

30 September

## MiFID Firms Quarterly Reporting

The purpose of this Circular is to inform the industry that, as from Q3 2021, all Investment Firms providing MiFID services to retail, professional and/or eligible counterparties will be required to submit the MiFID Firms Quarterly Reporting.

The MiFID Firms Quarterly Reporting will replace the Conduct-Related Data Return, previously included in the Conduct-Related Data Return (for former Category 1 Investment Services Licence Holders and Credit Institutions licensed in terms of the Investment Services Act) and within the Appendix 2C (for former Category 2 and Category 3 Investment Services Licence Holders), which submission will not be required anymore for such firms subject to the Investment Firms Regulation and Directive. Instead, the EBA has provided different Annexes to be submitted accordingly. Further information on this can be found in the [3<sup>rd</sup> Briefing](#) and [5<sup>th</sup> Briefing](#) on the IFR/D issued by the MFSA.

The MiFID Firms Quarterly Reporting will include three sections:

- Part A related to Conduct Data
- Part B related to Prudential Data
- Part C related to Exposure to Maltese Banks

The Authority is also issuing a Guidance Document to be referred to by the relevant entities when compiling the Return. The documents can be accessed via [this link](#), under the 'MiFID Firms Reporting Requirements' tab within the 'Investment Firms' section.

### **Part A: Conduct Data**

The Conduct-Related Data, previously included in the Conduct-Related Data Return (for former Category 1 Investment Services Licence Holder and Credit Institutions licensed in terms of the Investment Services Act) and within the COREP Return (for former Category 2 and Category 3 Investment Services Licence Holders), will now be included under Part A of the MiFID Firms Quarterly Reporting.

Amendments being carried out to the Conduct Data Surveys are the following:

a) **Passporting Survey**

Licence Holders will be required to indicate the *value of the transactions* and the *type(s) of financial instruments distributed* for each jurisdiction where they have clients that are recipients of the passported services during the reporting quarter.

b) Complex products

The Survey contains a new section on the application of national product intervention measures in EU Member States.

c) Online & Social media presence

This new Survey aims to gather information on the online and social media presence of the Company. Furthermore, it contains a section on the use of Introducing Brokers and/or Affiliates to facilitate the cross-border distribution of financial products.

d) Additional details

This new Survey aims to gather additional information on the Company. More specifically, it contains questions on the number of clients, number of branches and number of employees.

The relevant reporting period for Part A is on a quarterly basis.

Investment Firms will still be required to submit the List of Financial Instruments on a bi-annual basis, i.e. 42 days after the end of the reporting period, through the 'Investment Firms reporting' project on the LH Portal using the naming convention CODE\_JAN2019\_FIList.zip.

### **Part B: Prudential Data**

The Prudential Data, which was previously being requested in Appendix 2a and Appendix 2c is now being requested in the MiFID Firms Quarterly Reporting, specifically Part B.

An overview of the relevant Prudential Data tabs is as follows:

a) Financial details

This tab has remained largely unchanged as compared to Appendix 2c. The main change concerns the list of Investment Services & Ancillary services provide by the licence holder under MiFID.

b) Statement of Comprehensive Income

The licence holders shall provide the revenues generated for the investment services activities that they offer (where applicable). All information in this tab needs to be manually inputted by the licence holders.

c) Statement of Financial Position

This tab needs to be manually populated by the licence holders. There have been no changes since the Appendix 2c.

The relevant reporting period for Part B is on a cumulative basis.

## **Part C: Exposure to Maltese Banks**

The new tab Exposure to Maltese Banks aims to collect information on the extent to which the licence holders are exposed, directly or through its clients, to banks licensed in Malta. The licence holders are required to identify:

- a) The top five banks to which the licence holders have the total largest exposure through clients' assets and money held under nominee (including through discretionary portfolio management).
- b) The top five banks which constituted the largest counterparties to transactions executed under non-nominee basis during the reporting period.
- c) The top five banks to which the Company has the total largest exposure directly through its own assets and money.

## **Confirmations**

On a yearly basis, the licence holders shall address the questions provided in the Confirmations tab and provide additional information as necessary. This would need to be signed by two Directors and submitted with the audited financial statements.

## **Submission of the MiFID Firms Quarterly Reporting**

The MiFID Firms Quarterly Reporting is to be submitted within 42 days after the end of the applicable reporting period, through the 'Investment Firms reporting' project on the LH Portal, using the naming convention: CODE\_JAN2019\_MFREP.zip.

In such cases where the 'Investment Firms reporting' project is not available on the LH Portal, kindly send an email to [investmentfirms@mfsa.mt](mailto:investmentfirms@mfsa.mt).

## **Contacts**

In case of any queries in relation to the Conduct-Related Data (i.e. Part A of the Return), an email can be sent to [financialpromotion@mfsa.mt](mailto:financialpromotion@mfsa.mt).

In case of queries in relation to the Prudential Data (i.e. Part B of the Return), you may wish to contact [investmentfirms@mfsa.mt](mailto:investmentfirms@mfsa.mt).

In case of queries in relation to Part C – Exposure to Maltese Banks, you may wish to contact [statistics@mfsa.mt](mailto:statistics@mfsa.mt).