

# **Guidelines on the Compilation and Submission of the List of Financial Instruments**



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## INTRODUCTION

The purpose of this document is to provide clarifications on certain recurrent issues which were being noticed by the Authority and/or which were being raised by the industry on a regular basis regarding the information to be included in the List of Financial Instruments document.

Investment Services Licence Holders ('Company' or 'Entity') carrying out MiFID related activities are required to report to the MFSA information regarding the list of all financial instruments ('FI List') in respect of which they provided an investment service to their clients during the previous six months.

The document is structured in the following manner:

- Section 1: General Information;
- Section 2: List of financial instruments;
- Section 3: Complex Products;
- Section 3: Concluding remarks.

## SECTION 1: GENERAL INFORMATION

### 1.1 APPLICABILITY

Investment Services Licence Holders providing MiFID services to retail, professional and/or eligible counterparties are required to submit to the Authority the FI List on a biannual basis<sup>1</sup>.

Investment Services Licence Holders authorised to act as custodians are currently exempt from such submission.

### 1.2 REPORTING FREQUENCY

The information will be collected on a biannual basis, within six weeks after the end of the reporting period. Submission of the FI List to the Authority shall be in line with the reporting dates indicated in the "Investment Services Licence Holder Documentation Timetable" document available [from here](#), under the 'MiFID Firms Reporting Requirements' tab, within the 'Investment Firms' section.

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<sup>1</sup> Entities previously known as 'Local Firms' are not required to submit the List of Financial Instruments.

### 1.3 SUBMISSION

The FI List is compiled via an MS Excel File. The file has been optimised to work on Microsoft Excel 2010 and later versions. The FI List must be saved in the following format: Microsoft Excel Macro-Enable Worksheet (.xlsm) and it shall be uploaded via the 'Investment Firms Reporting' on the LH Portal, which can be accessed through the [following link](#).

The List of Financial Instruments is to be submitted within 42 days after the end of the applicable reporting period, through the 'Investment Firms reporting' project on the LH Portal, using the naming convention: **CODE\_MMMYYYY\_FIList.zip**.

In such cases where the 'Investment Firms reporting' project is not available on the LH Portal, kindly send an email to [investmentfirms@mfsa.mt](mailto:investmentfirms@mfsa.mt).

#### COVER SHEET

The first page contains the general information regarding the Investment Services Licence Holder ('Company' or 'Entity').

The entity is required to include all of the following information:

1. Full legal name of the Investment Services Licence Holder;
2. Investment Services Licence Holder Code, meaning the identification code provided by the Authority (which can be found on the Entity page in the [Financial Services Register](#));
3. Reporting Period;
4. Confirmation of the accuracy of the information submitted;
5. Name and Surname of the Person confirming the accuracy of the information and his/her role in the Company. The Authority would require such person to be either the Compliance Officer and/or Director.

**IMPORTANT:** Prior to compiling the FI List make sure that you compile the latest version, a copy of which can be downloaded [from here](#), under the 'MiFID Firms Reporting Requirements' tab, within the 'Investment Firms' section.

|  |  |
|--|--|
| Person confirming accuracy of information                |  |
| Designation of Person confirming accuracy of information |  |

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Figure 1 – Cover sheet

## SECTION 2: LIST OF FINANCIAL INSTRUMENTS

The Entity is required to insert all the information regarding the financial Instruments offered to clients during the observed period.

The information required is:

- Financial Instrument name;
- Financial instrument type;
- ISIN;
- Basis on which the investment service was provided to clients (Advisory, Reception and transmission of orders, Execution of orders, Portfolio Management);
- Complex or Non-complex Instrument.



**IMPORTANT:** *Kindly note that each financial instrument needs to be reported only once, even if the investment services being offered to clients in respect of that financial instruments differs. In such case, all the investment services need to be indicated as explained in Section 2.4 below.*

### 2.1 Financial Instrument name

The Entity is required to include the full name of the financial instrument.

### 2.2 Financial Instrument type

Please note that the financial instrument needs to fall under one of the categories indicated in the drop-down list (for example transferable securities, money market instruments etc).

| Financial instrument type |   |
|---------------------------|---|
| Transferable securities   |  |
|                           |  |

The validation check on the right turns “green” if the financial instrument type is correctly inserted. Otherwise, the Company is required to amend accordingly.

Figure 2 - FI List

## 2.3 ISIN

Kindly indicate the ISIN, where applicable, and kindly indicate the full and correct code for the reported financial instrument. Any symbols are to be removed (for example \* before the ISIN code).

The ISIN is a unique and identifying code, which is always structured in a *12-character alphanumeric code*.

In case where the ISIN is not applicable for the relevant financial instrument then such cell needs to be marked as N/A.

If the ISIN is correctly indicated, the validation check on the right will turn “green”.

## 2.4 Basis on which the investment service was provided to clients (Advisory, Reception and transmission of orders, Execution of orders, Portfolio Management)

In this field, the Entity is required to indicate the investment service provided to the clients in relation to that financial instrument. Kindly note that the only acceptable answers are “Advisory”, “Reception and transmission of orders”, “Execution of orders” and “Portfolio Management”.

**IMPORTANT:** In case where the different investment services were provided in relation to the same financial instrument, you would need to indicate all the applicable ones. The selection in the dropdown allows multiple choices.

## 2.5 Complex or Non-Complex Instrument

Company should indicate the classification of the indicated financial instrument. Kindly note that the only acceptable answers are either “Complex” or “Non-Complex”.

For further guidance on the complexity analysis, one may refer to the ESMA Guidelines on Complex debt instruments and structured deposit, available [on this link](#) as well as to the applicable sections of the Conduct of Business Rulebook.

If the classification is correctly indicated, the validation check on the right will turn “green”.

## SECTION 3: COMPLEX PRODUCTS

This sheet refers to a focus on the Complex Products that the Company has offered during the reporting period. For further guidance on the complexity analysis, one may refer to the ESMA Guidelines on Complex debt instruments and structured deposit,

available [on this link](#) as well as to the applicable sections of the Conduct of Business Rulebook.

|  |  |   |
|--|--|---|
| Number of Complex Products in Licence Holder's product suite   |  | ✘ |
| Number of clients in Licence Holder Records that hold the Licence Holder's top 10 Complex Products                                   |  | ✘ |
| Number of clients in Licence Holder Records that hold the Licence Holder's Complex Products  |  | ✘ |
| Total Client Holdings (in €) in the top 10 Complex Products  |  | ✘ |
| Percentage of business (sales turnover for the period) of the Licence Holder that is represented by sale of top 10 Complex Products. |  | ✘ |

**Figure 1 – Complex Products**

In the first table of Section A of the Survey, the Company is required to include the relevant information **irrespective of the clients categorisation**.

In the second table of Section A of the Survey, the Company should indicate the top 10 complex products offered to retail clients during that reporting period. The Authority expects the Company to include the full financial instrument name and the ISIN code (where applicable) in the second table of Section A.

Section B aims to collect information in relation to the application of national product intervention measures in EU Member States. Kindly note that for completeness sake, we would need that the relevant questions are replied with 'Yes', 'No', 'N/A' as relevant.

## **SECTION 4: CONCLUDING REMARKS**

This Guidance Document provides Investment Services Licence Holders with additional guidance on the information to be included in the FI List. It is very important that the person confirming accuracy ensures that the information submitted to the Authority is correct and complete.

In case of any queries, do not hesitate to contact us via [financialpromotion@mfsa.mt](mailto:financialpromotion@mfsa.mt).