
Barclays Bank UK PLC ('BBUK') - Product Governance: MiFID

Regulation Overview

On 3 January 2018, the revised Markets in Financial Instruments Directive (MiFID) and Markets in Financial Instruments Regulation (MiFIR), together "MiFID II", came into force. MiFID II, as on-shored into the UK pursuant to the Market in Financial Instruments (Amendment) (EU Exit) Regulations 2018, as amended, supplemented or succeeded from time to time, covers investment firms operating in the UK and addresses a number of weaknesses identified during the financial crisis. It introduces greater protection for investors and seeks to make financial markets in Europe more resilient, transparent and investor-friendly. By virtue of Barclays Bank UK PLC ('BBUK') being a CRD Credit Institution engaging in MiFID services or activities (as listed in Annex 1, Section A of the MiFID II Directive), references to an Investment Firm will be deemed to apply to BBUK.

In accordance with Chapter 3 of the UK's Financial Conduct Authority's Handbook ("PROD"), the on-shored version of the MiFID II product governance regime takes a fresh look at how products are governed from the product development stage through the life of the financial instrument, emphasizing two regulatory concepts:

- Manufacturers – i.e. investment firms that create, develop, issue and / or design financial instruments.
- Distributors – i.e. investment firms who offer and/or recommend investment products and services to investors.

The objective of the regime is consumer protection – namely, to ensure that firms, which manufacture and distribute financial instruments, act in the best interests of clients during all stages of the product life cycle.

The regime contains the following key elements:

- Firms must have a process for approving products based upon the identified needs of a specified target audience (the "Target Market");
- Manufacturers of products must provide distributors with sufficient information, including the manufacturer's view of the Target Market, to enable the distributor to carry out its role of successfully distributing the product, in addition to relevant MiFID suitability and appropriateness criteria.

BBUK Manufacturer Target Market

As a Manufacturer, BBUK must communicate the intended Target Market, Product high level information on the approval process and Distribution Strategy to the Product Distributor.

For all of the products manufactured by BBUK, the assigned Target Market is professional or eligible counterparties ("ECP").

Distributor feedback or any questions / queries on information on this page should be sent to productgovernance@barclays.com; [a distributor feedback form is provided here](#).

Executive summary

Requirement:

- Financial Instruments manufactured by BBUK have been approved in line with their Target Market and distribution strategy as per the MiFID II Product Governance regulations. Financial instruments are first approved at a business level committee (including independent functions such as Legal, Compliance and Audit) and then checked and challenged by an oversight product governance review board/forum.
- The Target Market we have identified is our theoretical target market, as manufacturer. We do not anticipate having direct client contact and in accordance with Article 9(9) MiFID II Delegated Directive, this means that our target market identification is based on our theoretical knowledge and past experience of the product and may not be suitable to all investors within our theoretical target market. If (in limited circumstances) BBUK does act as a distributor, in this case target market identification would be conducted in line with applicable customer categorisation requirements.

•Persons viewing this have a responsibility to create their own target market, which should take into account the type of clients they provide investment services to and their knowledge of their client base to identify their own target market for the product. The theoretical target market should be considered alongside their target market analysis and is distinct from (and does not replace) the suitability or appropriateness requirements owed to individual investors.

•The determination by BBUK of any target market does not constitute any investment advice or personal recommendation in relation to any transaction or any financial instruments. Accordingly, BBUK is under no obligation to, and shall not, determine the suitability for you of any transaction or any financial instruments described herein. Persons viewing this webpage must determine, on their own behalf or through independent professional advice, the merits, terms, conditions and risks of any such transaction or financial instruments.