# ESMA_QA_1813

**Submission Date**
16/12/2016

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## Additional Information

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

**Topic**
Reporting to clients

**Subject Matter**
Post-sale reporting

**Question**
How can a personalised ex-post disclosure of costs of the fund be made, if the client buys and sells a fund during the business year?

## ESMA Answer

16-12-2016

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 9, question 1]

Based on Article 50(9) of the MiFID II Delegated Regulation, an investment firm that has or has had an ongoing relationship with a client, shall provide this client with ex-post information on the total costs and charges. Such information shall be based on costs incurred and shall be provided on a personalised basis.

For calculating the total costs during the year (in which the costs of the fund are taken into account), first of all the holding period of the fund is needed. The firm will have insight in this. Secondly, an investment firm has to have annualised information on ongoing realised costs and charges with regard to the financial instrument. Where this data is not already publicly available, the firm should liaise with the manufacturer (e.g. the fund manager) to obtain information on costs and charges of the financial instrument. The firm should assess itself or inquire with the manufacturer whether the costs incurred in the holding period adequately reflect the costs incurred over the whole year. If this is the case, the firm could choose to use the annual costs of the financial instrument to calculate the costs during a specific holding period. If this is not the case, the firm will, on a best effort basis and possibly with the manufacturer's help, have to make adjustments to ensure that it does reflect the actual costs incurred.

For clarification, ESMA notes that there might also be one-off costs involved in buying and selling the financial instruments. This could include mark-ups. The firm has to account for these, based on the actual costs.