

**MEMO# 26753**

December 11, 2012

## **Comment Letter on ESMA's Consultation on MiFID Remuneration Policies**

[26753]

December 11, 2012

TO: INTERNATIONAL MEMBERS No. 53-12  
INTERNATIONAL INVESTING SUBCOMMITTEE No. 10-12  
ICI GLOBAL MEMBERS RE: COMMENT LETTER ON ESMA'S CONSULTATION ON MIFID  
REMUNERATION POLICIES

On December 7, ICI and ICI Global jointly submitted the attached comment letter on the European Securities and Markets Authority's ("ESMA's") Consultation Paper on Guidelines on Remuneration Policies and Practices (MiFID). [\[1\]](#) The letter reiterates certain points previously made in the recent ICI/ICI Global comment letter on ESMA's Consultation Paper on AIFMD remuneration guidelines.

The letter emphasizes that policymakers must take account of the fact that, unlike certain other financial institutions, asset managers are both agents and fiduciaries that are engaged specifically to take disclosed risks with their clients' assets, and in the case of regulated funds, only as permitted under fund laws. It states that it is paramount that remuneration rules do not blunt the motivation or incentives for asset managers to carry out their responsibilities and take appropriate risks as directed by their clients.

The letter then highlights the importance of the principles of proportionality in consideration and implementation of the remuneration guidelines. It explains that it should be possible for asset management firms that appear to be similarly situated to legitimately come to different conclusions on the application and implementation of the MiFID guidelines.

Finally, the letter urges ESMA to develop the MiFID remuneration guidelines, as well as the AIFMD remuneration guidelines, with extreme caution to avoid conflicts between the legislative regimes, the development of an unlevel playing field for the asset management industry, and inadequate acknowledgment of the need to tailor the approaches adopted for different sectors of the financial services industry.

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[Attachment](#)

**endnotes**

[1] The Consultation is available at  
[http://www.esma.europa.eu/system/files/2012-570\\_0.pdf](http://www.esma.europa.eu/system/files/2012-570_0.pdf).

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