

# MiFID II Minor non-monetary benefits

**Commonwealth Bank of Australia**

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**Commonwealth**Bank  
of Australia



## MiFID II: Minor non-monetary benefits

MiFID II prohibits investment firms from providing or receiving a non-monetary benefit unless:

- It is designed to enhance the quality of the relevant service to the client, and;
- does not impair compliance with the firm's duty to act honestly, fairly and professionally in the best interests of the client

Commonwealth Bank of Australia (CBA) may provide or receive the following non-exhaustive list of minor non-monetary benefits.

- Gifts and hospitality of a modest nature.
- Certain research products that are made available to all clients
- Time-limited free trial period to full research offering
- General market colour or commentary including economic announcements
- Conferences, seminars or other training events
- Generic documentation relating to financial instruments

Where the above minor, non-monetary benefits are provided by CBA, the recipient must still make its own judgement on whether they consider them to be minor, non-monetary benefits that are acceptable.

## Annex 1 – acceptable minor non-monetary benefit

An acceptable minor non-monetary benefit is one which:

- (1) is clearly disclosed prior to the provision of the relevant service to the client, which the firm may describe in a generic way
- (2) is capable of enhancing the quality of service provided to the client;
- (3) is of a scale and nature that it could not be judged to impair the firm's compliance with its duty to act honestly, fairly and professionally in the best interests of the client;
- (4) is reasonable, proportionate and of a scale that is unlikely to influence the firm's behaviour in any way that is detrimental to the interests of the relevant client; and
- (5) consists of:
  - (a) information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
  - (b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
  - (c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
  - (d) hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under paragraph (c);
  - (e) research relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, which is:
    - (i) produced:
      - (A) prior to the issue being completed; and
      - (B) by a person that is providing underwriting or placing services to the issuer on that issue; and
    - (ii) made available to prospective investors in the issue; or
  - (f) research that is received so that the firm may evaluate the research provider's research service, provided that:
    - (i) it is received during a trial period that lasts no longer than three months;
    - (ii) no monetary or non-monetary consideration is due (whether during the trial period, before or after) to the research provider for providing the research during the trial period;
    - (iii) the trial period is not commenced with the research provider within 12 months from the termination of an arrangement for the provision of research (including any previous trial period) with the research provider; and
    - (iv) the firm makes and retains a record of the dates of any trial period accepted under this rule, as well as a record of how the conditions in (i) to (iii) were satisfied for each such trial period.