

For adviser use only

Item	Description	How we'll facilitate this?	MiFID II requirements vary depending on how client assets are managed				
			Advisory - does it apply?	Enabled for Wrap assets?	Discretionary - does it apply?	Enabled for Investment Hub assets?	Assets held off platform
10% discretionary portfolio drop	Requirement to report a drop in discretionary portfolio value of 10% (and subsequent 10% drops) in a quarter	Create a pdf in the client's document library on Wrap and e-mail communication to the adviser on the morning of the day that the price drop is realised with details of clients impacted	N/a	N/a	Yes	Yes	Assurances on MiFID implementation plans should be sought directly from the third party supplier. For example, the discretionary manager, broker or product manufacturer
10% leveraged instrument drop ¹	Requirement to report a drop in leveraged instrument value of 10% (and subsequent 10% drops) for a leveraged instrument	Create a pdf in the client's document library on Wrap and e-mail communication to the adviser on the morning of the day that the price drop is realised with details of clients impacted	Yes	Yes	Yes	Yes	
Discretionary Portfolio Statements	Requirement to produce discretionary portfolio statements on a quarterly basis (if leveraged instrument exists within portfolio then monthly basis)	These will be created in pdf format in the wrap document library for the customer / adviser	N/a	N/a	Yes	Yes	
Product Level Statements	Requirement to produce product level statements on a quarterly basis	These will be created in pdf format in the wrap document library for the customer / adviser	Yes	Yes	N/a ²	N/a	
Transaction Level Detail for Discretionary Models	Requirement to produce transaction level data on request specifically for discretionary managed models	Contract notes for discretionary transactions	N/a	Yes	Yes	Yes	
Legal Entity Identifier	Requirement for a legal entity (Trust etc.) to have a LEI in place (to facilitate investments or trades in Exchange Tradeable Instruments)	Field on the platform to enter the LEI for the 'non-natural' client e.g. Trust / Charity /Corporate monies – for natural client accounts an LEI is not required. For any discretionary managed assets an LEI is required – this will be the Discretionary firm's LEI	Yes	Yes	Yes	Yes	
National Identifier	Requirement to have a National Identifier in place for trade decision maker/s (to facilitate investment or trades in Exchange Trade Instruments)	Field on the platform to enter the trade decision maker's National identifier (this could be the client or the discretionary manager), for trade decision makers that are UK-based this will be their NI Number	Yes	Yes	Yes	Yes	
DFM Fee Breakdown	Requirement to disclose the fee breakdown to the end client pre-sale, post-sale and on request	Facilitated through charges information document, and annually through statements	N/a	N/a	Yes	Yes	
Costs and Charges Disclosure	Requirement to provide aggregated and itemised breakdown of cost and charges in both £ and %age including investment transaction costs	A pre-sale charges information document is produced and post-sale annual and ad-hoc statements will also be available which will provide the required costs and charges disclosure information	Yes	Yes	Yes	Yes	
Target Market	Requirement to use target market data when making investment recommendations	We will provide access to information showing target market information from fund managers	Yes	Yes	Yes	Yes	
Suitability	Requirement for the adviser to conduct their client suitability assessment	We will provide information to support advisers in their suitability process	Yes	Yes	Yes	Yes	

¹ Current Industry insight suggests that the definition of 'leveraged instrument' will not apply to the vast majority of assets on Wrap or Elevate. However the Fund Manager must ultimately determine whether they believe their fund is classed as leveraged through the European MiFID Template.

² A product statement is for the 'tax wrapped' product, which is the responsibility of the product provider.

What does it mean?	Consider existing fund choices against key criteria (target market, complex, leveraged, etc). Suitability framework will need to be put in place with support from compliance service provider as required	Impacted by nearly all the key changes and the investment hub will provide a scalable solution for discretionary statements, reporting and disclosure	Potentially impacted. Need to seek confirmation from third party supplier as to your responsibilities
So what?	Where suitable for clients, a more scalable and efficient approach might be to move from individual fund selection to selecting a multi-asset or discretionary portfolio solution to ease the administrative burden	We are already seeing many larger advisers adopting discretionary permissions and we expect this trend will continue as they seek greater efficiency and control over clients' investment outcomes	Worth reviewing off platform assets and consider re-platforming to negate potential complexity and improve operating efficiencies