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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
Inducements (research)

Subject Matter
Inducements

Question
Does Article 24(9) of MiFID II also apply to payments made by investment firms to a third party in relation to the provision of the investment service of investment advice provided on an independent basis or of portfolio management?

ESMA Answer

10-11-2017

Original language

[ESMA 35-43-349 MiFID II Q&As on Investor protection Ch 12, question 1]

Yes. The inducement restrictions relating to the provision of investment advice on an independent basis and portfolio management, in Articles 24(7)(b) and 24(8) of MiFID II respectively, concern the acceptance and retention of fees, commissions and benefits paid or provided by third parties in relation to the provision of such services. These provisions are not concerned with payments made, or the provision of benefits by, the investment firm providing the relevant service.

ESMA is therefore of the opinion that payments made, or benefits provided to, third parties by investment firms in connection with the provision of investment advice on an independent basis or of portfolio management are subject to Article 24(9) of MiFID II.