

Regulatory News Alert

MiFID II: ESMA launches common supervisory action on suitability rules

6 February 2020

Context and objectives

On 5 February 2020, the European Securities and Markets Authority (ESMA) launched a **common supervisory action (CSA)** with national competent authorities (NCAs) on the **application of MiFID II suitability rules** across the European Union (EU).

The CSA is intended to allow ESMA and the NCAs to gauge the **progress made** by intermediaries in the application of this key requirement. It will also help in the analysis of whether, and how, the costs of investment products are taken into account by firms when recommending an investment product to a client.

In general, CSAs launched by ESMA will contribute to fulfilling ESMA's mandate on building a **common supervisory culture** among NCAs to promote sound, efficient, and consistent supervision throughout the EU.

Focus of 2020 CSAs

In particular, in the context of this CSA, ESMA will consider the following recently published documents on the topic of suitability:

- ESMA [Guidelines](#) on certain aspects of MiFID II suitability requirements
- ESMA MiFID II [Supervisory briefing](#) on suitability

Focus of 2020 CSAs

The CSA will be conducted **during 2020**.

At this stage, the actions foreseen have been not fully clarified. However, one of the following two supervisory approaches can be expected:

- ESMA may take a rather mild approach and launch a **survey**, or
- ESMA may take a more thorough approach and conduct on-site visits



How can Deloitte help?

Deloitte's advisory specialists and dedicated services will help you design and implement your business strategy in light of the future evolution of the regulatory framework and market trends.

In addition, Deloitte can assist you with:

- Assessing your suitability model
- Performing a gap analysis
- Conducting mock-up inspections

With our Regulatory Watch Kaleidoscope service, Deloitte can also help you stay ahead of the regulatory curve to better manage and plan upcoming regulations.

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