

ESMA Launches a Common Supervisory Action with NCAs on MiFID II appropriateness rules

The European Securities and Markets Authority (ESMA) is launching a common supervisory action (CSA) which participant national competent authorities (NCAs) will carry out simultaneously, in the second half of 2019.

The supervisory activity will focus on the application of the MiFID II requirements on the assessment of appropriateness, a topic on which ESMA has recently published a [supervisory briefing](#) that will serve as a starting point for the CSA. NCAs that participate in the CSA will assess the application of the appropriateness requirements by a sample of investment firms under their supervision.

The correct application of the MiFID II requirements on the assessment of appropriateness is key to ensuring the protection of investors in the case of transactions that are not accompanied by investment advice. ESMA believes this initiative, and the related sharing of practices across NCAs, will help ensure consistent implementation and application of EU rules and enhance the protection of investors as well as improve the mutual understanding of supervisory approaches by NCAs, in line with ESMA objectives.

ESMA is mandated to take an active role in building a common supervisory culture among NCAs to promote sound, efficient, and consistent supervision throughout the EU. ESMA's promotion of supervisory convergence is done in close cooperation with NCAs.