

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.