

# MFSA

MALTA FINANCIAL SERVICES AUTHORITY

## **Circular addressed to the Financial Services Industry regarding the European Commission's recent consultation on the Market Abuse Directive**

**8<sup>th</sup> July, 2010**

On 25<sup>th</sup> June, 2010 the European Commission (the '**Commission**') published a working document for discussion and consultation purposes on the revision of the Market Abuse Directive ('**MAD**').

The Commission is currently reviewing the MAD regime to pursue the following key objectives:

- Increase market integrity and investor protection by "filling the gaps" in coverage and modernising the legislative framework where needed as called for by the Commission Communication on Regulating Financial Services for Sustainable Growth;
- Strengthen effective enforcement against market abuse as called for by the Commission Communication on Driving European recovery;
- Increase the cost-effectiveness of the legislation by reducing national discretions and introducing more harmonised standards, thereby moving closer to the objective of a single rulebook and reducing undue administrative burden, especially for SMEs;
- Contribute to improving the transparency, supervisory oversight, safety and integrity of derivatives markets as laid out in the Commission Communication on Ensuring efficient, safe and sound derivatives markets: Future policy actions; and
- Increase coordination of action among national regulators and reduce the risk of regulatory arbitrage.

The public consultation is divided into three sections:

1. Rules intended to extend the scope of the Directive;
2. Rules intended to enhance the effectiveness of the enforcement powers of the competent authorities, their coordination, the role of European Securities and Markets Authority

(N.B. This Authority has not yet been established) and the sanctions regime to be applied to market abuse in the EU; and

3. Rules intended to enhance the level of harmonization and coordination among regulators in the EU with the objective of creating a single rulebook.

**The consultation document is available on the Commission's web-page [http://ec.europa.eu/internal\\_market/securities/abuse/index\\_en.htm](http://ec.europa.eu/internal_market/securities/abuse/index_en.htm) This consultation is open until the 23<sup>rd</sup> July 2010. Responses should be addressed to: [markt-consultations@ec.europa.eu](mailto:markt-consultations@ec.europa.eu) . The Commission services will publish all responses received on the Commission website unless confidentiality is specifically requested.**

The responses to this consultation will provide important guidance to the Commission services to prepare the Commission proposal, which is currently scheduled for adoption before the end of the year.

### **Contacts**

Should you have any queries regarding the Commission's consultation document, please do not hesitate to contact:

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