

ESMA tells firms to provide clients with information on the implications of Brexit

The European Securities and Markets Authority (ESMA) has issued today a [statement](#) to remind firms, providing investment services, of their obligations to provide clients with information on the implications of the United Kingdom's (UK) withdrawal from the European Union (EU) on their relationship with clients and on the impact of Brexit-related measures that a firm has taken or intends to take.

The statement is addressed to UK firms that provide services in EU27 Member States, as well as EU27 firms that deal with clients based in the UK.

Information to clients

In order to avoid any potential disruption arising from client confusion, firms that will be impacted by Brexit should ensure that they provide clear information to clients whose contracts and services may be affected. The information should be provided as soon as possible, once available, and should cover at least the following areas:

- Impact of UK departure for the given firm and its business, and the implications this has for the relationship between the client and the firm;
- Actions the firm is taking such as organisational arrangements to deal with client inquiries;
- Implications for clients of any corporate restructuring and, in particular, any relevant changes to contractual terms; and
- Contractual and statutory rights of clients in these circumstances, including the right to cancel the contract and any right of recourse, where applicable.

Next steps

ESMA and national competent authorities (NCAs) will continue to monitor developments, including by engaging with firms to assess the level of firms' preparedness and to ensure that their clients are appropriately informed in the context of the firms' preparation for Brexit.