ESMA_QA_2558

Submission Date
03/06/2025

Status: Answer Published

Additional Information

Level 1 Regulation
Markets in Financial Instruments Regulation (MiFIR) Regulation (EU) No 600/2014 - Investor Protection and Intermediaries

Topic
Inducements

Additional Legal Reference
Article 39a

Subject Matter
Payment for order flow (PFOF) prohibition and client instructions for order executions

Question
Does the prohibition of receiving payment for order flow (PFOF) apply to situations where the client provided a specific instruction to the investment firm to execute the order on a particular execution venue?

ESMA Answer

03-03-2026

Original language

Answer provided by the European Commission

Yes, Article 39a of MiFIR does not make any distinction between orders executed with or without specific instructions from clients. Therefore, the prohibition of PFOF also applies where the client instructed the investment firm to execute the order on a specific execution venue.

Disclaimer:

The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudge the position that the European Commission might take before the Union and national courts.