

[Press release: Preventive arm of Stability and Growth pact: the Commission has not ensured that the regulation's main objective is met, say EU Auditors](#)

[Download PDF](#)

[ESMA updates Q&As on MiFID II and MiFIR investor protection and intermediaries](#)

The new Q&As are on the topics of inducements (research) and provision of investment services by third country firms. The overall MiFID II Q&A provide clarifications on the following topics:

- Best execution;
- Suitability and appropriateness;
- Recording of telephone conversations and electronic communications;
- Post-sale reporting;
- Record keeping;
- Investment advice on an independent basis;
- Inducements (research);
- Information on charges and costs;
- Underwriting and placement of a financial instrument;
- Client categorisation;
- Inducements;
- Provision of investment services and activities by third country firms;
- Application of MiFID II after 3 January 2018, including issues of *late transposition*; and
- Other issues.

MiFID II came into force on 3 January 2018 and aims at strengthening the protection of investors by both introducing new requirements and reinforcing previous ones. The purpose of this Q&A is to promote common supervisory approaches and practices in the application of MiFID II/MiFIR for investor protection topics.

Next steps

ESMA will continue to develop this Q&A on investor protection topics under MiFID II in the coming months, 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.

[ESMA updates Q&As on MiFID II and MiFIR investor protection and intermediaries](#)

The new Q&As are on the topics of inducements (research) and provision of investment services by third country firms. The overall MiFID II Q&A provide clarifications on the following topics:

- Best execution;
- Suitability and appropriateness;
- Recording of telephone conversations and electronic communications;
- Post-sale reporting;
- Record keeping;
- Investment advice on an independent basis;
- Inducements (research);
- Information on charges and costs;
- Underwriting and placement of a financial instrument;
- Client categorisation;
- Inducements;
- Provision of investment services and activities by third country firms;
- Application of MiFID II after 3 January 2018, including issues of *late transposition*; and
- Other issues.

MiFID II came into force on 3 January 2018 and aims at strengthening the protection of investors by both introducing new requirements and reinforcing previous ones. The purpose of this Q&A is to promote common supervisory approaches and practices in the application of MiFID II/MiFIR for investor protection topics.

Next steps

ESMA will continue to develop this Q&A on investor protection topics under MiFID II in the coming months, 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.

ESMA reminds UK-based regulated entities about timely submission of authorisation applications

In particular, ESMA emphasises the importance of the timeline to submit requests for authorisation to the National Competent Authorities (NCAs) and ESMA for regulated entities (entities) wishing to relocate in the context of the United Kingdom withdrawing from the European Union. On 30 March 2019, firms must have a fully authorised legal entity located in the EU27 to continue providing services in the EU27.

ESMA has seen an increase in the number of authorisation requests submitted to EU27 authorities. Against this background, ESMA urges entities wishing to relocate to the EU27 to submit their application for authorisation as soon as possible to allow it to be processed before 29 March 2019. Some NCAs have already been clear to entities that, unless an application is received in the month of June/July, there is no guarantee that authorisation will be achievable before 29 March 2019.

ESMA reminds entities that the time required to analyse an authorisation request depends primarily on the quality of the application file and encourages entities to be complete and accurate in their filing for authorisation. ESMA invites entities to contact the relevant NCAs, or ESMA in the case of CRAs/TRs, as soon as possible in case they have not yet done so.

ESMA reminds UK-based regulated entities about timely submission of authorisation applications

In particular, ESMA emphasises the importance of the timeline to submit requests for authorisation to the National Competent Authorities (NCAs) and ESMA for regulated entities (entities) wishing to relocate in the context of the United Kingdom withdrawing from the European Union. On 30 March 2019, firms must have a fully authorised legal entity located in the EU27 to continue providing services in the EU27.

ESMA has seen an increase in the number of authorisation requests submitted to EU27 authorities. Against this background, ESMA urges entities wishing to

relocate to the EU27 to submit their application for authorisation as soon as possible to allow it to be processed before 29 March 2019. Some NCAs have already been clear to entities that, unless an application is received in the month of June/July, there is no guarantee that authorisation will be achievable before 29 March 2019.

ESMA reminds entities that the time required to analyse an authorisation request depends primarily on the quality of the application file and encourages entities to be complete and accurate in their filing for authorisation. ESMA invites entities to contact the relevant NCAs, or ESMA in the case of CRAs/TRs, as soon as possible in case they have not yet done so.