

ESMA LAUNCHES A COMMON SUPERVISORY ACTION WITH NCAS ON MIFID II COSTS AND CHARGES

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MIFID - INVESTOR PROTECTION

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, is launching a common supervisory action (CSA) with national competent authorities (NCAs) on the application of MiFID II costs and charges disclosure rules across the European Union (EU). The CSA will be conducted during 2022.

This action will allow ESMA and the NCAs to assess the application by firms of the MiFID II requirements on costs and charges. The focus of the CSA will be on information provided to retail clients. NCAs, in particular, will review how firms ensure that these disclosures:

- are provided to clients in a timely manner;
- are fair, clear and not misleading;
- are based on accurate data reflecting all explicit and implicit costs and charges; and
- adequately disclose inducements.

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 in line with ESMA's objectives.

The CSA contributes to fulfilling ESMA's mandate on 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.