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Additional Information

Level 1 Regulation
Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Investor Protection and Intermediaries

Topic
Information to clients on costs and charges

Subject Matter
Information on cost and charges

Question
How can firms present ex-post costs and charges information to clients in a fair, clear and not misleading manner in accordance with Article 24(3) of MiFID II?

ESMA Answer

21-12-2020

Original language

[ESMA35-43-439 Investor protection Cost and charges Q&A 33]

In ESMA’s view, to facilitate the understanding of ex-post costs and charges information by clients (especially retail), in line with the general obligation according to which information addressed to clients shall be fair, clear and not misleading, it should be presented:

1. **through a standalone document (which could still be sent together with other periodic documents to clients); or**
2. **within a document of wider content, provided that it is given the necessary prominence to allow clients to find it easily.**

In the latter case, the section on ex-post costs and charges information could, for example, be placed at the beginning of the document with a clear explanatory title and clients’ attention drawn to it also graphically (e.g. through the use of appropriate fonts). Ex-post information on costs and charges should also not be mixed with other information or marketing communications included in that wider document, so that clients can focus on its contents.

Where a breakdown of aggregated figures is provided (at the client’s request), it is important that the consistency of the overall ex-post disclosure presented is ensured so that clients are in the position of easily reconciling aggregated figures with their itemised breakdown referring to the same reporting period (both for cash amounts and percentages). Any discrepancies (typically with regard to percentages) should be clearly explained and justified.