European Securities and Markets Authority

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18/12/2017

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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
Suitability

Subject Matter
Suitability and appropriateness

Question
When providing portfolio management, how does investment firms' periodic reporting obligation under sub-paragraph 4 of Article 25(6) of MiFID II relate to the ex-post reporting obligations under Article 60 of the MiFID II Delegated Regulation?

ESMA Answer

18-12-2017

Original language

[ESMA 35-43-349 MiFID II Investor protection Q&As Ch 2, question 9]

In ESMA’s view, when providing portfolio management to retail clients, investment firms should comply with their obligation under sub-paragraph 4 of Article 25(6) of MiFID II by providing the additional information on how the investment meets the client’s preferences, objectives and other characteristics in the context of the periodic ex-post report required under Article 60 of the MiFID II Delegated Regulation.

In particular, it would be reasonable to expect that investment firms should follow the deadlines specified in paragraph 3 of the above-mentioned Article 60 of the MiFID II Delegated Regulation, whereas regarding the format, it should be left to firms to decide whether or not to use one single document.

This periodic additional information should be updated when the report is issued and should be based on the assessment of the client’s portfolio as a whole.