

2022 No. 1297

FINANCIAL SERVICES

**The Markets in Financial Instruments (Investor Reporting)
(Amendment) Regulations 2022**

Made - - - - *7th December 2022*

Laid before Parliament *9th December 2022*

Coming into force in accordance with regulation 1

The Treasury, in exercise of the powers conferred by Articles 50 and 51(1) of, and paragraphs 4 and 9 of Part 1 of Schedule 3 to, Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments^(a) make the following Regulations.

Citation and commencement

1.—(1) These Regulations may be cited as the Markets in Financial Instruments (Investor Reporting) (Amendment) Regulations 2022.

(2) Subject to paragraph (3), these Regulations come into force on 7th June 2023.

(3) Regulation 2(4) comes into force on the fortieth day after the day on which these Regulations are laid before Parliament.

Amendment of Commission Delegated Regulation (EU) 2017/565

2.—(1) 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^(b) is amended as follows.

(2) In Article 3 (conditions applying to the provision of information)—

(a) in paragraph 1—

(i) for “retail clients, or potential retail clients”, substitute “clients or potential clients”;

(ii) for the words from “shall have the right to” to the end of sub-paragraph (b), substitute “must provide that information in electronic format, subject to paragraphs 1ZA and 1A.”;

(b) after paragraph 1 insert—

“(1ZA) Where the client or potential client to whom the information is required to be provided is a retail client or potential retail client, investment firms must provide that information in electronic format if—

(a) EUR 600/2014, as amended by S.I. 2018/1403. There are other amendments that are not relevant.

(b) EUR 2017/565, as amended by S.I. 2018/1403 and 2021/774.

- (a) the retail client or potential retail client has been informed of the right to receive the information on paper instead of in electronic format; and
- (b) the retail client or potential retail client has not requested the information on paper. ”.

(3) Omit paragraph 1B.

(4) Omit Article 62 (additional reporting obligations for portfolio management or contingent liability transactions).

*Andrew Stephenson
Steve Double*

7th December 2022

Two of the Lords Commissioners of His Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of the powers conferred by Articles 50 and 51(1) of, and paragraphs 4 and 9 of Part 1 of Schedule 3 to, Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments.

They amend 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 (“the Commission Delegated Regulation”). Regulation 2(2) and (3) amend Article 3(1) of the Commission Delegated Regulation so that investment firms must provide information in electronic format to all clients or potential clients, save that the information must be provided on paper if a retail client or potential retail client has been informed of and has exercised their right to receive the information on paper.

Regulation 2(4) removes obligations for investment firms providing portfolio management services to a retail client to inform the client when the overall value of the portfolio depreciates (Article 62 of the Commission Delegated Regulation).

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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