

Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Text with EEA relevance)

## CHAPTER III

### OPERATING CONDITIONS FOR INVESTMENT FIRMS

#### SECTION 4

#### *Reporting to clients*

##### *Article 60*

#### **Reporting obligations in respect of portfolio management <sup>F1</sup>...**

1 Investments firms which provide the service of portfolio management to [<sup>F2</sup>retail clients or professional] clients shall provide each such client with a periodic statement in a durable medium of the portfolio management activities carried out on behalf of that client unless such a statement is provided by another person.

2 The periodic statement required under paragraph 1 shall provide a fair and balanced review of the activities undertaken and of the performance of the portfolio during the reporting period and shall include, where relevant, the following information [<sup>F3</sup>to retail clients]:

- a the name of the investment firm;
- b the name or other designation of the client's account;
- 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;
- 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;
- 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;
- f the total amount of dividends, interest and other payments received during the reporting period in relation to the client's portfolio;
- g information about other corporate actions giving rights in relation to financial instruments held in the portfolio;
- h for each transaction executed during the period, the information referred to in Article 59(4)(c) to (l) where relevant, unless the client elects to receive information about executed transactions on a transaction-by-transaction basis, in which case paragraph 4 of this Article shall apply.

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**Changes to legislation:** There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/565. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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3 The periodic statement referred to in paragraph 1 shall be provided [<sup>F4</sup>to retail clients] once every three months, except in the following cases:

- a where the investment firm provides its [<sup>F5</sup>retail] clients with access to an online system, which qualifies as a durable medium, where up-to-date valuations of the client's portfolio can be accessed and where the client can easily access the information required by Article 63(2) and the firm has evidence that the client has accessed a valuation of their portfolio at least once during the relevant quarter;
- b in cases where paragraph 4 applies, the periodic statement must be provided at least once every 12 months;
- c where the agreement between an investment firm and a [<sup>F6</sup>retail] client for a portfolio management service authorises a leveraged portfolio, the periodic statement must be provided at least once a month.

The exception provided for in point (b) shall not apply in the case of transactions in financial instruments covered by [<sup>F7</sup>Article 2(1)(24)(c) of Regulation (EU) No 600/2014 or paragraphs 4 to 11 of Part 1 of Schedule 2 to the Regulated Activities Order].

4 Investment firms, in cases where the [<sup>F8</sup>retail] client elects to receive information about executed transactions on a transaction-by-transaction basis, shall provide promptly to the [<sup>F8</sup>retail] client, on the execution of a transaction by the portfolio manager, the essential information concerning that transaction in a durable medium.

The investment firm shall send the [<sup>F8</sup>retail] client a notice confirming the transaction and containing the information referred to in Article 59(4) no later than the first business day following that 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.

The second subparagraph shall not apply where the confirmation would contain the same information as a confirmation that is to be promptly dispatched to the [<sup>F8</sup>retail] client by another person.

#### Textual Amendments

- F1** Words in Art. 60 heading omitted (31.12.2020) by virtue of The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1403), regs. 1(3), **47(9)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in Art. 60(1) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(a)**
- F3** Words in Art. 60(2) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(b)**
- F4** Words in Art. 60(3) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(c)(i)**
- F5** Word in Art. 60(3)(a) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(c)(ii)**
- F6** Word in Art. 60(3)(c) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(c)(iii)**
- F7** Words in Art. 60(3) substituted (31.12.2020) by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1403), regs. 1(3), **47(9)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Word in Art. 60(4) inserted (26.7.2021) by The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021 (S.I. 2021/774), regs. 1(2), **3(8)(d)**

**Changes to legislation:**

There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2017/565. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to :**

- Regulation power to amend or revoke conferred by [2023 c. 29 s. 1517](#)
- Regulation power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 3](#)
- Regulation power to modify conferred by [2023 c. 29 s. 1317](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)

**Changes and effects yet to be applied to the whole legislation item and associated provisions**

- Art. 3(1B) omitted by [S.I. 2022/1297 reg. 2\(3\)](#)
- Art. 3(1ZA) inserted by [S.I. 2022/1297 reg. 2\(2\)\(b\)](#)