

Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC 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 3

Assessment of suitability and appropriateness

Article 37

(Article 19(4) and (5) of Directive 2004/39/EC) Provisions common to the assessment of suitability or appropriateness

- 1 Member States shall ensure that the information regarding a client's or potential client's knowledge and experience in the investment field includes the following, to the extent appropriate to the nature of the client, the nature and extent of the service to be provided and the type of product or transaction envisaged, including their complexity and the risks involved:
 - a the types of service, transaction and financial instrument with which the client is familiar;
 - b the nature, volume, and frequency of the client's transactions in financial instruments and the period over which they have been carried out;
 - c the level of education, and profession or relevant former profession of the client or potential client.
- 2 An investment firm shall not encourage a client or potential client not to provide information required for the purposes of Article 19(4) and (5) of Directive 2004/39/EC.
- 3 An investment firm shall be entitled to rely on the information provided by its clients or potential clients unless it is aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete.