

7 February 2020

Common Supervisory Action in relation to MiFID II Suitability Rules

Background and Scope

ESMA is required to play an active role in building a common supervisory culture by promoting common supervisory approaches and practices. In this regard, ESMA is launching a common supervisory action (CSA) with national competent authorities on the application of MiFID II suitability rules across the European Union (EU). ESMA believes that this initiative will help ensure consistent implementation and application of EU rules and enhance the protection of investors.

In this light, the referred CSA, will be based on the [MiFID II Supervisory Briefing on Suitability](#) purpose of which is to give market participants indications of compliant implementation of the MiFID II suitability provisions.

Upcoming Supervisory Focus

The Conduct Supervision Function within the Malta Financial Services Authority shall be conducting a number of focused on-site inspections at investment firms in the coming months to assess the application of suitability rules adopted by the selected firms.

A broad range of licence holders shall be selected to be part of this CSA which shall vary in size, type and business models shall be selected in order to obtain a representative picture of the sector as a whole.

Target Audience

This circular is addressed to Investment Firms and Credit Institutions when providing investment advisory services.

Contacts

Should you have any queries regarding the above, please do not hesitate to contact Conduct Supervision Officials on offsiteinv@mfsa.mt.