

MiFID II

How does it affect me?



To better protect investors, some revised rules will come into force on January 3, 2018. These rules are called “MiFID II”, which stands for the revised EU Markets in Financial Instruments Directive. All member states of the European Economic Area (EEA) must follow this directive. Among other requirements, the directive contains rules regarding the manner in which financial companies must serve their clients.

We are pleased to confirm that the way we advise clients already satisfies most MiFID II requirements. Once the directive comes into force, we will further increase the level of information available and disclosures. Below are the most important changes and what they mean for you.



Your investor status

Investor protection is a core element of MiFID II. The regulations governing business with retail investors are more extensive than those for professional investors. Under MiFID II, this distinction will be intensified. Please feel free to contact your client advisor if you have any questions concerning your investor status under MiFID II.



Your investment proposals

We base the advice we offer you on the investor profile you agreed with your client advisor. In this profile, you defined how much risk you are prepared to take (risk tolerance). This is aligned with your investment goals as well as the returns you would like to receive. As part of these advisory services, you will receive (where applicable) a suitability statement from us explaining why our recommendation is suitable for you.



Making everything transparent

To ensure you are regularly informed about your portfolio performance, we will send you an asset statement at quarterly intervals starting in 2018. You can, however, choose shorter intervals if you prefer. We will provide you with more ex-ante information regarding the cost of our products and services in order to allow you to estimate the costs to be expected before you initiate a transaction. You will find the actual costs in your purchase statement and, for the first time, in your (2018) year-end asset statement.

Regulatory bodies have various requirements for the contracts concluded between banks and their clients. All clients will receive a written description of the services we offer explaining what they can expect from their bank. Many of our clients have already received this as part of investment solutions such as UBS Manage™ and UBS Advice™. If you have not yet chosen one of our investment solutions, your client advisor will contact you in due time. Should you decide not to take advantage of our vast range of investment solutions, we will unfortunately be obliged to cease providing you with advice and investment ideas as of January 3, 2018. The service that we can offer you will be limited to the reception and execution of orders only.



Additional services

Should you already benefit from our UBS Manage™ investment solution, in addition to the advice already provided by your client advisor, we will let you know if your portfolio has dropped in value by 10 percent or more since the last loss threshold realignment, the most recent loss notification or in other relevant cases. There will be no change to the previous contractually agreed thresholds of less than 10 percent.



Best execution of client orders

“Best execution” under MiFID II requires that firms take sufficient steps to obtain the best possible result when executing orders. Our current execution practices already meet this enhanced best execution standard. Additionally, in accordance with MiFID II regulations, UBS will publish an annual report of the top five execution venues, detailing the trading volumes for each asset class. This report will also summarise the quality of execution obtained and will be available on our website.

Find out more

If you would like to know more about MiFID II and what it means for you, please feel free to contact your client advisor.

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