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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
How should the ex-post costs and charges disclosure requirements be applied to the service of portfolio management?

ESMA Answer

04-12-2019

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 9, question 31]

In accordance with Article 50(9) of the MiFID II Delegated regulation, firms shall provide annual ex-post information about all costs and charges related to both the financial instrument(s) and investment and ancillary service(s) where they have recommended or marketed the financial instrument(s) or where they have provided the client with the KID/KIID in relation to the financial instrument(s) and they have or have had an ongoing relationship with the client during the year. For the investment service of portfolio management, Article 50(9) applies (please see Q&A 15.1).

For annual ex-post costs and charges disclosures, firms are expected to provide ex-post cost information (service costs, inducements and product costs) aggregated at least at the level of the portfolio (similar to the approach to the ex-ante cost disclosure, please see Q&A 24). Firms should inform their clients that they can request an itemised breakdown, as per Article 24(4) of MiFID II.

In addition, firms may provide more granular information per category of products with the same cost structure or even per financial instrument (on an ISIN basis).