

ESMA advises the European Commission on inducements and costs and charges disclosures

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, today publishes [its advice](#) to the European Commission (EC) on inducements and costs and charges disclosures under MiFID II.

In the advice, ESMA encourages the EC to conduct further analysis on the topic of inducements, which is key for the protection of investors, and proposes some changes to the regime mainly aimed at improving the clients' understanding of inducements.

In relation to costs and charges disclosure, ESMA has found that the MiFID II disclosure regime generally works well and that it helps investors make informed investment decisions. However, ESMA advises that some disclosure obligations vis-à-vis eligible counterparties and professional investors are scaled back.

Other elements of the report relate to trading by telephone, the provision of information to clients in a durable medium and to the possibility to create new categories of clients