

PE10. MiFID 2 and Opting Up for Professional Status

The Committee and Board considered a report by the Director of Corporate and Housing Services describing the Markets and Financial Instrument Directive (MiFID) 2014/65 which would be applied from 3 January 2018. Under the arrangements local authorities pension funds would be classified as “retail clients” unless they opt-up to “elective professional client” status.

The report set out the potential impact of the directive highlighting the loss of protection should the Fund opt-up together with the benefits.

Failure to complete the opt-up process by 3 January, 2018 could result in the Fund’s managers’ terminating mandates on the grounds of non-compliance with MiFID 2.

Decision

The Committee and Board noted the potential impact of MiFID 2 being incorporated into UK law on 3 January 2018;

The Pensions Committee:

- (1) agreed to applications for professional client status being submitted to all relevant institutions, and**
- (2) noted that in electing for professional client status, the Fund will forgo certain protections available to retail clients as outlined in appendix 1 to the report.**