

The Overarching Duty to Act in the Best Interest of the Client in MiFID II

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The duty to act in the clients' best interest

- Art. 24(1), MiFID II:
 - “member states shall require that, when providing investment services or, where appropriate, ancillary services to clients, an investment firm act honestly, fairly and professionally *in accordance with the best interests of its clients.*”

ORIGIN

***INTERACTIONS WITH OTHER
CONDUCT OF BUSINESS RULES***

FUNCTIONS

CONTENT

***THE DUTY AND INDIVIDUAL
SERVICES***

Recital 15, Delegated Regulation

- If an investment firm provides ***generic advice to a client about a type of financial instrument which it presents as suitable for, or based on a consideration of the circumstances of, that client***, and that advice is not in fact suitable for the client, or is not based on a consideration of his circumstances, the firm is likely to be acting in contravention of Article 24(1) or (3) of Directive 2014/65/EU. In particular, a firm which gives a client such advice would be likely to contravene the requirement of Article 24(1) to act honestly, fairly and professionally in accordance with the best interests of its clients.

***THE DUTY AND INDIVIDUAL
SERVICES***

ASSESSMENT

Thanks for your attention.