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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
When providing portfolio management, how does the investment firm’s obligation to provide ex-post aggregated costs and charges information under Art. 50(9) of the MiFID II Delegated Regulation relate to existing reporting obligations under Article 60 of the same Regulation?

ESMA Answer

04-12-2019

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch. 9 , question 32]

In accordance with Article 50(9) of the MiFID II Delegated Regulation, firms may choose to provide annual aggregated ex-post information on total costs and charges “together with any existing periodic reporting to clients”.

In the case of portfolio management, Article 60 of the MiFID II Delegated Regulation also applies.

So, if a firm decides to fulfil its ex-post costs and charges disclosure obligations under Article 50(9) by using the periodic statement required by Article 60, the information provided in this statement needs to also fulfill the requirements of Article 50(9) and (10), i.e. it would need to be expanded.

In addition, if a firm complies with its obligations under Article 50(9) of the MiFID II Delegated Regulation together with its obligations under Article 60, and the periodic statement due under Article 60 is provided on a quarterly basis (or more frequent, e.g. monthly), the firm is not exempted from providing the client with a full picture of the costs and charges incurred for the whole year in accordance with the requirements of Article 50(9). This means that, although more frequent costs information (e.g. quarterly or monthly) may be provided, the client should also be provided with costs information aggregated on an annual basis.