ESMA_QA_2708

Submission Date
03/12/2025

Status: Question Rejected

Additional Information

Level 1 Regulation
Directive 2014/65/EU - Markets in Financial Instruments Directive (MiFID II)

Level 2 Regulation
Directive 2017/593 - MiFID II Delegated Directive

Topic
Inducements

Additional Legal Reference
ESMA 35-43-349 Q&A

Subject Matter
Inducements

Question
When an investment firm pays a third party (e.g law firms, accounting firms) any commission in connection with the provision of an investment service or ancillary service to the client must ensure that all the conditions set out in Article 24(9) of Directive 2014/65/EU and

requirements set out in paragraphs 2-5 are met at all times. One of the requirements is that the fee and commission shall be considered to be designed to enhance the quality of the relevant service to the client if it is justified by the provision of an additional or higher level service to the relevant client, proportional to the level of inducements received. Which is responsible to enhance the quality of the relevant service to the client? The investment firm or the third party (e.g the law firms, the accounting firms)