

## 24

# General provisions (GEN)

### Introduction

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- 24.1** In CP16/43, we consulted on making technical transitional changes to the GEN Handbook to assist firms with the practical steps they need to take when readying themselves for MiFID II regulation. We made a proposal for a transitional to enable firms to make changes related to MiFID II ahead of 3 January 2018. We also asked whether it would be helpful to make rules to support firms applying a single set of conduct standards across MiFID and non-MiFID business.
- 24.2** We asked the following question:
- Q24: Do you agree with our proposal for a transitional provision in GEN to enable firms to make changes related to MiFID II ahead of 3 January 2018? If not, please give reasons why.
- 24.3** There was a varied response. The responses ranged from strong agreement to concern that a transitional measure allowing firms to make changes in respect of client categorisation, prior to the finalising of rules relating to the treatment of local authority categorisation, might lead to mis-categorisation with adverse consequences notably in the case of local authority pension funds.

#### Our response on a transitional on early implementation

The proposal, amongst other things, offers firms the opportunity to opt up clients before 3 January 2018 rather than wait until then to go through the opt-up process. We will make the rules given the flexibility to firms that they provide and note that this Policy Statement at chapter 7 also contains the outcome of our proposals relating to local authority client categorisation.

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- 24.4** We asked the following question:
- Q24: Do you think it would be helpful to have rules to support firms applying a single set of conduct standards across MiFID and non-MiFID business once MiFID II is implemented? If not, please give reasons why.
- 24.5** There was a single substantive response to this question. The respondent was strongly opposed to having such a rule, expressing concern that it could create confusion of what the FCA expected of firms and lead to over-implementation of EU legislation.



### **Our response on a rule to support a common approach to implementing conduct rules**

The consultation indicated that there was no interest in having a rule that would support firms who wanted to have a common set of conduct standards across their MiFID and non-MiFID business. We will therefore not introduce such a rule. It was never our intention to suggest that firms should have a common set of conduct standards.

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