

ESMA updates Q&AS on MiFID II and MiFIR investor protection topics

The Q&As on MiFID II and MiFIR investor protection and intermediaries' topics includes new answers on 'MiFID practices for firms selling financial instruments subject to the BRRD resolution regime'.

The new Q&As provides clarification on

- Sales of subordinated eligible liabilities and the assessment of suitability
- Whether Article 44a of BRRD 2 should be apply only if there is an active offering on the part of the firm
- Information to be collected from clients in order to comply with Article 44a(1) and 44a(2) of BRRD 2
- Calculation of 10% threshold referred to in Article 44a(2)(a) of BRRD 2
- What happens if a transaction relating to subordinated eligible liabilities is deemed unsuitable by the firm, but the retail client wishes to proceed anyway
- Monitoring of 10% threshold referred to in Article 44a(2)(a) of BRRD 2

The purpose of the MiFID II/MiFIR investor protection Q&As is to promote common supervisory approaches and practices in the application of MiFID II and MiFIR.

ESMA will continue to develop this Q&A document on investor protection topics under MiFID II and MiFIR, both adding questions and answers to the topics already covered and introducing new sections for other MiFID II investor protection areas not yet addressed in this Q&A document