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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

Inducements (research)

Subject Matter

Inducements

Question

Acceptable minor non-monetary benefits are defined in paragraph 3 Article 12 of the MiFID II Delegated Directive in respect of portfolio management and independent investment advice. Should investment firms consider such definition is also applicable to investment or ancillary services other than portfolio management and independent investment advice?

ESMA Answer

28-05-2020

Original language

[ESMA 35-43-439 Investor protection Inducements Q&A 7]

Yes, in ESMA's view, acceptable minor non-monetary benefits should have the same meaning, defined in paragraph 3 Article 12 of the MiFID II Delegated Directive, irrespective of the investment or ancillary service provided. In particular, according to the penultimate indent of such paragraph, "acceptable minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the investment firm's behaviour in any way that is detrimental to the interests of the relevant client".

With regard to disclosure, it is reminded that - in accordance with Article 11(5) (a), to which Article 12 cross refers - minor non-monetary benefits may be described in a generic way for all services provided.