

Submission Date

06/06/2017

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Status: Answer Published

Additional Information

Level 1 Regulation

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

Topic

Reporting to clients

Subject Matter

Post-sale reporting

Question

When fulfilling the obligation to report on a portfolio depreciating by the 10% threshold, how should a firm value on a daily basis, as requested by the answer to question 1, financial instruments within the portfolio for which there is no secondary market or daily price reference?

ESMA Answer

06-06-2017

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 8, question 5]

Such financial instruments could be UCITS or AIFs for which managers do not calculate or publish a daily net asset value, unlisted securities, or shares of companies which are otherwise illiquid or subject to collective proceedings. For these types of financial instruments, investment firms should use appropriate methods to estimate what a fair value might be that should be consistent with the ones used for periodic statement provided to client under Article 60 MiFID II Delegated Regulation.