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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
Information to clients on costs and charges

Subject Matter
Post-sale reporting

Question
Does the PRIIPs calculation methodology cover product cost components that need to be disclosed under MiFID II cost disclosure?

ESMA Answer

06-06-2017

Original language

[ESMA 35-43-349 MiFID II Q&As Investor protection Ch.9, question 6]

The PRIIPs calculation methodology is designed in such a way that it will capture all costs and charges incurred by a PRIIP. These costs relate to (i) one-off costs; (ii) ongoing costs, which include transaction costs incurred when trading and (iii) incidental costs, such as performance fees. With regard to transaction costs, the PRIIPs RTS provides for a detailed calculation methodology which ensures that both explicit and implicit transaction costs are captured. This would mean that PRIIPs manufacturers can provide all relevant information on an instrument’s cost components.