



ESMA's call for evidence on the impact of the inducements and costs and charges disclosure requirements under MiFID II.

[Link to the paper: *Call for evidence. Impact of the inducements and costs and charges disclosure requirements under MiFID II*](#)

1.- Target audience (potential stakeholders)

This consultation is addressed, in particular, to:

- Entities which are subject to Article 24(4) and (9) MiFID II when providing investment services and/or ancillary services, including investment firms, as well as credit institutions, which are external alternative investment fund managers, and UCITS management companies, when providing investment services.
- Consumer groups and investors.

2.- Information Note

Article 90 of the MiFID II Directive provides that, before 3 March 2020, the European Commission shall, after consulting ESMA, submit a report to the European Parliament and the Council on, inter alia, "the impact of the requirement to disclose any fees, commissions and non-monetary benefits in connection with the provision of an investment service or an ancillary service to the client (the so-called inducements) in accordance with Article 24(9), including its impact on the proper functioning of the internal market on cross-border investment advice".

On 23 May 2019, the European Commission sent a mandate to ESMA in which it requested ESMA to "assess together with the NCAs whether firms comply with inducement and cost disclosure rules in practice, whether the application varies across Member States, and if so, how. During this process, the European Commission invites ESMA to analyse and provide an assessment of the effects of these rules for both professional and retail clients. ESMA's analysis should be guided by the broader consideration of the extent to which investors have benefited from the new rules thus far".

Accordingly, the European Commission's mandate has been broader than initially anticipated, as it also covers cost disclosures under Article 24(4) MiFID II.

As part of this analysis, ESMA is studying in detail the impact of the requirements under the following articles:

- 1) Subparagraph two of Article 24(9) MiFID II, on transparency requirements with regard to inducements for investment services and ancillary services other than discretionary portfolio management and advice provided on an independent basis.

- 2) Article 24(4)(c) MiFID II, on the requirements to disclose costs and charges in connection with the provision of investment services and ancillary services.

ESMA shall also assess whether the application of the above rules varies across Member States, and if so, how.

To this end, ESMA welcomes responses from all stakeholders, who are invited to submit any qualitative information, and, in particular, any quantitative information that they may have.

The paper has four sections. The first section contextualises the disclosure requirements on inducements permitted under Article 24(9) MiFID II and highlights issues that may be encountered when implementing the MiFID II disclosure requirements. The second section does the same with costs and charges disclosure requirements. The third section summarises the purpose of the call for evidence. Finally, the fourth section contains the questionnaire. Subparagraph 45 of the paper states that respondents may be especially well-placed or may have more information available to respond to certain questions. However, all respondents may respond to any of the questions if they wish to.

3.- Submission of comments

The deadline for submitting comments is **6 September 2019**.

Respondents may send their comments through ESMA's website: www.esma.europa.eu. The paper of this consultation and the response form are available in the section [Consultations](#) (place the cursor on the word to obtain the link).

Likewise, please send a copy of your answers to the CNMV to the following email address: Documentosinternacional@cnmv.es

International Affairs Department

CNMV

C/ Edison 4

28006 Madrid