

## Annex B

### Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text.

#### 4.7 Direct offer financial promotions

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Non-readily realisable securities

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4.7.11 G COBS 4.7.7R does not apply in relation to *credit union subordinated debt* or to deferred shares issued by a *credit union*. Firms are reminded that CREDS 3A contains requirements regarding the retail distribution and *financial promotion* of these instruments.

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#### 9.3 Guidance on assessing suitability

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Investments subject to restrictions on retail distribution

9.3.5 G (1) *Firms* should note that restrictions and specific requirements apply to the retail distribution of certain *investments*:

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(d) *mutual society shares* are subject to specific requirements in relation to *dealing* and *arranging* activities (see COBS 22.3);

(e) deferred shares issued by a *credit union* are subject to specific requirements in relation to *dealing* and *arranging* activities (see CREDS 3A.5);

(f) *credit union subordinated debt* is subject to a restriction on *direct offer financial promotions* (see CREDS 3A.5).

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#### 22.2 Requirements on the retail distribution of mutual society shares

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22.2.1A G COBS 22.2 does not apply in relation to deferred shares issued by a *credit*

union. Firms are reminded that CREDS 3A contains requirements regarding the retail distribution of these shares.

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