Basic information

2017/0358(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Prudential supervision of investment firms Amending Directive 2013/36/EU 2011/0203(COD) Amending Directive 2014/65/EU 2011/0298(COD) Amended by 2022/0404(COD) **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 2.50.05 Insurance, pension funds 2.50.08 Financial services, financial reporting and auditing 2.50.10 Financial supervision	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	FERBER Markus (PPE)	23/01/2018
	Shadow rapporteur DELVAUX Mady (S&D) LUCKE Bernd (ECR) TORVALDS Nils (ALDE) VIEGAS Miguel (GUE/NGL) GIEGOLD Sven (Verts/ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
JURI Legal Affairs	CHRYSOGONOS Kostas (GUE/NGL)	24/01/2018

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	3725	2019-11-08
European Commission	**Commission DG**	**Commissioner**	
	Financial Stability, Financial Services and Capital Markets Union	DOMBROVSKIS Valdis	
European Economic and Social Committee			

Key events

Date	Event	Reference	Summary
20/12/2017	Legislative proposal published	COM(2017)0791	Summary
18/01/2018	Committee referral announced in Parliament, 1st reading		
24/09/2018	Vote in committee, 1st reading		
24/09/2018	Committee decision to open interinstitutional negotiations with report adopted in committee		
27/09/2018	Committee report tabled for plenary, 1st reading	A8-0295/2018	Summary
01/10/2018	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
03/10/2018	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
01/04/2019	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE637.298 GEDA/A/(2019)002699	
15/04/2019	Debate in Parliament		
16/04/2019	Decision by Parliament, 1st reading	T8-0377/2019	Summary
16/04/2019	Results of vote in Parliament		
08/11/2019	Act adopted by Council after Parliament's 1st reading		
25/11/2019	End of procedure in Parliament		
27/11/2019	Final act signed		
05/12/2019	Final act published in Official Journal		

Technical information

Procedure reference	2017/0358(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2013/36/EU 2011/0203(COD) Amending Directive 2014/65/EU 2011/0298(COD)

	Amended by 2022/0404(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 053-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/11908

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE619.409	11/04/2018	
Amendments tabled in committee		PE623.597	04/06/2018	
Committee opinion	JURI	PE621.063	12/07/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0295/2018	27/09/2018	Summary
Text agreed during interinstitutional negotiations		PE637.298	20/03/2019	
Text adopted by Parliament, 1st reading/single reading		T8-0377/2019	16/04/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2019)002699	20/03/2019	
Draft final act	00079/2019/LEX	27/11/2019	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2017)0791	20/12/2017	Summary
Document attached to the procedure	SWD(2017)0481	21/12/2017	
Commission response to text adopted in plenary	SP(2019)440	08/08/2019	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2017)0791	05/03/2018	
Contribution	PT_PARLIAMENT	COM(2017)0791	08/03/2018	
Contribution	RO_SENATE	COM(2017)0791	28/03/2018	
Contribution	FR_SENATE	COM(2017)0791	07/10/2019	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ECB	European Central Bank: opinion, guideline, report	CON/2018/0036 OJ C 378 19.10.2018, p. 0005	22/08/2018	Summary

Additional information

Source	Document	Date
EP Research Service	Briefing	
European Commission	EUR-Lex	

Final act

Directive 2019/2034
OJ L 314 05.12.2019, p. 0064 Summary

Corrigendum to final act 32019L2034R(02)
OJ L 405 02.12.2020, p. 0084

Delegated acts

Reference	Subject
2021/2850(DEA)	Examination of delegated act
2021/2847(DEA)	Examination of delegated act
2021/2857(DEA)	Examination of delegated act
2023/2521(DEA)	Examination of delegated act
2023/2712(DEA)	Examination of delegated act
2023/2520(DEA)	Examination of delegated act
2023/2719(DEA)	Examination of delegated act

Prudential supervision of investment firms

2017/0358(COD) - 20/12/2017 - Legislative proposal

PURPOSE: to establish a proportionate and risk-based European prudential framework for investment firms.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: investment firms play an important role in facilitating savings and investment flows across the EU. They offer investors (retail, professional, corporate) various services that give them access to the securities and derivatives markets (investment advice, portfolio management, brokerage, execution of orders, etc.). Unlike credit institutions, investment firms do not take deposits or make loans. This means that they are **a lot less exposed to credit risk and the risk of depositors withdrawing their money** at short notice.

There were 6 051 investment firms in the European Economic Area (EEA) at the end of 2015. Most EEA investment firms are **small or medium-sized enterprises**. At present, these companies are concentrated in the United Kingdom, but considering relocating part of their operations in the EU-27, particularly to the Member States participating in the banking union. The UK decision to leave the EU highlights the need to modernise the EU's regulatory architecture.

As one of the new priority actions to strengthen capital markets, the Commission announced in its mid-term review of the Capital Markets Union action plan, that it would propose a more effective prudential and supervisory framework, calibrated to the size and nature of investment firms.

This proposal for a directive and the accompanying proposal for a regulation aim to ensure that **investment firms that are not systemically important** (the majority of them) are subject to capital and liquidity requirements and other key prudential requirements and supervisory measures that are tailored to their activities, but sufficiently stringent not to jeopardize the stability of the EU's financial markets.

The proposals are the outcome of a review mandated by Regulation (EU) No 575/2013 (Capital Requirements Regulation, or CRR) which, together with Directive 2013/36/EU (Capital Requirements Directive IV, or CRD IV), constitutes the current prudential framework for investment firms. The prudential framework applicable to investment firms set out in CRR / CRD IV works in conjunction with the MiFID II Directive / MiFIR Regulation on markets for financial instruments.

Systemically important investment firms, some of which qualify as globally important companies, would remain subject to the existing framework set out in CRR / CRD IV.

IMPACT ASSESSMENT: the review of the prudential framework for investment firms was carried out in consultation with the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the competent national authorities represented in these European Supervisory Authorities.

A working document accompanying the proposal concludes that, overall, the EBA recommendations **represent a step towards a prudential framework for investment firms**, which ensures that they operate on a sound financial basis, without hindering their commercial prospects.

CONTENT: the proposal for a directive **revises and simplifies existing EU rules governing the prudential treatment of investment firms** in order to (i) better accommodate and address risks in their business models; (ii) improve the level playing field among firms; and (iii) enhance supervisory convergence.

It applies to all investment firms covered by MIFID II, whose application is scheduled to begin in January 2018. In specific, the proposal:

- requires Member States to **designate an authority to exercise the prudential supervisory powers** provided for in this directive, transferring the relevant provisions of CRD IV to the proposed directive;
- revises and harmonises throughout the EU the **initial capital levels**, based on the services and activities that investment firms are authorised to provide in accordance with MIFID, from the levels stipulated in CRD IV to take into account inflation since these levels were set. Transitional arrangements are made to allow **smaller firms** in particular to attain the new amounts of initial capital where necessary;
- confers the powers set out in CRD IV on the authorities of **home and host countries** for the prudential supervision of investment firms and establishes the arrangements for cooperation between these authorities;
- introduces provisions for the **exchange of information** between the competent authorities on prudential supervision and professional secrecy on the basis of CRD IV;
- requires Member States to establish administrative **penalties** and other administrative measures that are effective, proportionate and dissuasive in order to deal with infringements of the provisions of the directive;
- introduces **simplified requirements** for investment firms and competent authorities to assess the adequacy of arrangements and procedures to ensure that firms comply with the provisions of the Directive;
- gives competent authorities the power to **review and evaluate the prudential status of investment firms** and to request, where appropriate, changes in areas such as governance and internal controls, risk management processes and procedures and, where necessary, set additional requirements, including capital and liquidity requirements;
- revise the rules on **corporate governance and remuneration** to prevent excessive risk taking by the staff of investment firms; however, small, non-interconnected investment firms would be exempt from these rules. The proposal requires investment firms to establish **appropriate ratios** between variable and fixed components of remuneration. In addition, it sets a threshold at firm and staff levels below which investment firms and/or staff members will benefit from the **derogations** from the application of the rules on the deferral and pay-out in instruments;
- provides for the possibility for the Union to conclude **agreements with third countries** regarding the means of supervising compliance with the group capital test. Administrative cooperation arrangements with third countries supervisory authorities may be concluded by the Member States and EBA to facilitate the exchange of information.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

Prudential supervision of investment firms

2017/0358(COD) - 27/09/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Markus FERBER (EPP, DE) on the proposal for a directive of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2013/36/EU and 2014/65/EU.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Objective: the proposed proposal for a Directive establishes **effective, appropriate and proportionate prudential arrangements** at Union level that help to ensure that investment firms authorised to operate within the Union operate on a sound financial basis and are managed in an orderly way including in the best interests of their clients. To this end, it shall establish rules concerning:

- the **initial capital** of investment firms;
- **supervisory powers and tools** for the prudential supervision of investment firms by competent authorities;
- **publication requirements** for competent authorities in the field of prudential supervision of investment firms.

These measures shall help to:

- provide a **level playing field** across the EU and guaranteeing effective prudential supervision, while keeping compliance costs in check and ensuring sufficient capital for the risks of most investment firms;
- strike a balance between ensuring the safety and soundness of different investment companies and avoiding excessive costs that might undermine the viability of their business activity;
- ensure **harmonised prudential supervision** of investment firms across the Union functioning promptly and efficiently.

Competent authorities: Member States shall designate one or more competent authorities to carry out the functions and duties provided for in the Directive and inform the Commission, the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) of this designation.

Competent authorities may apply the requirements of Regulation (EU) No 575/2013 (the Own Funds Regulation, or CRR) on an undertaking other than a credit institution provided that certain conditions are met, for example (i) the undertaking is not a commodity dealer or an emission allowances dealer, or a collective investment undertaking, or an insurance undertaking or (ii) it carries out activities similar to those of undertakings which accept deposits or other repayable funds from the public and grant credits on their own accounts.

Any investment firm providing services covered by this Directive shall be required to take out **professional liability insurance**.

Competent authorities shall ensure that the transition from the current framework to the new one offers sufficient regulatory certainty for investment firms and does not deprive them of substantive rights from which they had benefitted under the current framework.

Capital requirements: prudential supervision and assessment powers shall allow competent authorities to assess qualitative elements, including governance and internal controls and risk management processes and procedures, and, where appropriate, to define additional requirements, in particular with regard to capital and liquidity requirements.

Competent authorities shall only set **additional capital requirements** for risks not yet covered or insufficiently covered by the K factors defined in the draft regulation accompanying the proposed directive.

Remuneration policy: investment firms shall be subject to clear principles of corporate governance arrangements and rules on remuneration that are **gender neutral** and that take into account the differences between credit institutions and investment firms.

The remuneration policy shall: (i) be clearly documented and proportionate to the size, internal organisation, nature, scope and complexity of the investment firm's activities; (ii) be non-discriminatory, meaning that identical or similar jobs are remunerated in the same way, regardless of the gender of the person holding the position; (iii) take into account not only the short-term profitability but also the long-term effects of investment decisions.

At least **40%** of the variable compensation shall consist of shares or equity instruments. At least **50%** of the variable remuneration shall be deferred for a period of five years, depending on the length of the investment firm's business cycle, the nature of its activity, its risks and the activities of the individual in question. If the variable remuneration is particularly high, the proportion of the variable remuneration shall be at least 60%.

Environmental, social and governance objectives (ESG): the EBA shall prepare a report on the introduction of technical criteria related to exposures to activities associated substantially with environmental, social, and governance (ESG) objectives for the supervisory review and evaluation process of risks, with a view to assessing the possible sources and effects of such risks on investment firms.

It shall submit a report on its conclusions to the European Parliament, the Council and the Commission no later than two years after the date of entry into force of this Directive.

Prudential supervision of investment firms

2017/0358(COD) - 05/12/2019 - Final act

PURPOSE: to establish a proportionate and risk-based European prudential framework for investment firms.

LEGISLATIVE ACT: Directive (EU) 2019/2034 of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

CONTENT: the Directive is part of a package of measures (comprising a Regulation and a Directive) establishing a new regulatory framework for investment firms.

Investment firms are financial institutions whose main business is to hold and manage securities and derivatives for investment purposes on behalf of their clients. Until now all investment firms have been subject to the same capital, liquidity and risk management rules as banks. However, the Capital Requirements Regulation and Directive (CRR/CRD IV) do not take full account of the specificities of investment firms.

Prudential supervisory measures

The Directive lays down prudential requirements and supervisory measures adapted to the risk profile and business model of investment firms while safeguarding financial stability. To this end, it lays down rules on

- the initial capital of investment firms;

- supervisory powers and tools for the prudential supervision of investment firms by competent authorities;

- the prudential supervision of investment firms by competent authorities in a manner that is consistent with the rules set out in Regulation (EU) 2019 /2033;

- publication requirements for competent authorities in the field of prudential regulation and supervision of investment firms.

An effective and proportionate prudential framework

Investment firms shall be subject to the same key measures, in particular as regards capital holdings, reporting, corporate governance and remuneration, but the requirements they shall be required to apply will vary according to their size, nature and complexity:

- investment firms that provide bank-like services, such as proprietary trading, and whose consolidated assets exceed EUR 15 billion shall automatically fall under CRR/CRD IV;

- however, competent authorities may decide to apply the requirements of the Regulation and the Capital Requirements Directive (CRR/CRD IV) to investment firms which provide bank-type activities and whose total consolidated assets exceed EUR 5 billion, in particular where the size of the firm or its activities is likely to give rise to systemic risk;

- small firms which are not considered systemic shall benefit from a new adapted regime with specific prudential requirements.

Competent authorities shall ensure that investment firms have strategies and processes in place to assess and maintain the adequacy of their internal capital. They shall require non-interconnected small investment firms to apply similar requirements where appropriate.

Internal Governance

Investment firms shall have robust governance arrangements, including all of the following:

- a clear organisational structure with welldefined, transparent and consistent lines of responsibility;

- effective processes to identify, manage, monitor and report the risks that investment firms are or might be exposed to, or the risks that they pose or might pose to others;

- adequate internal control mechanisms, including sound administration and accounting procedures;

- remuneration policies and practices that are consistent with and promote sound and effective risk management. The principle of equal pay for men and women workers for equal work or work of equal value shall be applied consistently by investment firms.

Environmental, social and governance (ESG) objectives

The European Banking Authority (EBA) shall prepare a report on the introduction of technical criteria related to exposures to activities closely linked to environmental, social and governance (ESG) objectives for the supervisory review and evaluation process of risks, with a view to assessing the possible sources and effects of these risks on investment firms.

No later than 26 June 2024, the Commission shall submit a report to the European Parliament and the Council, accompanied where appropriate by a legislative proposal taking into account the EBA report, on whether ESG risks should be taken into account for the internal governance of an investment firm.

Third countries

The Commission shall submit recommendations to the Council for the negotiation of agreements between the Union and third countries for the practical exercise of supervision of compliance with the group capital test for investment firms, the parent undertakings of which are established in third countries, and for investment firms operating in third countries the parent undertakings of which are established in the Union.

In addition, Member States and the EBA shall conclude cooperation agreements with third countries for the purpose of carrying out their supervisory tasks.

ENTRY INTO FORCE: 25.12.2019.

TRANSPOSITION AND APPLICATION: from 26.6.2021.

Prudential supervision of investment firms

2017/0358(COD) - 22/08/2018

Opinion of the European Central Bank of 22 August 2018 on the review of prudential treatment of investment firms.

The ECB supports the objective of the proposed regulation and the proposed directive in setting out a prudential framework that is better adapted to the risks and business models of different types of investment firms.

Whilst the ECB generally supports the purpose of subjecting systemically important investment firms to the same prudential rules as credit institutions, the proposed acts should be carefully assessed in order to avoid unintended consequences for other Union legal acts due to the change in the definition of credit institutions.

In particular, the ECB wishes to assess the possible consequences of including Class 1 companies (those whose business consists of own account dealing, underwriting of financial instruments, or placing of financial instruments on a firm commitment basis and whose total assets exceed EUR 30 billion) in the definition of 'credit institution'.

Classification of investment firms as credit institutions

Under the proposed regulation the criteria according to which an investment firm is to be considered a credit institution within the meaning of Regulation (EU) No 575/2013 (Regulation on prudential requirements for credit institutions and investment firms, Capital Requirement Regulation – CRR) aim to capture systemic investment firms with total assets above certain thresholds.

The ECB welcomes this proposal given that firms which meet these criteria can pose increased financial stability risks. It considers that the proposed regulation should provide clarification as to how the assets are to be calculated, i.e. including the assets of Union branches of third country groups and third country subsidiaries of undertakings in the Union arising from their consolidated balance sheet.

It also suggests that the total asset threshold could be complemented with other criteria including for example a revenue criterion, significance of cross-jurisdictional activity or interconnectedness.

Statistical implications

The ECB notes the importance of ensuring a high degree of consistency and harmonised methodologies for statistical concepts and definitions in Union legislation and between Union statistical legislation and international statistical standards, in particular the System of National Accounts adopted by the United Nations Statistical Commission.

If Class 1 firms are classified as credit institutions, there would be inconsistencies in the common standards, definitions and classifications of relevance for the statistical treatment of financial corporations set out in Union legislation that would need to be remedied.

Macro-prudential perspective on investment firms

The proposed acts do not take on board the EBA recommendations on the need for a macro-prudential perspective on investment firms. A possible future review of the criteria for determining systemic investment firms may also consider whether certain macro-prudential tools could be developed to address specific risks that smaller investment firms could pose to financial stability.

Provision of services by third-country firms

Regarding the Commission's proposal to strengthen and further harmonise the Unionlegislation applicable to branches of third country investment firms, the ECB considers that the Union legislator might wish to give further consideration to the possibility of applying the harmonised rules to all branches, even those that provide services to professional clients and eligible counterparties, in order to ensure that material risks are addressed consistently across the Union and to avoid regulatory arbitrage.

The proposed regulation strengthens the regime outlined in Regulation (EU) No 600/2014 with regard to the provision of services and performance of activities by third country investment firms after an equivalence decision has been taken. The equivalence of third-country regulatory regimes is used in different areas of relevant Union law and consistency and additional enhancements to those approaches could be further considered.

Furthermore, in order to ensure a level playing field, the ECB suggests ensuring that such non-equivalent third-country firms are required over time to establish a branch (or a subsidiary) in the Union in order to provide any investment services in the Union.

Alignment

The ECB recommends that the interplay between the proposed acts and Directive 2013/36/EU and Regulation (EU) No 575/2013 should be carefully assessed in order to avoid unintended consequences due to the change in the definition of credit institutions. The proposals should, for example, aim to align the wording in the different sectoral acts of Union law so as to harmonise, where appropriate, the scope of professional secrecy obligations.

Prudential supervision of investment firms

2017/0358(COD) - 16/04/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 534 votes to 63, with 55 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2013/36/EU and 2014/65/EU.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amend the Commission's proposal as follows.

Objective

The proposed proposal for a Directive establishes effective, appropriate and proportionate prudential arrangements at Union level that help to ensure that investment firms authorised to operate within the Union operate on a sound financial basis and are managed in an orderly way including in the best interests of their clients.

To this end, it shall establish rules concerning:

- the initial capital of investment firms;

- supervisory powers and tools for the prudential supervision of investment firms by competent authorities;

- publication requirements for competent authorities in the field of prudential supervision of investment firms.

Discretion of competent authorities to subject certain investment firms to the requirements of Regulation (EU) 575/2013 (the Own Funds Regulation, or CRR)

Competent authorities may decide to apply the requirements of the Regulation and the Capital Requirements Directive (CRR/CRD IV) to an investment firm that carries out any of the activities where the total value of the consolidated assets of the investment firm exceeds EUR 5 billion, in particular where the firm carries out these activities on such a scale that the failure or distress of the investment firm could lead to systemic risk.

Investment firms which are not considered small and non-interconnected should have internal capital available which is adequate in quantity, quality and distribution to cover the specific risks to which they are or may be exposed. Competent authorities should ensure that investment firms have the adequate strategies and processes in place to assess and maintain the adequacy of their internal capital. Competent authorities should be able to request also small and non-interconnected firms to apply similar requirements where appropriate.

Competent authorities could define additional requirements, in particular with regard to capital and liquidity requirements, in particular for investment firms that are not considered to be small non-interconnected investment firms and, where the competent authority considers it justified and appropriate, for small non-interconnected investment firms.

Remuneration policy

The remuneration policy shall: (i) be clearly documented and proportionate to the size, internal organisation, nature, scope and complexity of the investment firm's activities; (ii) be a gender neutral remuneration policy; (iii) be in line with the business strategy and objectives of the investment firm, and also takes into account long term effects of the investment decisions taken; (iv) be subject, at least once a year, to a central and independent internal review on control functions.

Member States shall ensure that investment firms provide the competent authorities, on request, with the total amounts of remuneration for each member of the management body or general management.

EBA report on environmental, social or governance (ESG) related risks

EBA shall prepare a report on the introduction of technical criteria related to exposures to activities associated substantially with environmental, social, and governance (ESG) objectives for the supervisory review and evaluation process of risks, with a view to assessing the possible sources and effects of such risks on investment firms.

The EBA shall submit a report on its conclusions to the European Parliament, the Council and the Commission no later than two years after the date of entry into force of this Directive.

Cooperation between the competent authorities of different Member States

The competent authorities of different Member States should cooperate closely in carrying out their tasks under the Directive, in particular by exchanging information on investment firms without delay.

Any investment firm may trade through a clearing member in another Member State. The amended text provides that the competent authority of an investment firm’s home Member State may request to the competent authority of a clearing member’s home Member State information relating to the margin model and parameters used for the calculation of the margin requirement of the relevant investment firm.

Sanctions

To safeguard compliance with the obligations laid down in this Directive, Member States should provide for administrative sanctions and other administrative measures which are effective, proportionate and dissuasive. In order to ensure that administrative sanctions have a dissuasive effect they should be published except in certain well-defined circumstances. To enable clients and investors to make an informed decision about their investment options, those clients and investors should have access to information on administrative sanctions and measures imposed on investment firms.