



Course

Product Governance: Product Review Process (PRP)

Course Description

Regulation requires that product manufacturers “regularly review” their products. This course explains the Product Review Process (PRP) and analyses each step of the PRP. It provides an overview of product manufacturers and distributors obligations. Both manufacturers and distributors are required to regularly review the products they manufacturer/distribute to assess whether the product remains compatible with the intended target market and whether the chosen distribution strategy remains appropriate.

Distributors have the obligation to provide the information which manufacturers deem relevant to facilitate their product review. Examples of such information are given in the ESMA Final Guidance which explicitly specify the expectation that sales outside the manufacturer’s target market will be reported. It is also stipulate the application of proportionality.

When determining the periodicity of the PRP, it is important to take into account the risk profile of the product. The risk profile of the product is leading in determining a responsible frequency. It is therefore important to thoroughly define the risk profile.

In determining the information required from distributors to fulfil the regular product review requirement, in line with the principle of proportionality, consideration should be given to the nature of the product and the distribution channels through which it is recommended to be made available.

This course also describes the European MiFID Template (EMT) which has been adopted by the industry as the recognised industry standard for communicating the target market and recommended distribution strategy of a product to distributors. It also explains the target market contingent categories (Ability to Bear Losses, Risk Tolerance and Client Objectives and Needs) and target market “intrinsic categories (Investor Type, Knowledge & Experience, Distribution Strategy) and provides a detail Product Governance Decision Matrix.

The “3Ds” (Designed, Described, Distributed) form the basis for the regular review expectations, set out in MiFID II, namely that manufacturers, on a regular basis, collect appropriate management information to review their financial instruments to assess (a) Compatibility of the financial instrument with the intended target market, (b) Performance of distributors and (c) Appropriateness of the distribution strategy.

This course describes a number of measures which may be relevant to the regular review requirement and explains how each measure is assessed for its value against each of the principles of good product governance and explains the exceptions to target market.

It also explains in detail Complaints Analysis, Flows Analysis and Distributors Surveys and how can provide insights into Product Design, Product Description and Product Distribution issues.

Topics covered

The course is split into the following sections:

Section 1: Introduction

- Overview of product manufacturers and distributors obligations

Section 2: Summary of Product Review Process (PRP)

- Step 1: Determine which information is needed
- Step 2: Obtaining the necessary information
- Step 3: Target market evaluation



- Step 4: Conclude
- Step 5: Record & get Approved
- Periodicity of the PRP
- Recordkeeping and frequency of review

Section 3: Product Target Market Classification

- European MiFID Template (EMT), Target Market Categories
- Assessing the level of knowledge & experience
- Product Governance Decision Matrix
- Products with complicated features

Section 4: Regular product review – Purpose & proportionality

- Good product governance
- MiFID II regular review expectations

Section 5: Universal Measures

- Flows Analysis
- Complaints Analysis
- Negative target market sales reported by distributors
- Mass Market Products
- Non-Mass Market Products
- Distributor surveys
- Exception Management
- Product-Specific Questions

Section 6: Evaluation of Distributor information options

- Distribution information measure evaluation approach
- Target Market Exception Reporting
 - Available information
 - Exceptions to Target market Evaluation
- Complaints Analysis
- Flows Analysis
- Distributors Surveys
- Product-Specific Questions
- The Regulatory case for proportionality

Course Duration

This course may take up to 5 hours to be completed. However, actual study time differs as each learner uses their own training pace.

The course is addressed to:

This course is addressed to all individuals who are involved in Investment Firms (forex, brokers, etc) such as:

- Executive Directors, Non executive directors, Senior Managers, Compliance Officers, Risk Managers, Product Managers, Portfolio Managers, Investment Advisors, Dealers, Marketing Managers and in general employees of investment firms.
- Internal Auditors
- Consultants



It is also suitable to professionals pursuing CPD for the renewal of CySEC Certificate (CySEC Basic and CySEC Advance Certificate) or other relevant professional certificates in other jurisdictions.

Training Method

The course is offered fully online using a self-paced approach. The learning units consist of power point presentations. Learners may start, stop and resume their training at any time.

At the end of the course, participants take a Quiz to complete the course and earn a Certificate of Completion once the quiz has been passed successfully.

Accreditation and CPD Recognition

The course may be accredited by regulators and other bodies for up to 5 CPD Units, that require CPD training in financial regulation.

Eligibility criteria and CPD Units are verified directly by your association, regulator or other bodies in which you hold membership.

Registration and Access

To register to this course, click on the *Take this course* button to pay online and receive your access instantly. If you are purchasing this course on behalf of others, please be advised that you will need to create or use their personal profile before finalizing your payment.

Access to the course is valid for 60 days.

If you wish to receive an invoice instead of paying online, please [Contact us by email](#). Talk to us for our special Corporate Group rates.

Instructor

George Papanicolaou has more than 20-years experience in the Financial industry. He worked for several years in managerial positions as area Manager, Head of Brokerage, Compliance Officer, Anti Money Laundering Officer, General Manager and Executive Director in Cypriot Investment Firms as well as Managing Director of GP GLOBAL LTD offering consulting services and training courses to Investment Firms, focuses in Internal Audit, compliance & AML issues. He offered numerous courses/seminars both in Cyprus and abroad in Investment Firms Law as well as in Compliance & Anti Money Laundering. George Papanicolaou is also a Chairman of a Nomination Committee in a company listed in the Oslo Stock Exchange.

George Papanicolaou holds a BSc in Electronic Engineering from the University of Texas at Austin (USA), an MBA with specialization in Finance from Leicester University (UK) and a Postgraduate Certificate in the Mechanics of Risk Management from Middlesex University (UK).

He also holds an ICA International Diploma in Anti Money Laundering from the International Compliance Association and the University of Manchester, as well as an Advance and Money Laundering certificate from the Cyprus Securities and Exchange Commission for the provision of investment services/activities.

He is a Fellow of the International Compliance Association (FICA), Mentor of ICA new students, member of the Cyprus Institute of Internal Auditors and the first Network chair for Cyprus of the International Compliance association.