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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.

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