

Where the financial product (“the replacement product”) is to replace an existing financial product wholly or partially (“the terminated product”) held by the client, fully disclose to the client the actual and potential financial implications, costs and consequences of such a replacement, including, where applicable, full details of -

(i) fees and charges in respect of the replacement product compared to those in respect of the terminated product;

(ii) special terms and conditions, exclusions of liability, waiting periods, loadings, penalties, excesses, restrictions or circumstances in which benefits will not be provided, which may be applicable to the replacement product compared to those applicable to the terminated product;

(iii) in the case of an insurance product, the impact of age and health changes on the premium payable;

(iv) differences between the tax implications of the replacement product and the terminated product;

(v) material differences between the investment risk of the replacement product and the terminated product;

(vi) penalties or unrecovered expenses deductible or payable due to termination of the terminated product;

(vii) to what extent the replacement product is readily realisable or the relevant funds accessible, compared to the terminated product;

(viii) vested rights, minimum guaranteed benefits or other guarantees or benefits which will be lost as a result of the replacement; and;

(ix) any incentive, remuneration, consideration, commission, fee or brokerages received, directly or indirectly, by the provider on the terminated product and any incentive, remuneration, consideration, commission, fee or brokerages payable, directly or indirectly, to the provider on the replacement product where the provider rendered financial services on both the terminated and replacement product;

(e) take reasonable steps to establish whether the financial product identified is wholly or partially a replacement for an existing financial product of the client and if it is such a replacement, the provider must comply with subparagraph (d).