it executes an order or a specific aspect of the order following specific instructions from a client relating to the order or the specific aspect of the order.

Provided that a Regulated Person shall, in good time prior to the provision of the Service, provide a Retail Client with a clear and prominent warning that any specific instructions from a Client may prevent the Regulated Person from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

G.5.25 *When a Regulated Person executes an order following specific instructions from the client, it should be treated as having been executed on terms most favourable to the client only in respect of the part or aspect of the order to which the client instructions relate. The fact that the client has given specific instructions which cover one part or aspect of the order should not be treated as releasing the Regulated Person from its best execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions.*

A Regulated Person should not induce a client to instruct it to execute an order in a particular way, by expressly indicating or implicitly suggesting the content of the instruction to the client, when the Regulated Person ought reasonably to know that an instruction to that effect is likely to prevent it from obtaining the best possible result for that client. However, this should not prevent a Regulated Person from inviting a client to choose between two or more specified trading venues, provided that those venues are consistent with the execution policy of the firm.

R.5.28 When providing the service of portfolio management, a Regulated Person shall follow specific instructions from their Clients when placing an order with, or transmitting an order to, another entity for execution.

- R.5.29** When providing the services of transmission and reception of orders (arranging deals), the Regulated Person shall comply with the obligation to act in accordance with the best interest of their Clients when transmitting client orders to other entities for execution.
- R.5.30** Where a Regulated Person executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- For the purposes of delivering the best possible result in accordance with R.5.3 where there is more than one competing venue to execute an order for a financial instrument, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in the Regulated Person’s order execution policy that is capable of executing that order, the Regulated Person’s own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.
- G.5.26** *For the purposes of determining the “total consideration” to be taken into account in terms of R.5.30 above, the costs related to execution should include the Regulated Person’s own commission or fees charged to the Clients for limited purposes in cases where more than one venue listed in the Regulated Person’s execution policy is capable of executing a Client order. In such cases, the Regulated Person’s own commissions and costs for executing the order on each of the eligible execution venues should be taken into account in order to assess and compare the results for the Client that would be achieved by executing the order on each such venue. It is not intended to require a Regulated Person to compare the results that would be achieved for its Client on the basis of its own execution policy and its own commission and fees, with results that might be achieved for the same Client by any other Regulated Person on the basis of a different execution policy or a different structure of commission or fees. Nor is it intended to require a Regulated Person to compare the differences in its own commissions which are attributable to differences in the nature of the services that the Regulated Person provides to Clients.*
- G.5.27** *When choosing a venue for the execution of a particular client order (from among the venues included in the Regulated Person’s order execution policy and which are indicated as being capable of executing such an order), the Regulated Person needs to take into account the effect of its own fees and commissions on the total consideration to the client. Where a Regulated Person has included a regulated market and a systematic internaliser in its execution policy (or itself as a systematic internaliser) because both those venues enable the Regulated Person to obtain on a consistent basis the best possible result for the execution of its Client orders, the Regulated Person will need to take into account not only the prices displayed by those two venues, but also any difference in fees or commission it charges the Client for execution on one venue rather than the other (as well as any other costs or relevant factors).*
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- G.5.28** *Although R.5.30 limits the concept of total consideration for execution of orders from Retail Clients, the concept is also relevant for the assessment of best execution for orders coming from Professional Clients to ensure that the importance of the net cost of a purchase or the net proceeds of a sale in any evaluation of best execution, is not disregarded.*
- G.5.29** *Whilst price is usually expected to merit a high relative importance in obtaining the best possible result for Professional Clients, there may be circumstances where for some Clients, orders, financial instruments or markets, the Regulated Person’s policy may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result.*
- G.5.30** *Regulated Persons owe a duty of best execution to Retail and Professional Clients. The obligation does not apply when Regulated Persons enter into transactions with eligible counterparties, arrange transactions between such counterparties or receive and transmit orders on behalf of such counterparties.*
- R.5.31** A Regulated Person shall not structure or charge its commission in such a way as to discriminate unfairly between execution venues.
- G.5.31** *A Regulated Person should be considered to be structuring or charging its commissions in a way which discriminates unfairly between execution venues if it charges a different commission or spread to Clients for execution on different execution venues and that difference does not reflect the actual difference in the cost to the Regulated Person of executing on those venues. For example, a Regulated Person may not direct all its orders to another Regulated Person within its corporate group on the basis that it charges its Clients a higher fee for access to other venues that is unwarranted by higher costs.*
- G.5.32** *Specific instructions with respect to customised products (for example Over The Counter (“OTC”) products and other complex products)*
Where the client indicates their needs with respect to exposure and protection, the Regulated Person is not necessarily exonerated from its best execution obligations on the basis that it has received specific instructions from a client. In the first stage, where the Regulated Person proposes to the client the elements of an OTC derivatives contract which would meet the Clients’ needs, it is more appropriate to speak of investment advice rather than best execution. Once the Client accepts the particular tailored structure, the best execution obligations would start to apply. The practical content of such obligations with respect to a customised instrument would amount to the Regulated Person offering the “best” price which is fair given the hedging possibilities or modelling constraints.
Ordinarily, in those circumstances where best execution applies, the identity of the instruments sought will be a matter of the information contained in the order rather than a question of specific instructions. Nevertheless, there may be a level of discretion as to exactly which instruments to obtain on behalf of a Client in the order.

In the case of complex instruments, that is products which are composed of or represent the performance of more than one product, the best execution requirements (where applicable) apply to the product as a whole. Best execution for the product as a whole may conceivably be obtained even if best execution for each component of the product, when considered in isolation, is not obtained.

- R.5.32** A Regulated Person shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would be in breach of the requirements on conflicts of interest or inducements set out in Chapter 3 of this Rulebook.

Order Execution Policy

- R.5.33** The order execution policy referred to in R.5.7 shall include, in respect of each class of Financial instruments, information on the different venues where the Regulated Person executes its client orders and the factors affecting the choice of execution venue. It shall at least include those venues that enable the Regulated Person to obtain on a consistent basis the best possible result for the execution of client orders. In the case of a Registered Person carrying out portfolio management services and reception and transmission of orders, the policy shall identify, in respect of each class of Financial instruments, the entities with which the orders are placed or to which the Regulated Person transmits orders for execution.
- G.5.33** *The order execution policy should indicate how the Regulated Person executes orders for the different classes of instruments (even though the criteria for selecting an executing venue / entity may be different, for example, for liquid shares and contracts for difference).*
- R.5.34** The order execution policy shall also include an account of the relative importance which the Regulated Person places on the execution factors. In other words, how the Regulated Person prioritises and applies the execution factors or the process for determining the relative importance. The relative importance that the Regulated Person gives to those execution factors must be designed to obtain the best possible result for the execution of its Client orders;
- G.5.34** *Without prejudice to R.5.30, a Regulated Person should not take into account the fees and commissions it will charge its clients when it is in the process of selecting venues to be included in its execution policy. At this stage, the Regulated Person should focus on the potential of the venues to enable the Regulated Person to obtain on a consistent basis the best possible result for the execution of its clients order. In other words, it should focus on the quality of execution available on various venues.*

R.5.35 A Regulated Person shall assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for the client or whether they need to make changes to their execution arrangements, taking account of, inter alia, the information published under R.5.50 and R.1.3.14 of Chapter 1 (Disclosures).

Client Order Handling Rules

R.5.36 In the case of a Client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, a Regulated Person is, unless the Client expressly instructs otherwise, to take measures to facilitate the earliest possible execution of that order by making public immediately that Client limit order in a manner which is easily accessible to other market participants.

The Regulated Person is deemed to comply with this requirement by transmitting the client order limit to a regulated market and/or MTF. The MFSA may waive the obligation to make public a limit order that is large in scale compared with normal market size as determined in terms of the Financial Markets Act (Transparency) Regulations, 2007.

Organisational Requirements

R.5.37 A Regulated Person shall arrange for records to be kept of all services, activities and transactions undertaken by it which shall be sufficient to enable the MFSA to ascertain that the Regulated Person has complied with all obligations including those with respect to Clients and to the integrity of the market.

R.5.38 For the purposes of R.5.37 a Regulated Person shall also keep at the disposal of the MFSA, the relevant records relating to all transactions in Financial instruments which it has carried out whether on own account or on behalf of a client. In the case of transactions carried out on behalf of clients, the relevant records shall contain all the information and details of the identity of the client, and the information required under the Prevention of Money Laundering Act, 1994 (Cap. 373 Laws of Malta) and Regulations issued thereunder.

A summary of the records which the Regulated Person is expected to retain for the purposes of this Rule are found in the Appendix to this Rule.

R.5.39 A Regulated person shall retain all records required under these Rules and the Commission Regulation (EC) No 1287/2006 for a period of at least five years.

Additionally, records which set out the respective rights and obligations of the Regulated Person and the Client under an agreement to provide services, or the terms on which the Regulated Person provides services to the Client shall be retained for at least the duration of the relationship with the Client.

Provided that the MFSA may, in exceptional circumstances, require the Regulated Person to retain any or all of those records for such longer period as is justified by the nature of the Financial instrument or transaction, if that is necessary to enable MFSA to exercise its supervisory functions.

R.5.40 The records referred to in these Rules shall be retained in a medium that allows the storage of information in a way accessible for future reference by the MFSA and in such a form and manner that the following conditions are met:

- (a) MFSA must be able to access them readily and to reconstitute each key stage of the processing of each transaction;
- (b) it must be 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 must not be possible for the records otherwise to be manipulated or altered;
- (d) it must allow IT or any other efficient exploitation when the IT analysis of the data cannot be easily carried out due to the volume and the nature of the data; and
- (e) investment firms must ensure that the arrangements comply with the record keeping requirements irrespective of the technology used.

R.5.41 A Regulated Person shall, depending on the nature of its activities, keep at least the records identified in the Appendix to this Rule. The list of records identified in the Appendix is not to be considered exhaustive and should not be understood as a limitation of the scope of MiFID II, MiFIR, MAD and MAR and the respective implementing measures. The list is without prejudice to any other record-keeping obligations arising from other legislation.

A Regulated Person shall keep any policies and procedures it is required to maintain pursuant to the requirements of this Rulebook as well as requirements emanating from MiFID II, MiFIR, MAD and MAR and the respective implementing measures in writing. These policies and procedures are not included in the Appendix.

R.5.42 In order to comply with the record-keeping requirements referred to in R.5.37, a Regulated Person shall ensure that such records include the recording of telephone conversations or electronic communications relating to, at least, transactions concluded when dealing on own account and the provision of Client order services that relate to the reception, transmission and execution of Client orders. Such telephone conversations and electronic communications shall also include those which are intended to result in transactions concluded when dealing on own account or in the provision of Client order services that relate to the reception, transmission and execution of Client orders, even if those conversations or communications do not result in the conclusion of such transactions or in the provision of Client order services.

For these purposes, a Regulated Person shall take all reasonable steps to record relevant telephone conversations and electronic communications, made with, sent from or received by equipment provided by the Regulated Person to an employee or contractor or the use of which by an employee or contractor has been sanctioned or permitted by the Regulated Person.

A Regulated Person shall notify new and existing Clients that telephone communications or conversations between the Regulated Person and its Clients that result or may result in transactions, will be recorded. Such a notification may be made once, before the provision of services to new and existing Clients.

A Regulated Person shall not provide, by telephone, investment services and activities to Clients who have not been notified in advance about the recording of their telephone communications or conversations, where such investment services and activities relate to the reception, transmission and execution of client orders.

Orders may be placed by Clients through other channels, however such communications must be made in a durable medium such as mails, faxes, emails, documentation of Client orders made at meetings. In particular, the content of relevant face-to-face conversations with a Client may be recorded by using written minutes or notes. Such orders will be considered equivalent to orders received by telephone.

A Regulated Person shall take all reasonable steps to prevent an employee or contractor from making, sending or receiving relevant telephone conversations and electronic communications on privately-owned equipment which the Regulated Person is unable to record or copy.

The records kept in accordance with this paragraph shall be provided to the Client involved upon request and shall be kept for a period of five years and, where this is requested by the MFSA, for a period of up to seven years.

R.5.43 A Regulated Person shall establish, implement and maintain effective organisational arrangements to ensure compliance with the requirements to record telephone conversations and electronic communications.

- R.5.44** A Regulated Person shall ensure that the Management body has effective oversight and control over the policies and procedures relating to the Regulated Person’s recording of telephone conversations and electronic communications.
- R.5.45** A Regulated Person shall establish, implement and maintain an effective policy for the recording of telephone conversations and electronic communications , 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:
- i. the identification of the telephone conversations, including relevant internal telephone conversations and electronic communications that are subject to the recording requirements; and
 - ii. the specification of the procedures to be followed and measures to be adopted to ensure the firm’s compliance with R.5.42 subparagraph 3 and R.5.42 subparagraph 8 where exceptional circumstances arise and the firm is unable to record the conversation/communication on devices issued, accepted or permitted by the Regulated Person. Evidence of these circumstances must be retained in a medium that is accessible by the MFSA.
- R.5.46** A Regulated Person shall ensure that the arrangements in place to comply with recording requirements are technology neutral. Therefore a Regulated Person must periodically re-evaluate the effectiveness of its measures and procedures and adopt any such alternative or additional measures and procedures as are necessary and appropriate. At a minimum, this shall occur when a new medium of communication is accepted or permitted for use by the Regulated Person.
- R.5.47** A Regulated Person must keep and regularly update a record of those individuals who are in possession of devices belonging to the Regulated Person or privately owned devices that have been approved for use by the Regulated Person.
- R.5.48** A Regulated Person shall educate and train employees in procedures governing the requirements under R.5.42.
- R.5.49** A Regulated Person shall have in place requirements to ensure compliance with the recording and record-keeping requirements in accordance with R.5.42 and their wider regulatory requirements. The Regulated Person shall periodically monitor the records of transactions and orders subject to these requirements including relevant conversations, to monitor compliance with the regulatory requirements. Such monitoring shall be risk based and proportionate.

Reporting Obligations

- R.5.50** For financial instruments subject to the trading obligation in Articles 23 and 28 of Regulation (EU) No 600/2014 each trading venue and systematic internaliser and for other financial instruments, each execution venue shall make available to the public, without any charges, data relating to the quality of execution of transactions on that venue at least an annual basis. In addition, following execution of a transaction on behalf of a client, the Regulated Person shall inform the client where the order was executed. Periodic reports shall include details about price, costs, speed and likelihood of execution for individual financial instruments.

Part D **Rules Applicable to UCITS management companies.**

Order Execution Policy

- R.5.51** For the purposes of this Section the term “Regulated Person” shall refer to a UCITS management company.
- R.5.52** The order execution policy referred to in R.5.7 shall identify, in respect of each class of instruments, the entities with which the orders may be placed.

Organisational Requirements

- R.5.53** A Regulated Person shall have in place sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing and adequate internal control mechanisms. Such procedures and arrangements shall include, rules relating to personal transactions by its employees or for the holding or management of investments in financial instruments in order to invest own funds. Such procedures and arrangements shall also ensure that as a minimum, each transaction involving the UCITS may be reconstructed according to its origin, the parties to it, its nature, and the time and place at which it was effected and that the assets of the UCITS managed by the Regulated Person are invested according to the memorandum and articles of association, the prospectus and the legal provisions in force.

Reporting Obligations

- R.5.54** A Regulated Person shall ensure, for each portfolio transaction relating to UCITS, that a record of information which is sufficient to reconstruct the details of the order and the executed transaction is produced without delay. Such record shall include:
- (a) The name or other designation of the UCITS and of the person acting on account of the UCITS;
 - (b) The details necessary to identify the instrument in question;
 - (c) The quantity;
 - (d) The type of the order or transaction;
 - (e) The price;
 - (f) For orders, the date and exact time of the transmission of the order and name or other designation of the person to whom the order was transmitted, or for transactions, the date and exact time of the decision to deal and execution of the transaction;
 - (g) The name of the person transmitting the order or executing the transaction;
 - (h) Where applicable, the reasons for the revocation of an order;
 - (i) For executed transactions, the counterparty and execution venue identification.
- R.5.55** Where the Regulated Person has carried out a subscription or redemption order from a unit-holder, it shall notify the Client, by means of 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 Regulated Person from a third party, no later than the first business day following receipt of the confirmation from the third party. Provided that the above shall not apply where the notice to the unit-holder would contain the same information as a confirmation that is to be promptly dispatched to the unit-holder by another person
- Where orders for a unit-holder are executed periodically, the Regulated Person shall either take the action specified above or provide the unit-holder, at least once every 6 months, with the notice referred to above in respect of those transactions.
- The notice referred to above shall, where applicable, include the following information:

- (a) The identification of the Regulated Person as referred to in R.1.3.16;
- (b) The name or other designation of the unit-holder as referred to in R.1.3.16;
- (c) The date and time of receipt of the order and method of payment;
- (d) The date of execution;
- (e) The UCITS identification;
- (f) The nature of the order (subscription or redemption);
- (g) The number of units involved;
- (h) The unit value at which the units were subscribed or redeemed;
- (i) The reference value date;
- (j) The gross value of the order including charges for subscription or net amount after charges for redemptions;
- (k) A total sum of the commissions and expenses charged and, where the investor so requests, an itemised breakdown.

The Regulated Person shall provide the unit-holder, upon request, with information about the status of the order.

<u>Part E</u>	<u>Rules Applicable to Regulated persons which fall under paragraph (iv) of the definition of Regulated Person in the Glossary to these Rules, excluding Tied Insurance Intermediaries</u>
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- R.5.56** For the purposes of this Section the term “Regulated Person” shall refer to persons falling under paragraph (iv) of the definition of Regulated Person in the Glossary to these Rules, excluding Tied Insurance Intermediaries.
- R.5.57** A Regulated Person shall do everything which is reasonably possible to satisfy the insurance requirements of their clients and shall place the interests of those clients before all other considerations. Subject to these requirements and interests, a Regulated Person shall have proper regard for others.
- G.5.35** *A Regulated Person shall ensure that all work carried out in connection with its business shall be under the control and continuous supervision of a registered*

insurance broker or a registered insurance agent or a registered insurance manager under Article 13 of the Insurance Intermediaries Act (Cap.487),as applicable.

A Regulated Person shall not withhold from the Client any written evidence or documentation relating to the contract of insurance without adequate and justifiable reasons being disclosed in writing and without delay to the Client.

A Regulated Person shall have proper regard for the wishes of a client who seeks to terminate any agreement with them to carry out business.

Any information acquired by a Regulated Person from their Client shall not be used or disclosed in the normal course of negotiating, maintaining or renewing a contract of insurance for that client or in accordance with the provisions of the Insurance Intermediaries Act, 2006 or the Insurance Business Act, 1998 or unless the consent of the client has been obtained.

In the completion of the proposal form, claim form, or any other material document, Regulated Persons shall make it clear that all answers or statements are the client’s own responsibility. The client should always be asked to check the details and told that the incomplete and inaccurate information may result in a claim being repudiated.

The Regulated Person shall:

- (a) *Acknowledge receipt to the policyholders or clients of all money received in connection with an insurance policy and distinguish the premium, document duty and motor vehicle licence fees, where applicable, and any charge or fee imposed in addition to the premium, shall be disclosed separately;*
- (b) *Have printed on the receipt, the full name and business address of the Regulated Person;*
- (c) *Have printed on it the enrolment number of the Regulated Person;*
- (d) *Show the full name and address or Identity Card number of the prospective client;*
- (e) *Make reference to the type of policy in respect of which the money was paid including, where applicable, the policy number or reference number;*
- (f) *Show the name and address of the insurer offering or issuing the policy;*
- (g) *Sign and date the receipt and give a copy to the client.*

A Regulated Person carrying on business as insurance brokers shall also comply with the following provisions:

- (a) *In the conduct of their business, insurance brokers shall provide advice objectively and independently;*
- (b) *Although the choice of an insurer can only be a matter of judgement, insurance brokers shall use their skill objectively in the best interest of their Client;*
- (c) *Insurance brokers’ independence should not only be respected but also seen to be respected. In the spirit of such independence, insurance brokers who have interest in providing long term business policies when approached by a client for advice as to whether or not the Client should cancel or surrender an existing long term policy, insurance brokers shall disclose their interest in providing long term business policies before giving or attempting to give, advice on the matter.*

Appendix

The following table sets out the types of records investment firms should be obliged to keep depending upon the nature of their activities:

<u>Nature of obligation</u>	<u>Type of record</u>	<u>Indicative content of record</u>	<u>Reference</u>
Client Assessment	Client categorisation	Information which is provided to clients in relation to financial instruments and proposed investment strategies, execution venues; certain information provided to a Retail Client such as the language to be used between the Client and the Regulated Person, the method of communication, statement of the fact that the Regulated Person is regulated by the Authority; information about all costs and charges as indicated in R.1.4.36 of the Rulebook; Records of any notification to a Client of re-categorisation.	Contents provided for R.1.3.12, including R.1.4.15(b) to (d) and R.1.4.36, as well as R.4.2.10 of the Conduct of Business Rulebook
	Client agreements	The document or documents agreed between the Regulated Person and clients setting out the rights and obligations of the parties, and other relevant terms.	R.4.5.7 and R.4.5.10 of the Rulebook
	Assessment of suitability and Appropriateness	The information about the Client's knowledge and experience, financial situation and investment objectives, relevant to the specific product or service,	Information required under R.4.4.10 of the Rulebook
		obtained by the Regulated Person in complying with its	27

		obligations under R.4.4.10 and R.4.4.38.	
		The information about the Client's knowledge and experience, relevant to the specific product or service, obtained by the Regulated Person.	R.4.4.33 of the Rulebook
Order Handling	Aggregated transaction that includes two or more client orders, or one or more client orders and an own account order.	Identity of each Client; whether transaction is in whole or in part of discretionary managed investment portfolio and any relevant proportions as well as the intended basis of allocation.	To fulfil requirements of R.5.18, R.5.20 of the Rulebook
	Allocation of an aggregated transaction that includes the execution of a client order	The date and time of allocation; relevant financial instrument; identity of each client and the amount allocated to each client.	To fulfil requirements of R.5.18, R.5.20-R.5.23 of the Rulebook
Client Orders and transactions	Record keeping of client orders or decision to deal	The records provided for under Art. 7 of the Regulation (EC) 1287/2006. Regulated Persons may wish to consider the date and hour that the order was sent by the Regulated Person for execution.	Record requirements in terms of R.5.38 of the Rulebook
	Record keeping of transactions and order processing	The records provided for under Art. 8 of the Regulation (EC) 1287/2006.	Record requirements in terms of R.5.37-R.5.38 of the Rulebook
Reporting to Clients	Obligation in respect of Services provided to Clients	Information provided to the Client in terms of R.1.4.60, R.1.4.62, and R.1.4.66 –R.1.4.74.	Records of information to be provided to Clients in terms of R.1.3.12 and R.1.4.60, R.1.4.62, and R.1.4.66 –R.1.4.74 of the Rulebook.

Safeguarding of client assets	Client financial instruments held by a Regulated Person	The records required under Parts 2 and 3 of the Investment Services Act (Control of Assets) Regulations, 1998	
	Client funds held by a Regulated Person	Sufficient records to show and explain a Regulated Person’s transactions and commitments under Article 8 of Regulation 1287/2006 [note also the requirements under Parts 2 and 3 of the Control of Assets Regulations and under Investment Services Rules Part B1, SLC 2.86 (a) and (b)].	
	Use of client financial instruments	The identity of client financial instruments that are available to be lent, and those which have been lent (note also the requirements of the Control of Assets Regulations and under Investment Services Rules Part B1, SLC 2.93)	
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Communication with Clients	Information about costs and associated charges	Information which is provided to retail clients prior to the provision of any Service or ancillary services or Product, in relation to costs and associated charges, in terms of R.1.4.27	Information to be provided to Clients in satisfaction of R.1.4.27 and R.1.4.55 of the Rulebook.
	Information about the Regulated Person and its Products or Services and safeguarding of client assets	Information which is provided to clients in terms of, <i>inter alia</i> , R.1.4.15, R.1.4.36-R.1.4.41	R.1.4.43, R1.4.15, 1.4.36-R.1.4.41 of the Rulebook.
	Information to Clients	Records of communication addressed to Clients, including marketing communications. Such records should show	R.1.4.7 and R.1.2.45-R.1.2.48 of the Rulebook

		adherence to the requirements of R.1.4.7, and R.1.2.45-R.1.2.48	
	Marketing communications (except in oral form)	Any recommendation relating to Financial Instruments issued by a Regulated Person (except in oral form), which is treated as marketing communication in terms of R.4.3.16.	R.1.4.7, R.4.3.16 of the Rulebook
	Investment advice to retail clients	(i) The fact, time and date that investment advice was rendered; (ii) the financial instrument that was recommended; (iii) the suitability report provided to the client	R.4.4.23 of the Rulebook
	Investment research	Each item of investment research issued by the Regulated Person in a durable medium	R.1.4.7, R.4.3.14 of the Rulebook
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Organisational Requirements	The Regulated Person’s business and internal organisation	Records provided for under SLC 1.17	Investment Services Rules for Investment Services Licence Holders Part B1, SLC 1.17
	Compliance Reports	Each compliance report to the management body under SLC 1.26	Investment Services Rules for Investment Services Licence Holders Part B1, SLC 1.26
	Conflict of interest records	Records of any service, ancillary service or activity carried out by or on behalf of the Regulated Person in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.	R.3.8 of the Rulebook

	Inducements	The information disclosed to clients under R.3.10	R.3.10 of the Rulebook
	Risk management reports	Each Risk management report to the management body under SLC 1.24	Investment Services Rules for Investment Services Licence Holders Part B1, SLC 1.24
	Internal audit reports	Each internal audit report to senior management body under SLC 1.28(d)	Investment Services Rules for Investment Services Licence Holders Part B1, SLC 1.28(d)
	Complaints-handling records	Records of each complaint, and the complaint handling measures taken to address the complaint under SLC 2.117	Investment Services Rules for Investment Services Licence Holders Part B1, SLC 2.117
	Records of personal transactions	Record of any personal transaction which is notified to the Regulated Person or identified by it, including the details emanating from R.3.41	R.3.41 of the Rulebook