

17 July 2019

## Circular: ESMA consults on certain aspects of the MiFID II Compliance Function requirements

### Background and Scope

European Securities and Markets Authority ("ESMA") has launched a public consultation on [draft guidelines on certain aspects of the MiFID II compliance function requirements](#) in order to seek input from investment firms with regards to new guidelines being proposed.

The purpose of these guidelines is to provide additional detail to the existing ESMA guidelines together with further clarity to the application of certain aspects of the MiFID II compliance function requirements, in order to ensure common, uniform and consistent application of requirements.

This Consultation Paper takes into account the new requirements under MiFID II (such as Product Governance arrangements) and the results of supervisory activities conducted by national competent authorities ("NCAs") **on the application of the Compliance Function** requirements, which is viewed as a crucial function within firms.

ESMA expects these guidelines to promote greater convergence in the implementation of certain aspects of the new MiFID II Compliance Function requirements, through consistent and harmonised application of requirements. The guidelines are also aimed at reinforcing the importance of the Compliance Function.

The adoption of harmonised guidelines further reduces the risk of diverging interpretations that might lead to discrepancies in the application and supervision of the relevant regulation and requirements across Member States.

### Target Audience

This Consultation Paper is addressed to investment firms and credit institutions providing investment services and activities, investment firms and credit institutions selling or advising clients in relation to structured deposits, UCITS management companies and external Alternative Investment Fund Managers (AIFMs) when providing investment services and activities in accordance with the UCITS Directive and the AIFMD.

### Responding to the Consultation Paper

ESMA invites comments on this paper and in particular on the specific questions summarised in Annex I. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by 15 October 2019.

All contributions should be submitted online by opening this [link](#). Kindly also send your contributions to the under-mentioned email addresses.

### Next steps

ESMA will consider the responses it receives to this Consultation Paper between Quarter 4 2019 and Quarter 1 of 2020.

ESMA expects to publish a final report and final guidelines in Quarter 2 of 2020.

### Contacts

Should you have any queries regarding the above, please do not hesitate to contact: [offsiteinv@mfsa.com.mt](mailto:offsiteinv@mfsa.com.mt) and [InvestmentFirms@mfsa.com.mt](mailto:InvestmentFirms@mfsa.com.mt)