

Table on the European practices for ex post reporting according to MiFID II

Requirements	Questions	Germany	UK	France	Luxembourg	Belgium	Denmark	Sweden	Norway
Reporting must take place annually as a minimum for a 12 month period. Can be the calendar year or another period. ESMA expects firms to provide such information on the basis of a time period that ends at the latest one year (12 months) after the date on which the ongoing relationship has started	Do you expect the industry to use the calendar year as a standard for reporting in your country?	Yes. Most banks are expected to report for 2018.	We anticipate the calendar year will be the predominant ex-post reporting period for MiFID firms.	French fund groups are expected to use the calendar year	Many firms will take the calendar year to have a consistent approach also with regard to other reporting obligations.	No official answer. The umbrella association Febelfin has made a draft paper stating: 1. On a yearly base, with the calendar year as fixed period. 2. We expect that the supervisor prefers harmonization (to make comparisons)	Yes	Yes	Yes
	Or is it open for the individual firms to choose?	Yes. Some firms are expected to report more frequently	MiFID firms are at liberty to choose another period. There is a shift in the reporting from manufacturers driven by non UK distributor demands. The growing trend is quarterly EMT reporting from fund groups with 12 mths. rolling ex post information.	In principle, yes	It is possible for individual firms to choose a different period, considering that the reporting obligations at year-end are for many firms already tough to manage. For example, a fund sold to a client by an investment firm in October (which means that the requested ex-ante information is provided at the same time), may prefer to set the annual disclosure period for end of June or October the following year, instead of end of December of the same year. In terms of frequency of reporting, there are signs on the market that a certain number of players will gradually opt for a quarterly reporting for ease of communication and quality.	In principle yes	Yes, but the majority are expected to use the calendar year	Yes, some investment firms are expected to do it quarterly	Yes
ESMA expects that information should be provided to clients as soon as possible after the above annual anniversary of the relevant service commencing.	Has any national deadlines been defined in your country?	No deadlines. Most MiFID firms will report to clients in Q1. A number of banks has requested information at the end of 2018. The banks prefer that any cost at the fund level should be taken from the latest annual report. This has been confirmed by BAFIN.	There are no formal deadlines but end of Q1 is widely regarded as a reasonable time frame in which to report.	No	No, there is no shorter disclosure frequency required by national law.	No.	No	Yes - members of Fondbolagens Förening should try to deliver by 15 January. Client reporting is expected to take place in January or beginning of February as in other areas.	No deadlines.
	If not when do you expect reporting to take place?	N/A	N/A	AFG works on best practice for funds and to get it accepted by supervisors. The idea is to publish an estimate of non approved 2018 figures and that funds deliver data end of February.	See answer to previous question.	No official answer. Draft paper: The sector proposes a delivery 3 à 4 months after year end.	Client reporting is expected to take place in January.	N/A	At the end of January
Information shall be based on costs incurred and shall be provided on a personalized basis	Are there any specific national agreements on how to calculate realized ex post expenses for 2018? Content?	MiFid is clear that price movements should not impact the transaction costs. BVI members in general prefer new priips method but it is not standardized how to use it. There is no agreement with banks.	Conversations in the Investment Association but no formal agreements. Many IA members prefer spread based methods. They comply with MiFID II because they are not picking up market movements. It's common to use the French spread table.	It is expected that 95% of the market will use the spread methodology to calculate implicit transaction costs based on a spread table made by AFG. Ongoing charges methodology will be used to calculate average realized expenses for 2018.	The MiFID rules concerning ex-post cost disclosure to clients have been faithfully implemented into Luxembourg law (Art 37-3 of the Law on the Financial Sector), i.e. without deviating from them. Art 50 and 51 of the MiFID II Commission Delegation Regulation are anyway directly applicable.	No official answer. The draft paper foresees that the FSMA will require reporting: - On an individualized basis; - On incurred costs and incurred charges.	No	Funds have reported ex post costs until now. Some fund companies create an EMT every day - others annually. No official guideline regarding transaction costs but most funds are expected to use new priips method. The banks want different solutions regarding holdings of clients.	Yes. Working on an industry standard on how to do the calculations. There are some flexibility
	Are there any regulatory interpretations in your country? Content?	No. BAFIN has done a first market study on ex ante reporting.	No.	No	The CSSF has not published additional guidance or Q&As on cost disclosures under MiFID. Reference is made to ESMA's Q&A on investor protection.	No	No specific interpretations	No	No
	Are there any studies about it in your country?	No	Tisa made a guide with an "Approach to Implementation for MiFID II Costs & Charges Disclosures"	No.	N/A	Interpretations given by FSMA and EY at a conference	No	No	No
We have an EMT standard but we have no standards for the use of it.	How do you see the need to develop a standard during 2019?	Yes. We need to look into it, but it will be a challenging process as market participants have taken a number of choices already.	Yes. The EMT is a good standard format, but there is a need to develop it further - for instance the frequency for updates.	Yes, there may be eventually a need to standardize eg. the frequency for updates of the EMT. But Funds Custodians are not ready yet to calculate costs on a more frequent basis and market needs time to accept a standardized methodology	EFAMA and other European associations are about to adopt a new governance structure concerning the collaboration with the "European Working Group" that has suggested a Version 2.0 of the EMT. ALFI contributes to the development of the reporting template via EFAMA.	No official answer. BEAMA supports as much standardization as possible on the European level and refers to EMT (and its new governance structure). Further news is to follow from EFAMA in January 2019.	Yes, very important	Yes in favor but it will be challenging	Yes. It will be a continuing process.
There are no requirements for the data exchange end 2018	Do you agree that specific 2018 reporting will be preferable?	Nothing against it.	There will be an EMT with ex post information for 2018 from most fund groups. The challenge for distributors is to source it in an efficient way.	Yes - it would create value if MiFID firms could get easy access to 2018 data irrespective of the funds' frequency for updates.	Product manufacturers and distributors have to agree on the frequency of data exchanges. It is ALFI's interpretation that the MiFID cost and charges figures should be available at least monthly for daily dealing funds. In the event that the NAV is calculated less frequently than monthly, we suggest that the most recently available data is provided.	N/A	Yes	No need for a specific EMT if all funds report for 2018 and are not updating ex post fields monthly.	Yes
Other issues	What else do you find important in the area of ex post reporting?	Will become important to promote standardization of the way MiFID firms present cost information to clients. Different presentations will create uncertainty	N/A	There are no main problems so far. Though it is not known how to show the ex post cumulated effect of costs on the yield with a graph	ALFI published a first version of its Q&A document on MiFID to its members on 20 December 2017. Part 3 covers both ex-ante and ex-post cost disclosures. Many questions concern the relationship with cost disclosure requirements under PRIIPs and the UCITS Directive. It would be key to agree on a common standard, in order to ensure that e.g. PRIIPs transaction costs can be used 1:1 for MiFID and IDD purposes.	N/A	N/A	To find a method for the proper treatment of performance fees	Sufficient information should be made available to do the calculations. For instance spread and methods regarding transaction costs
	What is the realistic outcome for 2018	Difficult exercise to report realized costs correctly. But still the outcome will be far better than today	Good information to clients but lower quality regarding transaction costs due to multiple methods that are new and untested.	Quality enhancement for clients compared to the past. Better but not perfect accuracy due to the regulatory request to show implicit transaction costs	N/A	N/A	N/A	Good for ongoing charges. Less good for transaction costs and worst for performance fees	Best effort basis is the probable outcome