



The European regulatory framework for capital markets and investment services

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Capital Markets Union

selected initiatives

Review of the Markets in Financial Instruments Regulation (MiFIR)

- 25 November – publication of the text of proposed amendments

Retail Investments Strategy

- consultation period - 11 May 2021 - 03 August 2021

Listing Act

- consultation period - 19 November 2021 - 11 February 2022

MiFIR Review

- The MiFIR reform contributes to a more competitive, transparent and integrated trading landscape by:
 - **Eliminating obstacles for a comprehensive view of trading across EU trading venues ('consolidated tape')**
 - **Enhancing market data transparency**
 - **Banning Payment for Order Flow ('PFOF')**
 - **Optimising the trading obligations**
 - **Removing open access**

Proposed amendments MiFIR/D: CTP

- **ESMA selects CTP:** based on technical ability, organisational requirements, data quality, fees and revenue model. First iteration of equities tape only post-trade
- **Mandatory contributions:** real time submissions by all data contributors of market data to authorised CTP in shares, ETFs, bonds or derivatives.
- **Harmonised data quality:** to be set in L2 after consulting an industry working group and ESMA
- **Revenue sharing by the CTP:** to exchanges and in particular smaller exchanges. The higher the proportion of trading in a share on a listing venue is in relation to total trading, the more revenue should be awarded

Proposed amendments MiFIR/D: transparency – level playing field

- **Multilateral systems from MiFID to MiFIR:** following ESMA advice in their report on the function of OTFs, creating higher degree of harmonisation
- **Direct Electronic Access:** EU DEA clients that only deal on own account no longer need a MiFID license – like non-EU DEA clients. DEA provider acts as gatekeeper. Following ESMA advice in their report on algo trading
- **PFOF:** brokers may no longer receive payments for forwarding their order flows to third parties for execution

Retail investment strategy – end of 2022

to ensure that a legal framework for retail investments is:

- suitably adapted to the profile and needs of consumers
- helps ensure improved market outcomes
- empowers retail investors and enhances their participation in the capital markets

Retail strategy in a nut shell

- **Form:** Omnibus Directive amending MiFID, IDD, UCITS, PRIIPs - more harmonisation between different legislation
- **Main issues:**
 - disclosure requirements
 - suitability and appropriateness regime
 - inducements
 - digitalisation
 - sustainability

Listing review - 2022

- public consultation - 19 November 2021 - 11 February 2022
- aims at making more attractive for European companies to have their securities admitted to trading platforms in the Union
- concerns a number of topics: the Prospectus Regulation, the Transparency Directive, MiFID II, MAR, the Listing Directive, corporate governance and SPACs
- the Commission will also take into account the feedback and proposals already put forward by the **Technical Expert Stakeholder Group on SMEs**, the **High-Level Forum on capital markets union** and **other stakeholders**

Thank you!



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