



EUROPEAN COMMISSION

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*Mr Pietro GRASSO
President of the
Senato della Repubblica
Piazza Madama, 1
IT – 00186 ROMA*

Dear President,

The Commission would like to thank the Senato della Repubblica for its Opinion regarding the proposal to extend the date of application of Directive 2014/65/EU on markets in financial instruments ("MiFID II") {COM(2016) 56 final} and regarding the proposal to amend Regulations (EU) No 600/2014, (EU) No 596/2014 and EU (No) 909/2014 {COM(2016) 57 final}.

MiFID II was designed in response to the financial crisis to provide the European Union with more efficient, resilient and transparent financial markets. It is an ambitious reform requiring great commitment from legislators, regulators and market participants to deliver it.

The one-year extension of the date of application of MiFID II proposed by the European Commission in February 2016 is a direct consequence of the technical challenges faced by the European Securities and Markets Authority (ESMA) and competent national authorities in setting up an electronic infrastructure that is capable of processing data from more than 300 trading venues and for the more than 15 million financial instruments covered by MiFID II.

With regard to the extension of the transposition date of Directive 2014/65/EU¹ and Directive 2014/57/EU², the Commission understands the concern raised by the Senato della Repubblica and would like to point out that this matter has been discussed within the Council and the European Parliament. The discussions have led to a political

¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, OJ L 173, 12.6.2014.

² Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive), OJ L 173, 12.6.2014.

agreement including a one-year extension of the transposition date for Directive 2014/65/EU.

With regard to market abuse legislation, this political agreement addresses the major concerns of Member States related to the financial instruments reference data notifications to ESMA required by Article 4, paragraphs 2 and 3 of Regulation (EU) No 596/2014³. The extension of these provisions was justified due to their direct link to MiFID II. However, postponing the entire package, which is an important part of the regulatory framework promoting market integrity in the Union, would neither have been necessary nor desirable.

The political agreement has been endorsed by COREPER on 18 May 2016 and was adopted at the Plenary Session of the European Parliament on 7 June 2016.

The Commission hopes that these clarifications address the issues raised by the Senato della Repubblica and looks forward to continuing the fruitful political dialogue in the future.

Yours faithfully,

*Frans Timmerman
First Vice-President*

*Lord Hill
Member of the Commission*

³ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, OJ L173, 12.6.2014.