

PRESS RELEASE

ESMA issues MiFID II guidelines on cross-selling practices

The European Securities and Markets Authority (ESMA) has published its *Guidelines on Cross-Selling Practices* under MiFID II (guidelines) to ensure investors are treated fairly when an investment firm offers two or more financial products or services as part of a package.

The guidelines include principles on:

- improving disclosures when different products are cross-sold with one another;
- requiring firms to provide investors with all relevant information in a timely and clear manner;
- addressing conflicts of interest arising from remuneration models; and
- improving client understanding on whether purchasing the individual products offered in a package is possible.

The European Supervisory Authorities (ESAs) – EBA, EIOPA and ESMA - initially intended to issue joint guidelines covering all cross-selling practices taking place in the banking, insurance and securities sectors given that cross-selling is often cross-sectoral, and had consulted the stakeholders previously on this basis.

However, in light of legal concerns, the ESAs decided not to issue joint guidelines on cross-selling practices but agreed that ESMA should issue ESMA-only guidelines under MiFID II in order to meet its 3 January 2016 deadline.

While ESMA's guidelines take into account the results of the ESAs' joint consultation, the final report focuses on the feedback regarding cross-selling practices under MiFID II. Further, the guidelines are addressed to national regulators supervising the firms which provide MiFID services, when they engage in cross-selling practices.

The ESAs intend to inform the European Commission about the issues encountered and raise the possibility of legislative change to provide a foundation for future joint guidelines.

The guidelines will apply from 3 January 2017.

Notes for editors

1. ESMA is an independent EU Authority established in 2010. It forms part of the European Supervisory Authorities, which also include the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Systemic Risk Board (ESRB).
2. ESMA contributes to the regulation of financial services firms with a pan-European reach, both through direct supervision and through the active co-ordination of national supervisory activity. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU.
3. ESMA has drafted these Guidelines on Cross-Selling Practices in accordance with Article 24(11) Directive 2014/65/EU (MiFID II) which mandates '*ESMA, in cooperation with EBA and EIOPA, to develop by 3 January 2016, and update periodically, guidelines for the supervision and assessment of cross-selling practices (...)*'. These guidelines follow a consultation paper (CP) published in the context of the Joint Committee of the European Supervisory Authorities (ESAs) on 22 December 2014.
4. The Joint Committee is a forum for cooperation that was established on 1 January 2011, with the goal of strengthening cooperation between the three European Supervisory Authorities.
5. The final guidelines, adopted by ESMA, are addressed to national authorities supervising investment firms, credit institutions providing investment services in accordance with MiFID II, UCITS management companies and external Alternative Investment Fund Managers providing investment services and engaged in cross-selling practices.

Further information:

Catherine Sutcliffe

Senior Communications Officer

Tel: +33 (0)1 58 36 5180

Email: press@esma.europa.eu