

Regulatory News Alert

MiFID II: Implementation of the Delegated Directive 2017/593

17 November 2017

Background

On 13 November, a draft of the Grand-Ducal Regulation implementing the Commission Delegated Directive (EU) 2017/593 related to the safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits was published.

Key provisions

The Directive (EU) 2014/65, whose implementation is ensured by the draft law 7157 on market in financial instruments, will be completed by the delegated directive (EU) 2017/593 providing more detailed requirements on the investor protections such as:

- **Safeguarding of client financial instruments and funds** (i.e. account records, deposits, use of client financial instruments, inappropriate use of title transfer collateral arrangements, governance arrangements concerning the safeguarding of client assets),
- **Product governance** (i.e. manufacturers and distributors requirements)
- **Inducements** (i.e. in relation to advice and research)

Moreover, Chapter II of the draft Grand-Ducal regulation is extending the official listing for financial instruments to **organized trading facility** (OTF) alongside regulated markets (RM) and multilateral trading facilities (MTF).

Next step

We expect a vote and a publication in the Memorial A in sync with the MIFID law probably by the end of Q4 2017.



How can Deloitte help?

Deloitte actively monitors MiFID II developments and subsequent publications on an ongoing basis. We carefully analyze all relevant published documents in order to identify any changes and to provide the most updated view to our clients.

We offer to organize an informal workshop in your offices, to answer your questions, and discuss the latest regulatory updates as well as potential operational impacts and remediation scenarios.

Please do not hesitate to contact us, as we would be more than happy to prepare a workshop tailored to your requirements.

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