

Parliament gives firms a further year to implement financial legislation

[07-06-2016 - 14:24]

Firms have been given until 3 January 2018 to implement laws overhauling the EU's existing regulation of financial markets after Parliament gave its backing to a one year deferral which was triggered by the European Commission and the European Securities and Markets Authority's (ESMA) delay in coming up with the necessary technical standards.

The legislation, which comprises the revised Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments regulation (MiFIR) closes gaps left by MiFID I. MiFID II was a response to the financial crisis which had the aim of improving the competitiveness of EU financial markets by creating a single market for investment services and activities.

Parliament voted Tuesday to support the one year postponement of the MiFIR by 504 to 157, with 9 abstentions; and backed a similar postponement to the MiFID by 502 to 158, with 6 abstentions. During the debate which preceded the vote, many MEPs from across the political spectrum were sharply critical of the Commission and ESMA for prompting the deferral in the new rules.

"It is clearly ESMA and especially the Commission who are to blame for this delay as they have been wasting a lot of time when preparing the MiFID II implementing legislation. Due to this dawdling, we are almost a year behind schedule now and key elements such as reigning in high frequency trading and putting food speculation to an end are still not in force," said Markus Ferber (EPP) rapporteur for the legislation, in a statement.

The European Commission's Commissioner for Financial Stability, Financial Services and Capital Markets Union, Jonathan Hill, described the package of reforms as "a key part of our financial oversight" and said the deferral was due to the complexity and breadth of the proposal.

"This reform was always going to be an ambitious one....given this challenge ESMA judged that we needed to extend the timeline," he said.

Member states have also been given a year's extension on their original 3 July 2016 deadline to transpose the directive. The reform package also includes three targeted amendments to the legislation. The first introduces a dedicated regime for the treatment of package transactions with regards to pre-trade transparency obligations. Secondly, there is a clarification for the own-account exemption for corporate end-users and securities financing transactions were excluded from MiFID II transparency obligations. Finally, a technical cross-referencing issue between the prospectus directive and MiFID II was addressed.

*Note to Editors

MiFID II governs the authorisation and organisation of trading venues and investor protection

MiFIR deals with transparency and access to trading venues

Further information

- MiFIR procedure file: : [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0033\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0033(COD)&l=en)

Press release

- MiFID procedure file::
[http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0034\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2016/0034(COD)&l=en)

Contact

Hyun-Sung KHANG

BXL: +32 2 28 34710

EMAIL: econ-press@europarl.europa.eu

TWITTER: EP_Economics