

## COMPLIANCE UPDATE – March 2020

In order to comply with Provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

**This requirement is effective from 31 March 2020.**

To assist in ensuring you meet your compliance obligations, the text below is how you should categorise fees and commissions related to the clients you advise on the Conexim Platform.

**We note a number of other providers have issued guidance and templates in relation to this, and may utilise different language in describing fees and commissions which assume the Product Producer is remunerating the advisor via commission and trail. For the avoidance of doubt, that is not the case in relation to how you are remunerated on the Conexim Platform, and you should use only the text provided below.**

### CONEXIM PLATFORM: DEDUCTION AND REMITTANCE OF ADVISORY FEES

Please note that all fees and commissions processed on the Conexim Platform meet the definitions required to be considered '**independent advice**' as defined under the MiFID Regulations and the Consumer Protection Code 2012 (as amended).

Accounts on the Conexim Platform are legally and beneficially owned by the client in the case of Personal, Joint and Corporate Accounts, and beneficially owned by the client in the case of Trust based accounts (e.g. where the Trustee is the legal owner). Under Central Bank of Ireland guidance, in the case of single member pension schemes, the firm looks through to the underlying beneficiary in terms of conduct of business rules under MiFID.

When a client opens an account on the Conexim Platform, the client states on the application form that: *"The charges payable to my financial advisor which will be levied and deducted from my account are X%/€X Implementation, X%/€X Annual Charge. I hereby consent to the deduction of these charges from my account(s)."*

From the above, **the client agrees to a specified fee payable to their financial advisor (not Conexim)**, and also agrees for it to be deducted from their accounts and paid to their financial advisor – i.e. Conexim are acting on the client's behalf in paying the advisor the fee from the client's assets. The narrative on the client account when deductions are made, separate the Conexim Platform fee from the advisor fee, and they are recorded separately in the books and records of the firm.

**Conexim does not set the level of remuneration payable to a financial advisor – it is agreed between the client and the advisor.** Conexim therefore is collecting what is clearly identified as a standalone advisor charge and remitting it to the advisor from the client account, based on a fee level agreed between the advisor and the client when using the Conexim Platform. This advice may be provided on an independent or non-independent advice basis by the advisor, but in no cases do Conexim and the advisor have bundled fee arrangements.

For the avoidance of doubt, **Conexim does not pay any remuneration to advisors for account referrals, persistency lapse rates, volume considerations, soft commissions or other metrics, and as there are no ‘lock in periods’ for investments on the Conexim Platform - there are no exit penalties, clawbacks or other detrimental fees levied on redemption or account closure.**

If you are therefore building a template across all providers where you want to achieve consistency with Life Company supplied tables, please use the below table. Should you wish to replace the variable language below with your typical or standard range of charges, please feel free to do so.

Product	Implementation Charge	Recurring Annual Charge	Other Commissions/ Remuneration
Conexim Platform Accounts: Personal, Joint, Corporate, Trust, Pension and ARF	Variable – as agreed with the client	Variable – as agreed with the client	None

CX.CMPLNC-UPDATE.2020.03.007



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