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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
Client categorisation

Subject Matter
Client categorisation

Question
Are investment firms required to inform of their MiFID categorisation all their clients, including those already categorised under MIFID I, or should they just provide such information to new clients or to clients which categorisation has changed under MIFID II?

ESMA Answer

03-10-2017

Original language

[ESMA 35-43-349 Q&As on MiFID II Investor protection Ch. 11, question 1]

Article 45(1) of the MiFID II Delegated Regulation requires investment firms to “notify new clients, and existing clients that the investment firm has newly categorised as required by Directive 2014/65/EU, of their categorisation….”

ESMA’s view is that under Article 45(1) of the MiFID II Delegated Regulation, firms only have to notify information on their categorisation to:

- new clients; and
- clients whose categorisation has changed under MiFID II. Such is the case for instance for certain local public authorities or municipalities which could have been categorised as professional clients under MiFID I and will now be considered as retail clients according to paragraph 1 of section II.1 of Annex II of MiFID II.