Basic information

2021/0384(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Amendments to the Markets in Financial Instruments Directive (MiFID 2) Amending Directive 2014/65 2011/0298(COD) **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.08 Financial services, financial reporting and auditing 2.50.10 Financial supervision **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022 Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	HÜBNER Danuta Maria (EPP)	02/12/2021
	Shadow rapporteur HEINÄLUOMA Eero (S&D) BEER Nicola (Renew) DELLI Karima (Greens /EFA) VAN OVERTVELDT Johan (ECR) BECK Gunnar (ID)	

Council of the European Union

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	MCGUINNESS Mairead

European Central Bank

Key events

Date	Event	Reference	Summary

25/11/2021	Legislative proposal published	COM(2021)0726	Summary
27/01/2022	Committee referral announced in Parliament, 1st reading		
01/03/2023	Vote in committee, 1st reading		
01/03/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
02/03/2023	Committee report tabled for plenary, 1st reading	A9-0039/2023	Summary
13/03/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
15/03/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
24/10/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE754.881 GEDA/A/(2023)006074 PE754.922	
15/01/2024	Debate in Parliament		
16/01/2024	Decision by Parliament, 1st reading	T9-0003/2024	Summary
16/01/2024	Results of vote in Parliament		
20/02/2024	Act adopted by Council after Parliament's 1st reading		
28/02/2024	Final act signed		
08/03/2024	Final act published in Official Journal		

Technical information

Procedure reference	2021/0384(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2014/65 2011/0298(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 053-p1
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Central Bank
Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/07806

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE735.505	19/07/2022	
Amendments tabled in committee		PE737.327	20/10/2022	

Committee report tabled for plenary, 1st reading/single reading		A9-0039/2023	02/03/2023	Summary
Text agreed during interinstitutional negotiations		PE754.881	19/10/2023	
Committee letter confirming interinstitutional agreement		PE754.922	19/10/2023	
Text adopted by Parliament, 1st reading/single reading		T9-0003/2024	16/01/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2023)006074	18/10/2023	
Draft final act	00062/2023/LEX	28/02/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0726	25/11/2021	Summary
Document attached to the procedure	SWD(2021)0346	25/11/2021	
Document attached to the procedure	SWD(2021)0347	25/11/2021	
Commission response to text adopted in plenary	SP(2024)81	15/04/2024	
Follow-up document	COM(2026)0251	26/05/2026	

Additional information

Source	Document	Date
European Parliament	Briefing	27/06/2022
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
GUSMÃO José	Shadow rapporteur	ECON	13/02/2023	Better Finance
BEER Nicola	Shadow rapporteur	ECON	08/02/2023	Federation of European Securities Exchanges
HEINÄLUOMA Eero	Shadow rapporteur	ECON	08/02/2023	The Lux banking association
BEER Nicola	Shadow rapporteur	ECON	07/02/2023	Euronext

HEINÄLUOMA Eero	Shadow rapporteur	ECON	25/01/2023	Citadel LLC
VAN OVERTVELDT Johan	Shadow rapporteur	ECON	24/01/2023	Euronext
HEINÄLUOMA Eero	Shadow rapporteur	ECON	12/01/2023	Dutch permanent representation
HEINÄLUOMA Eero	Shadow rapporteur	ECON	11/01/2023	NASDAQ
BEER Nicola	Shadow rapporteur	ECON	09/12/2022	Commerzbank AG Plus Ultra GmbH H&N Energien GmbH Vitronic Aqseptence GmbH STORK Umweltdienste GmbH
HEINÄLUOMA Eero	Shadow rapporteur	ECON	08/12/2022	ESMA
GUSMÃO José	Shadow rapporteur	ECON	18/11/2022	FESE and co-chair of EACH
BEER Nicola	Shadow rapporteur	ECON	16/11/2022	Deutsche Bausparkassen
BEER Nicola	Shadow rapporteur	ECON	26/10/2022	Bundesverbandes Öffentlicher Banken
HEINÄLUOMA Eero	Shadow rapporteur	ECON	13/10/2022	Associated Motor Finance
HEINÄLUOMA Eero	Shadow rapporteur	ECON	05/10/2022	Euronext
HEINÄLUOMA Eero	Shadow rapporteur	ECON	27/09/2022	Dutch ministry of finance
BEER Nicola	Shadow rapporteur	ECON	06/09/2022	Deutscher Sparkassen-und Giroverband
HEINÄLUOMA Eero	Shadow rapporteur	ECON	05/09/2022	UK Permanent representative
HEINÄLUOMA Eero	Shadow rapporteur	ECON	30/08/2022	ESMA
VAN OVERTVELDT Johan	Shadow rapporteur	ECON	29/08/2022	Euronext
HÜBNER Danuta Maria	Rapporteur	ECON	14/07/2022	European Federation of Investors and Financial Services Users
BEER Nicola	Shadow rapporteur	ECON	13/07/2022	Börse Stuttgart
BEER Nicola	Shadow rapporteur	ECON	11/07/2022	Natango Invest GmbH
HÜBNER Danuta Maria	Rapporteur	ECON	06/07/2022	American Chamber of Commerce to the European Union
BEER Nicola	Shadow rapporteur	ECON	29/06/2022	Deutscher Sparkassen- und Giroverband
HÜBNER Danuta Maria	Rapporteur	ECON	15/06/2022	Permanent Representation of Sweden to the EU
VAN OVERTVELDT Johan	Shadow rapporteur	ECON	09/06/2022	FESE
VAN OVERTVELDT Johan	Shadow rapporteur	ECON	08/06/2022	AFME
BEER Nicola	Shadow rapporteur	ECON	31/05/2022	Smartbroker AG
BEER Nicola	Shadow rapporteur	ECON	30/05/2022	Gass Capital Markets GmbH
HEINÄLUOMA Eero	Shadow rapporteur	ECON	10/05/2022	Deutche Borse
HÜBNER Danuta Maria	Rapporteur	ECON	10/05/2022	Giełda Papierów Wartościowych w Warszawie S.A.
BEER Nicola	Shadow rapporteur	ECON	06/05/2022	Deutsche Vermögensberatung AG

BEER Nicola	Shadow rapporteur	ECON	06/05/2022	Morgan Stanley
BEER Nicola	Shadow rapporteur	ECON	28/04/2022	Deutsche Börse AG
HÜBNER Danuta Maria	Rapporteur	ECON	27/04/2022	European Economic and Social Committee
BEER Nicola	Shadow rapporteur	ECON	27/04/2022	Deutscher Sparkassen- und Giroverband
HÜBNER Danuta Maria	Rapporteur	ECON	05/04/2022	Investment Company Institute
HEINÄLUOMA Eero	Shadow rapporteur	ECON	01/04/2022	JP Morgan
BEER Nicola	Shadow rapporteur	ECON	30/03/2022	Nasdaq
HEINÄLUOMA Eero	Shadow rapporteur	ECON	24/03/2022	Nordic Securities Association
BEER Nicola	Shadow rapporteur	ECON	23/03/2022	Cboe Europe
HEINÄLUOMA Eero	Shadow rapporteur	ECON	23/03/2022	Tradeweb Europe Limited
BEER Nicola	Shadow rapporteur	ECON	23/03/2022	Deutsche Kreditwirtschaft
HEINÄLUOMA Eero	Shadow rapporteur	ECON	18/03/2022	Scalable Capital
BEER Nicola	Shadow rapporteur	ECON	17/03/2022	Trade Republic
BEER Nicola	Shadow rapporteur	ECON	16/03/2022	Commerzbank AG
BEER Nicola	Shadow rapporteur	ECON	16/03/2022	BVI
HÜBNER Danuta Maria	Rapporteur	ECON	15/03/2022	European Association of Corporate Treasurers
HÜBNER Danuta Maria	Rapporteur	ECON	15/03/2022	Jane Street Group
HÜBNER Danuta Maria	Rapporteur	ECON	14/03/2022	NASDAQ
BEER Nicola	Shadow rapporteur	ECON	11/03/2022	Deutsche Bank
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Allianz SE
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Vanguard Asset Management Limited
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Invesco Management SA
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Schroders Investment Management (Europe) SA
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Fidelity International
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	BlackRock
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Fleishman-Hillard
HÜBNER Danuta Maria	Rapporteur	ECON	09/03/2022	Euronext
HÜBNER Danuta Maria	Rapporteur	ECON	07/03/2022	International Capital Market Association
HEINÄLUOMA Eero	Shadow rapporteur	ECON	03/03/2022	Black rock
HÜBNER Danuta Maria	Rapporteur	ECON	03/03/2022	Die Deutsche Kreditwirtschaft
HÜBNER Danuta Maria	Rapporteur	ECON	02/03/2022	Trade Republic Bank GmbH

HÜBNER Danuta Maria	Rapporteur	ECON	02/03/2022	Deutsche Börse Group
HÜBNER Danuta Maria	Rapporteur	ECON	02/03/2022	Association française des marchés financiers (AMAFI)
HÜBNER Danuta Maria	Rapporteur	ECON	01/03/2022	Optiver
HÜBNER Danuta Maria	Rapporteur	ECON	28/02/2022	Polish Ministry of Finance
HÜBNER Danuta Maria	Rapporteur	ECON	24/02/2022	BVI (German Fund Industry)
HÜBNER Danuta Maria	Rapporteur	ECON	23/02/2022	Scalable Capital
HÜBNER Danuta Maria	Rapporteur	ECON	22/02/2022	Federation of European Securities Exchanges (FESE)
HÜBNER Danuta Maria	Rapporteur	ECON	22/02/2022	International Swaps and Derivatives Association (ISDA)
HÜBNER Danuta Maria	Rapporteur	ECON	21/02/2022	European Fund and Asset Management Association (EFAMA)
HÜBNER Danuta Maria	Rapporteur	ECON	21/02/2022	JP Morgan
HÜBNER Danuta Maria	Rapporteur	ECON	21/02/2022	Blackrock
HÜBNER Danuta Maria	Rapporteur	ECON	18/02/2022	DDV (German Association of Structured Securities)
HÜBNER Danuta Maria	Rapporteur	ECON	18/02/2022	Nordic Securities Association (NSA)
HÜBNER Danuta Maria	Rapporteur	ECON	17/02/2022	EURONEXT
HÜBNER Danuta Maria	Rapporteur	ECON	15/02/2022	Association for Financial Markets in Europe (AFME)
HÜBNER Danuta Maria	Rapporteur	ECON	11/02/2022	European Fund and Asset Management Association (EFAMA) European Forum of Securities Associations (EFSA)
HÜBNER Danuta Maria	Rapporteur	ECON	27/01/2022	CBOE
HÜBNER Danuta Maria	Rapporteur	ECON	25/01/2022	Commerzbank
HÜBNER Danuta Maria	Rapporteur	ECON	16/01/2022	ISDA
HÜBNER Danuta Maria	Rapporteur	ECON	14/01/2022	Citadel

Other Members

Transparency

Name	Date	Interest representatives
FERNÁNDEZ Jonás	03/03/2023	Inverco
DE LANGE Esther	20/02/2023	Europex - Association of European Energy Exchanges
LALUCQ Aurore	16/02/2023	Europex - Association of European Energy Exchanges
LALUCQ Aurore	09/02/2023	Euronext
DE LANGE Esther	02/02/2023	Intercontinental Exchange, Inc.
LALUCQ Aurore	24/01/2023	Stéphane Boujnah (Euronext)
BOYER Gilles	13/12/2022	FTI Consulting Belgium
BOYER Gilles	09/12/2022	Gide
LALUCQ Aurore	08/12/2022	Delphine d'Amarzi (Euronext)

BOYER Gilles	11/10/2022	Trade Republic Bank GmbH
BOYER Gilles	09/09/2022	Association Française des Marchés Financiers
ANDRESEN Rasmus	16/02/2022	Trade Republic Bank GmbH (Trade Republic) Identification number: 068521543634-79

Final act
Directive 2024/0790 OJ OJ L 08.03.2024

Amendments to the Markets in Financial Instruments Directive (MiFID 2)

2021/0384(COD) - 25/11/2021 - Legislative proposal

PURPOSE : to amend the Markets in Financial Instruments Directive (MiFID) in order to enhance market data transparency.

PROPOSED ACT: Directive 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: the MiFID/MiFIR framework is the rulebook governing participation in European capital markets. It consists of a directive (Directive 2014/65/EU, MiFID II) and a regulation (Regulation (EU) No 600/2014, MiFIR).

In 2007, MiFID I introduced competition in the market for equity trading. Later iterations of MIFID extended competition to trading in non-equity asset classes, such as bonds and derivatives. The consequence is that, when a broker or investor wants to execute an order to buy or sell an asset, they can choose from different venues, such as regulated markets (RMs), multilateral trading facilities (MTFs), dark pools, and systematic internalisers (SIs).

Today, financial instruments, such as shares and bonds, are traded in the EU across about 500 execution platforms (across all asset classes). All these platforms need to publish information about each transaction, such as the volume, time and price of the transaction. This makes the information very fragmented and only few big players are able to have a comprehensive overview of the market.

As regards **data consolidation**, the proposal already comprises the concept of ‘consolidated tape’ meaning a centralised database that will provide easy access to consolidated market data to all investors, large and small (asset managers, pension funds, retail investors), and to financial intermediaries, such as brokers. The idea behind a ‘consolidated tape provider’ (CTP) is that exchanges and alternative trading venues would send real-time data streams to an accredited CTP. This CTP would make available to the public the exact same information, at so-called reasonable cost, using identical data tags and formats.

The proposal is part of a package of measures for the CMU which also includes:

- a legislative proposal to revise the Markets in Financial Instruments Regulation (MiFIR);

- a legislative proposal to establish a European Single Access Point (ESAP);

- a legislative proposal to revise the European Long Term Investment Fund (ELTIF) Regulation;

- a legislative proposal to revise the Directive on Alternative Investment Fund Managers.

CONTENT: this proposal aims to amend the MiFID. It is **strictly a complement to the proposal to amend MiFIR**. It is limited on the one hand to the deletion of certain provisions in MiFID II which will become superfluous as a result of the modifications to MiFIR, and on the other hand to the creation of legal obligations for Member States to organise the supervision of rules newly set out in MiFIR.

More specifically, the proposal:

- deletes or replace s provisions in MiFID II that will become superfluous as a result of the proposed amendments to MiFIR in this package;

- removes the licensing requirement for persons dealing on own account on a trading venue by means of direct electronic access to the extent that they do not provide or perform any other investment services;

- requires Member States to oblige investment firms and market operators operating a multilateral trading facility or organised trading facility to have arrangements in place to ensure they meet the data quality standards now enacted in MiFIR;

- requires Member States to oblige regulated markets to have arrangements in place to ensure the data quality standards now enacted in MiFIR;

- requires Member States to also provide for sanctions for infringements of certain new provisions in MiFIR in relation to the reviewed volume cap mechanism, to mandatory contributions to consolidated tape providers, to the quality of data reported to consolidated tape providers as well as to payments for order flow.

Amendments to the Markets in Financial Instruments Directive (MiFID 2)

2021/0384(COD) - 16/01/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 521 votes to 19, with 57 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2014/65/EU on markets in financial instruments (MiFID 2).

The proposed directive aims to improve transparency on markets in financial instruments and to enhance the international competitiveness of the Union's capital markets.

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

Systematic internaliser

The amended directive introduced the definition of 'systematic internaliser' to mean an investment firm which, on an organised, frequent and systematic basis, deals on own account in equity instruments by executing client orders outside a regulated market, a multilateral trading facilities (MTF) or an organised trading facility (OTF), without operating a multilateral system, or which opts in to the status of systematic internaliser.

Taking into account that Regulation (EU) No 600/2014 on markets in financial instruments is amended to exclude systematic internalisers from the scope of the pre-trade transparency requirements for non-equity instruments, the qualitative assessment of systematic internalisers should apply only to equity instruments. It should, however, be possible for an investment firm to opt in to become a systematic internaliser for non-equity instruments.

Obligation to execute orders on terms most favourable to the client

The amended text stipulated that with regard to financial instruments that are subject to the trading obligations laid down in Regulation (EU) No 600 /2014, Member States should require that, following the execution of an order on behalf of a client, an investment firm inform the client of the venue where the order was executed.

In addition, Member States should require investment firms which execute client orders to monitor the effectiveness of their order execution arrangements and execution policy for the purpose of identifying and, where appropriate, correcting any deficiencies. In particular, Member States should require such investment firms to assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for the client or whether they need to make changes to their execution arrangements.

Member States should require investment firms to notify clients with whom they have an ongoing client relationship of any material changes to their order execution arrangements or execution policy.

ESMA should develop draft regulatory technical standards to specify the criteria to be taken into account in establishing and assessing the effectiveness of the order execution policy.

Organisational requirements

Member States should require the regulated markets to have at least three materially active members or users, each having the opportunity to interact with all the others in respect of price formation.

Systems resilience

Member States should require a regulated market:

- to be able to temporarily halt or constrain trading in emergency situations or in the event of a significant price movement in a financial instrument on that market or a related market during a short period and, in exceptional cases, to be able to cancel, vary or correct any transaction;

- to ensure that the parameters for halting or constraining trading are appropriately calibrated in a way which takes into account the liquidity of different asset classes and sub-classes, the nature of the market model and the types of users, and is sufficient to avoid significant disruptions to the orderliness of trading;

- to disclose publicly on its website information about the circumstances leading to the halting or constraining of trading and on the principles for establishing the main technical parameters used to do so.

Where a regulated market does not halt or constrain trading, despite the fact that a significant price movement in a financial instrument or related financial instruments has led to disorderly trading conditions on one or several markets, competent authorities should be able to take appropriate measures to re-establish the normal functioning of the markets, including using the supervisory powers.

Position limits and position management controls in commodity derivatives

Member States should ensure that an investment firm or a market operator operating a trading venue which trades in commodity derivatives or derivatives of emission allowances applies position management controls, including powers for the trading venue to obtain information, including all relevant documentation, from persons about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements, and any related assets or liabilities in the underlying market.

Position reporting by categories of position holders

The investment firm or a market operator operating a trading venue which trades in commodity derivatives or in derivatives of emission allowances should make public, for trading venues where options are traded, two weekly reports (for trading venues where options are not traded, a weekly report is sufficient).

Investment firms trading in commodity derivatives or in derivatives of emission allowances outside a trading venue should provide, on at least a daily basis, the central competent authority with a complete breakdown of their positions taken in economically equivalent OTC contracts as well as of those of their clients and the clients of those clients until the end client is reached.

The Commission should, after consulting ESMA, the EBA and ACER, submit reports to the European Parliament and to the Council containing a comprehensive assessment of the markets for commodity derivatives, for emission allowances and for derivatives of emission allowances.

Amendments to the Markets in Financial Instruments Directive (MiFID 2)

2021/0384(COD) - 02/03/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Danuta Maria HÜBNER (EPP, PL) on the proposal for a directive of the European Parliament and of the Council amending Directive 2014/65/EU on markets in financial instruments.

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

Systematic internaliser

The report seeks to amend Directive 2014/65/EU regarding a systematic internaliser. The Article provides that an investment firm should be considered to be a systematic internaliser only when it is deemed to perform its activities on an organised, frequent, systematic and substantial basis or when it chooses to opt-in under the systematic internaliser regime. The quantitative criteria, related to the transaction reporting role of systematic internalisers, have led to a significant increase in the number of systematic internalisers in the Union and in the regulatory burden both on ESMA, which is required to assess the quantitative criteria for investment firms that qualify as systematic internalisers, and on investment firms themselves. In particular, the regulatory burden disproportionately affects smaller investment firms, which would benefit from a lighter and more flexible regime. Directive 2014/65 /EU should therefore **limit the systematic internaliser regime** to investment firms that meet the qualitative criteria or investment firms that choose to opt-in to the systematic internaliser regime.

Clarification of best execution

Directive 2014/65/EU contains an article on the obligation to execute orders on terms most favourable to the client (‘best execution’). However, different interpretations of that article by national competent authorities have led to widely diverging application of best execution requirements and of market practice supervision. Therefore, the report proposes to **clarify best execution requirements** for professional clients. ESMA should develop **draft regulatory technical standards** on the criteria that should be taken into account for the purpose of defining and assessing the order execution policy.

Market volatility

Directive 2014/65/EU contains rules that require trading venues to implement mechanisms designed to limit excessive volatility in the markets, notably trading halts and price collars. However, the extreme circumstances that energy and commodity derivatives markets have experienced throughout the energy crisis of 2022 have led to a very low number of activations of those mechanisms and have shown that there is a lack of transparency around the activation of those mechanisms by the relevant trading venues in the Union.

The report calls for further information and more **transparency** on the circumstances that lead to trading being halted and on the main principles for establishing the technical parameters connected to the activation of those mechanisms. In addition, ESMA should consider to what extent the level of discretion left to trading venues regarding to the activation of those mechanisms should be reduced.

In addition, national competent authorities should carefully monitor the use of those mechanisms by trading venues and make use of their supervisory powers as appropriate.

Commodity derivatives markets

ESMA should consider that commodity derivatives markets play an important role in ensuring that market participants can properly risk manage the necessary investments for the energy transition. The report highlights the importance of setting the right parameters to ensure that the Union has competitive liquid commodity derivatives markets that ensure the strategic autonomy of the Union, while preventing market abuse and supporting orderly pricing and settlement conditions.