

# **CONDUCT-RELATED DATA RETURN**

## GLOSSARY

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## GLOSSARY

This Glossary should be read in conjunction with the Guidelines on the compilation and submission of the Conduct-Related Data Return and the Guidelines on the compilation and submission of the List of Financial Instruments.

The purpose of this document is to define certain terms included in the Conduct-Related Data Return, mainly in the following surveys: **[1]** Financial Innovation Survey, **[2]** Retail Investors Trends Survey, **[3]** Complaints and in the List of Financial Instruments.

**A****B****Bonds/debentures/loan  
stock/debt securities**

A promise on the part of the issuer (the borrower) to make one or more payment(s) to the holder (the lender) on a specified future date or dates. Such securities usually carry a specific rate of interest (the coupon) and/or are sold at a discount to the amount that will be repaid at maturity. Debt securities issued with an original maturity of more than one year are classified as long-term.

**C****Complaint**

Any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination, which:

- (a) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- (b) relates to an activity of that respondent in marketing or providing financial services or products, which comes under the jurisdiction of the competent authority.

**D****Derivative contracts**

Options, futures, swaps, warrants, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments (including those related to commodities, climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics) and financial indices or other measures which may be settled physically, in cash, by the option of one of the parties, or traded on a regulated market or settled through recognised clearing houses.

**E****Execution of orders on behalf of clients**

Acting to conclude agreements, to buy, sell one or more financial instruments on behalf of clients and where no personal recommendation has been given as part of the transaction.

**F****Financial contracts for differences**

A contract between two parties in which one pays to the other a sum of money based on the difference between the current value of a security or instrument and its value on a specified future date. CFDs can be traded on indices, natural phenomena, such as the weather, or anything that is measurable.

**G****General admin/customer services**

General administration/customer services (including custody/safekeeping services). Complaints included in this subcategory relate, inter alia, to any kind of information



provided by the institution after the purchase of a MiFID service or activity. Also included are cases where the institution has failed to provide any necessary information to the customer after the acquisition of the financial instrument or investment service/activity. Problems primarily relating to inheritance issues may be recorded in "General admin/customer services" subcategory of the 'not related to a specific MiFID service/activity' category.

I

### **Investment advice (e.g. unsuitable advice)**

A recommendation that is advice on investments and is presented as suitable for the person to whom it is made, or is based on a consideration of the circumstances of that person. A recommendation is not a personal recommendation if it is issued exclusively through distribution channels or to the public.

L

M

### **Money-market securities**

'money market instruments' means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time; Short-term financial instruments issued by financial institutions or government bodies, such as certificates of deposit (CDs) and commercial papers (CPs).

N

**O****Other investment products/funds**

Other financial instrument that does not meet the above definitions.

**P****Portfolio management**

Managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments.

**Q****Quality or lack of information provided to the client**

Product or advisor disclosures, reports sent to client and client agreements.

**R****Reception and transmission of orders**

The reception from a person of an order to buy, sell or subscribe for instruments and the transmission of that order to a third party for execution.

**S****Shares/stock/equities (excluding structured securities)**

Securities representing ownership of a stake in a corporation, i.e. shares traded on a stock exchange (quoted or listed shares), unquoted or unlisted shares and other forms of equity. Equities usually produce income in the form of dividends.

**Structured securities  
(including structured funds)**

A security (shares or stock in a body corporate) issued on terms that provide the investor with a level of income or capital growth over a specified investment period and which: exposes the customer to a range of outcomes in respect of income or return of the initial capital invested, and provides for a return on the investment at the end of the period that is linked by a pre-set formula to the performance of an index, indices, selected stocks or other factor or combination of factors.

**T****Terms of contract/fees/charges**

Terms of contract, general terms & conditions and fees/charges for services provided or requested.

**U****Unauthorised business being  
offered or carried out**

Situations where business was offered or carried out even though it was unauthorised (e.g. where advisers carry out or offer business for which they have to be authorised but they are not).

**Units in collective investment  
schemes**

A collective investment scheme that invests in financial and non-financial assets to the extent that its objective is investing capital raised from the public. This covers all collective investment undertakings/mutual funds (excluding structured funds) including UCITS and non-UCITS, but not structured UCITS or structured Non-UCITS.

**V**



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