

**Submission Date**

16/12/2016

# ESMA\_QA\_1041

Status: Answer Published

## **Additional Information**

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### **Level 1 Regulation**

Markets in Financial Instruments Regulation (MiFIR) Regulation (EU) No 600/2014 - Investor Protection and Intermediaries

### **Topic**

Best Execution

## **Subject Matter**

Best Execution

### **Question**

Where RTS 28 Article 3(3) requires a summary of the analysis and conclusions from a firm's execution monitoring, does this require a separate summary for each class of financial instruments, or would it suffice to provide a consolidated summary covering all classes of financial instruments?

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Original language

[ESMA35-43-349 MiFIDII Investor protection Best execution 10]

Firms are expected to provide a summary of the analysis and conclusions they draw from their detailed monitoring of execution quality in relation to each class of financial instrument. The aim is to provide clients with meaningful information in order to effectively assess and scrutinise the execution quality achieved by the firm during the year. This will enable clients to evaluate the firm's execution practices and compliance with its execution policy. It is worth noting that Recital 15 of RTS 28 clarifies that firms may provide more granular reporting in addition to the reporting requirements specified in RTS 28.

Differentiating such information according to class of instrument is particularly relevant given that execution quality could vary since a firm may employ different execution methods (e.g. different venues, execution strategies, or order routing practices) depending on the nature of the financial instrument. Providing a summary according to class of financial instrument also corresponds with the requirement to report on the top five entities used for the execution, placing or transmission of client orders, which also relates to each class of financial instrument (please see Q&A7).

While the summary of the analysis and conclusions drawn from firms' execution monitoring is required for each class of financial instrument, some of the information to be disclosed in the summary (as set out in clauses a – h of Article 3(3)) may be provided on a consolidated basis where such information is common to several or all classes of financial instruments. In this regard, information on close links, conflicts or common ownership as well as information on payments, rebates and benefits of venues may be disclosed on a consolidated basis, where such information is common across several or all classes of financial instruments.