

Submission Date

03/10/2017

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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

Information to clients on costs and charges

Subject Matter

Information on cost and charges

Question

At what date should investment firms send their first annual ex-post information to their clients?

03-10-2017

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 9, question 21]

When investment firms are required to provide their clients annual ex-post information about costs and charges based on article 50(9) of the MiFID II Delegated Regulation, ESMA expects firms to provide such information on the basis of a time period that ends at the latest one year (12 months) after the date on which the ongoing relationship has started and that this information should be provided to clients as soon as possible after the above annual anniversary of the relevant service commencing. Where an existing ongoing relationship between a firm and a client ends during 2018, ESMA expects firms to provide information at that period end. Where part of the reporting period would fall under MiFID I¹ and part under MiFID II regime, investment firms may choose to calculate, on a best effort basis, the costs and charges in line with MiFID II requirements for the entire reporting period or provide this first ex-post report with a breakdown of costs for the two periods and a clear explanation of the basis on which costs have been calculated.

1. Article 19(3) MiFID I (Directive 2004/39/EC) also requires disclosure to clients of costs and associated charges.