

Circular: ESMA MiFID II / MiFIR Investor Protection Q&As

Background

MiFID II applies from 3 January 2018 and will strengthen the protection of investors by introducing new requirements and reinforcing existing ones. The purpose of this [Questions & Answers document](#) is to promote common supervisory approaches and practices in the application of MiFID II/MiFIR for investor protection topics.

The European Securities and Markets Authority (ESMA) has included seven (7) new or updated items in its [Questions & Answers document](#) on the implementation of investor protection topics under the Market in Financial Instruments Directive and Regulation (MiFID II/ MiFIR). The updated Q&As are on the topics of inducements (research) and information on costs and charges. The other four Q&As are new and relate to the topics of inducements, post-sale reporting and other issues.

The overall MiFID II Q&A provide clarifications on the following topics:

- Best execution;
- Suitability and appropriateness;
- Recording of telephone conversations and electronic communications;
- Post-sale reporting;
- Record keeping;
- Investment advice on an independent basis;
- Inducements (research);
- Information on charges and costs;
- Underwriting and placement of a financial instrument;
- Client categorisation;
- Inducements;
- Provision of investment services and activities by third country firms;
- Application of MiFID II after 3 January 2018, including issues of ‘late transposition’;
- Other issues.

Target Audience

The content of this document is aimed at competent authorities and investment firms by providing clarity on the application of the MiFID II and MiFIR requirements. It should be noted that the content of this document is not exhaustive and it does not constitute new policy.

Next Steps

ESMA will continue to develop this Q&A on investor protection topics under MiFID II in the coming months, both adding questions and answers to the topics already covered and introducing new sections for other MiFID II investor protection areas not yet addressed in this Q&A.

ESMA will periodically review these Q&As on a regular basis to update them where required and to identify if, in a certain area, there is a need to convert some of the material into ESMA Guidelines and recommendations.

Contacts

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