

23 July 2021

European Securities and Markets Authority: Updates

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i. Public statement - Application of the temporary suspension of the obligation to publish RTS 27 reports

The European Securities and Markets Authority (ESMA) is issuing this [Public Statement](#) to promote coordinated action by National Competent Authorities (NCAs) in the context of the temporary suspension of the obligation on execution venues in Article 27(3) of Directive 2014/65/EU (MiFID II). This Public Statement is issued in accordance with Article 31 of Regulation (EU) 1095/2010 (ESMA Regulation).

On 16 February 2021, the European Parliament and the Council adopted Directive (EU) 2021/3383 (amending Directive) which made targeted amendments to MiFID II as part of the Capital Markets Recovery Package, a package of measures aimed at supporting the recovery from the severe economic shock caused by the COVID-19 pandemic.

The amending Directive includes a temporary suspension of the obligation on execution venues in Article 27(3) of MiFID II, as further specified by Commission Delegated Regulation (EU) 2017/5754 (RTS 27). That obligation requires execution venues to make available to the public data related to the quality of execution of transactions on their venues (RTS 27 reports).

The relevant provisions of Article 1 of Directive (EU) 2021/338 need to be transposed by 28 November 2021 and all the measures will apply from 28 February 2022. Article 1(6) of the amending Directive provides however that the requirement to publish RTS 27 reports shall not apply until 28 February 2023.

In line with the ESMA Public Statement issued in March 2021 in relation to RTS 27 Report, the MFSA will not prioritise supervisory actions towards execution venues relating to the obligation to publish the RTS 27 reports until the date on which the national transposition measures are made

ii. Questions and Answers regarding Market in Financial Instruments Directive and Regulation Investor Protection and Intermediaries Topics

Introduction

The European Securities and Markets Authority ("ESMA") has published an updated version of its [Question and Answer document](#) ("Q&A") on the implementation of investor protection requirements under the Market in Financial Instruments Directive and Regulation ("MiFID II/MiFIR").

The Q&A document provides new answers with respect to 'Inducements' and 'Information on Costs and Charges'.

Aim of ESMA Q & A document

The purpose of the ESMA Q&As is to promote common supervisory approaches and practices in the application of MiFID II and MiFIR.

New Q & A

Question and Answer 8 under the Inducements section provides further guidance as to how a licensed entity should carry out its assessment to ensure that the conditions to be met in order for inducements to be considered to be designed to enhance the quality of the relevant service to the client are satisfied.

Question and Answer 34, under the Information on Costs and Charges section, provides clarification as to when should the firm provide ex-ante information on costs and charges, if it provides both investment advice and RTO/execution services to a client relating to the same transaction(s).

Next Step

ESMA will continue to develop this Q&A document on investor protection topics under MiFID II and MiFIR, by 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 document.

Kindly reach out to csuinvestments@mfsa.mt should you require any clarifications.