ESMA_QA_1784

Submission Date
10/10/2016

Status: Answer Published

Additional Information

Level 1 Regulation
Markets in Financial Instruments Regulation (MiFIR) Regulation (EU) No 600/2014 - Investor Protection and Intermediaries

Topic
Underwriting and placing

Subject Matter
Underwriting and placing

Question
Article 38(1)(a) of the MiFID II Delegated Regulation states that “investment firms which provide advice on corporate finance strategy, as set out in Section B (3) of Annex I, and provide the service of underwriting or placing of financial instruments, shall, before accepting a mandate to manage the offering, have arrangements in place to inform the issuer client of

the various financing alternatives available with the firm". What are "the various financing alternatives" to be considered?

ESMA Answer

10-10-2016

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 6, question 1]

The various financing alternatives may be limited to those appropriate to the issuer client's needs. However, they should not be limited to financing alternatives that constitute investment services; for example, loans or extension of credit facilities shall be included if appropriate and offered by the firm. The firm should inform the issuer client which financing alternatives have not been considered, including financing alternatives not offered by the firm, with a short explanation of why they were discounted.