

Circular to the financial services industry on the ESMA Guidelines on Remuneration Policies and Practices (MiFID)

The European Securities and Markets Authority (ESMA) has issued Guidelines on Remuneration Policies and Practices (MiFID) dated 11th June 2013, issued under Article 16 of the ESMA Regulation. In accordance with Article 16(3) of the ESMA Regulation, competent authorities and financial market participants must make every effort to comply with the guidelines.

Purpose

The purpose of these guidelines is to ensure the consistent and improved implementation of the existing MiFID conflicts of interest and conduct of business requirements in the area of remuneration. Remuneration policies and practices are to be in compliance with the conflicts of interest requirements set out in Articles 13(3) and 18 of MiFID and with the conduct of business rules set out in Article 19 of MiFID. ESMA expects these guidelines to promote greater convergence in the interpretation of the MiFID conflicts of interest and conduct of business requirements.

Scope

1. These guidelines apply to:

a. investment firms (as defined in Article 4(1)(1) of Markets in Financial Instruments Directive 'MiFID'), including credit institutions when providing investment services, UCITS management companies and external Alternative Investment Fund Managers (AIFMs) when they are providing the investment services of individual portfolio management or non-core services (within the meaning of Article 6(3)(a) and (b) of the UCITS Directive and Article 6(4)(a) and (b) of the AIFMD); and

b. competent authorities.

2. These guidelines also apply in relation to the provision of the investment services listed in Section A of Annex I of MiFID and ancillary services listed in Section B thereof.

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Amendment of the Rulebooks

The following Rulebooks are now updated to refer to the Guidelines: *Investment Services Rules for Investment Service Providers*: [i] Part BI SLC 2.01 and SLC 2.96; [ii] Part BII SLC 3.01; and [iii] Part BIII SLC 3.01(g).

The Guidelines can be accessed through the following links: <http://bit.ly/1g60Q5Q> *for the English version* and <http://bit.ly/1h12isU> *for the Maltese version*.

Contacts

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