

File Review Template - Adviser Charges & Scope of Service

Date

Section A - Generic Charging structure

Does your firm provide the client with a generic charging structure:

- 1a) (i) in writing?
- (ii) in good time before making the personal recommendation (or related services)?
- 1b) **If your firm has a percentage based charging structure, does the disclosure include examples:**
 - (i) in cash terms for initial charges
 - (ii) in cash terms for ongoing charges
- 1c) **If using an hourly rate in your charging structure does your disclosure include:**
 - (i) whether the rates are indicative or actual hourly rates
 - (ii) if indicative, the basis (if any) upon which the rates may vary
 - (iii) approximate indication of the number of hours that the provision of each service is likely to require.
- 1d) **Does your charging structure contain any descriptions with wide ranges that may prevent a client from understanding what the fees are likely to be?**
- 1e) **If your firm uses a combination of two or more methods (i.e. percentage based charging, hourly rates, fixed fee) within your charging structure, is it clear to a client what basis would be used under which circumstances?**

Comments:

Section 2 - Client specific charging structure

- 2a) **Does your firm provide the client with details of the specific charge:**
 - (i) as soon as practicable?
 - (ii) in a durable medium or through a website?
 - (iii) in total where the amount is payable over a period?
 - 2b) **If your firm has a percentage based charging structure, does the specific disclosure include:**
 - (i) cash terms for initial charges?
 - (ii) cash terms for ongoing charges?
- Comments:
-
- 2c) **Is it clear from your disclosure documents at what stage the client becomes liable for the adviser charges, e.g. when he has agreed to advice services being provided, or only if he accepts the adviser's recommendations?**
 - 2d) **If your firm's ongoing fee is based on a percentage of the value of the investments, does your documentation disclose that the ongoing fee may increase as the fund grows?**

Section 3 - Disclosure of charges - General

- 3) **Is there any other aspect(s) of your disclosure of charges that you are concerned may: be non-compliant; or, materially affect a client's understanding of your firm's charging structure? N.B. This applies to both the generic and the specific disclosure of charges.**

Section 4 - Disclosure of scope of service

- 4a) **Does your firm disclose its scope of service:**
 - (i) In writing or through a website
 - (ii) In good time before the provision of services
- Comments:
-

Restricted Firms

- 4b) **Does your firm use the term 'restricted advice' in its disclosure?**
- 4c) **Does your firm clearly disclose the nature of the restriction (e.g. by product or provider)?**
- 4d) **Is there any contradicting information about the nature of your firm's restriction? Please compare the**

different disclosure documents and any information available on your firm's website.

Comments:

Independent Firms

- | | | |
|-----|---|---|
| 4e) | Does your firm use the term 'independent advice' in your disclosure? | <input type="checkbox"/> <input type="checkbox"/> |
| 4f) | If your firm is 'independent with a narrower relevant market', is this clearly disclosed? | <input type="checkbox"/> <input type="checkbox"/> |

Section 5 - Disclosure of ongoing service

- | | | |
|-----|--|---|
| 5a) | Does your firm's documentation clearly disclose what service a client will receive in return for the ongoing adviser charge (if applicable)? | <input type="checkbox"/> <input type="checkbox"/> |
| 5b) | Does your firm's documentation clearly explain the right to cancel the ongoing service? | <input type="checkbox"/> <input type="checkbox"/> |

Section 6 - Disclosure of services - General

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|----|---|---|
| 6) | Is there any other aspect(s) of the disclosure of your firm's services that you are concerned may: be non-compliant; or, materially affect a client's understanding of the services your firm offers? | <input type="checkbox"/> <input type="checkbox"/> |
|----|---|---|

Comments: