

ESMA finds improvements in regulators' supervisory practices concerning MiFID rules on fair, clear and not misleading information

Providing fair, clear and not misleading information to clients is a cornerstone for investor protection under MiFID. The 2014 Review concluded that there was overall a high degree of compliance amongst the NCAs with the identified ESMA good practices. However ten of the NCAs were not fully applying ESMA good practices relating to the effective application of MiFID rules, i.e. around organisation, supervision, monitoring activities, thematic work and complaints handling.

The Follow-up Report has concluded that the NCAs from Lithuania, Latvia, Malta, Poland, Portugal and Romania have addressed all of the deficiencies previously identified.

For the remaining four NCAs, one (Denmark, Estonia, Greece) or more (Cyprus) deficiencies remain, although significant efforts have been made by Cyprus and Greece. ESMA is confident that these NCAs will address those remaining deficiencies as soon as possible and at the very latest with the new MiFID2/MiFIR regime coming into force on 3 January 2018.

ESMA will continue to check on progress made by NCAs in implementing recommendations of peer reviews and to foster supervisory dialogue on MiFID rules on fair, clear and not misleading information provided to clients as well as on conduct of business rules in general.