



BREWIN
DOLPHIN

MiFID II

How it affects clients

What is MiFID II and why does it affect me?

At the start of next year a major overhaul of legislation will affect the way we communicate with our clients.

The Markets in Financial Instruments Directive II (MiFID II), will strengthen investor protection and further improve the transparency of client costs and charges. We see this as a very positive development, as greater clarity on charges will allow people to make even more informed decisions about their investments and wealth management.

MiFID II will come into force on 3 January 2018. However, before it is implemented, Brewin Dolphin needs to prepare and ensure that the transition to the new regulations takes place as smoothly as possible.

This may require your assistance, so we believe it is important to explain what the new regulations mean for you and why your assistance may be required.

Over the next pages we explain what MiFID II will mean for you and, in particular, how it will further improve how we report costs and charges.

MiFID II presents new challenges to us as a business. But, be assured, we are well positioned to handle the demands of this change and see this as an opportunity to achieve excellent outcomes for our clients.

If you have any questions, please get in touch with your contact at Brewin Dolphin.

What's going to change?

While the impact behind the scenes will be significant to organisations such as ours, the main changes that you will see will be the following:

1) Valuations and 10% depreciation notifications

From 3 January 2018, we will send you portfolio valuations every quarter. Additionally, in the uncommon event that the value of your portfolio decreases by 10% or more across a quarter as a direct result of investment performance, we will notify you of this shortly afterwards.

2) *Effects of charges on returns*

Your annual valuation pack will clearly show details of all costs and charges. These will include any underlying fund charges and their effect on your returns for any pooled or collective investments in your portfolio.

3) *Better tracking of transactions*

NPIs

As part of the global regulatory push to monitor and identify incidents of market abuse, as of 3 January 2018, MiFID II requires us to use unique codes to identify anyone associated with a transaction for your portfolios including Brewin Dolphin personnel, yourself and anybody to whom you have given dealing authority on your portfolio. This unique tracking code is called a Natural Person Identifier, or 'NPI'. NPIs will not appear on any of the literature we send to you. They are created dependent on your nationality, on strict parameters dictated by the regulations and will, for UK nationals, be derived from your National Insurance number. We will also require your first name, last name and date of birth. For clients with other nationalities, other personal details such as your passport number, your name, country of residence, or tax number could be used.

Third parties

For third parties with authority to instruct on your portfolio who are not acting in a professional capacity (e.g. a family member) we will also be required to determine an NPI from their personal information.

If a third party authority is an agent of a firm (e.g. a solicitor or accountant), they

will require a code called a Legal Entity Identifier ('LEI') and this must be supplied to Brewin Dolphin in order for us to be able to accept any investment instructions from them on your behalf. Your third party will find the information required to apply for an LEI at www.lseg.com/LEI.

Obtaining NPIs and LEIs

We may need to get in touch with you if we are missing any information to create these unique tracking codes. We will need to attach these identifiers to any transaction we undertake for you and this will be supplied to the Financial Conduct Authority (FCA), our UK regulator, with each transaction. We will not be permitted to deal for you without this information.

4) *Changes to our Terms and Conditions and other communications (e.g. our brochures and our website)*

Given the breadth of the various regulatory changes, we will be making required changes to a range of documents, particularly our Terms and Conditions, Order Execution Policy, information held within our fees and charges brochure, and other materials at www.brewin.co.uk

Why is Brewin Dolphin adhering to European regulations following the UK's planned exit from the EU?

The FCA has confirmed that this regulation (which was enacted prior to the UK's intention to exit from the EU) will still apply to us in the UK. It will need to be complied with as the financial services sector is so closely interlinked with the financial services community across Europe.

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