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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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## I

(Legislative acts)

## REGULATIONS

## REGULATION (EU) 2016/1033 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 23 June 2016

amending Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) No 596/2014 on market abuse and Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank <sup>(1)</sup>,

Having regard to the opinion of the European Economic and Social Committee <sup>(2)</sup>,

Acting in accordance with the ordinary legislative procedure <sup>(3)</sup>,

Whereas:

- (1) Regulation (EU) No 600/2014 of the European Parliament and of the Council <sup>(4)</sup> and Directive 2014/65/EU of the European Parliament and of the Council <sup>(5)</sup> (together, 'the new legal framework') are major financial legislative acts adopted in the wake of the financial crisis as regards securities markets, investment intermediaries and trading venues. The new legal framework reinforces and replaces Directive 2004/39/EC of the European Parliament and of the Council <sup>(6)</sup>.
- (2) The new legal framework governs the requirements applicable to investment firms, regulated markets, data reporting services providers and third country firms providing investment services or activities in the Union. It

<sup>(1)</sup> Opinion of 29 April 2016 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion of 26 May 2016 (not yet published in the Official Journal).

<sup>(3)</sup> Position of the European Parliament of 7 June 2016 (not yet published in the Official Journal) and Council decision of 17 June 2016 (not yet published in the Official Journal).

<sup>(4)</sup> Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

<sup>(5)</sup> 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, p. 349).

<sup>(6)</sup> Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

harmonises the position limits regime for commodity derivatives to improve transparency, to support orderly pricing and to prevent market abuse. It also introduces rules on high-frequency algorithmic trading and improves the oversight of financial markets by harmonising administrative sanctions. Building on the rules already in place, the new legal framework also strengthens the protection of investors by introducing robust organisational and conduct requirements. The new rules are to apply from 3 January 2017.

- (3) The new legal framework requires trading venues and systematic internalisers to provide competent authorities with financial instrument reference data that describe in a uniform manner the characteristics of every financial instrument that is subject to Directive 2014/65/EU. Those data are also used for other purposes, for instance for the calculation of transparency and liquidity thresholds, as well as for the reporting of positions in commodity derivatives.
- (4) In order to collect data in an efficient and harmonised manner, a new data collection infrastructure, the Financial Instruments Reference Data System ('FIRDS'), is being developed by the European Securities and Markets Authority ('ESMA') in conjunction with national competent authorities ('NCAs'). FIRDS will cover a wide range of financial instruments brought into the scope of Regulation (EU) No 600/2014 and it will link data feeds between ESMA, NCAs and trading venues across the Union. The vast majority of the new IT-systems underpinning FIRDS will need to be built from scratch, based on new parameters.
- (5) Given the complexity of the new legal framework and the need for a very high number of delegated and implementing acts, the date of applicability of Regulation (EU) No 600/2014 was deferred by 30 months from the date of entry into force. Despite this unusually long period, stakeholders, such as trading platforms, NCAs and ESMA are not in a position to ensure that the necessary data collection infrastructures will be in place and become operational by 3 January 2017. This is due to the size and complexity of the data needed to be collected and processed for the new legal framework to become operational, in particular for transaction reporting, transparency calculations and the reporting of positions in commodity derivatives.
- (6) The absence of the necessary data collection infrastructures would have implications across the entire scope of the new legal framework. Without data, it would not be feasible to establish a precise delineation of financial instruments that fall within the scope of the new legal framework. Furthermore, it would not be possible to tailor the pre-trade and post-trade transparency rules, in order to determine which instruments are liquid and when waivers or deferred publication should be granted.
- (7) In the absence of the necessary data collection infrastructures, trading venues and investment firms would not be able to report executed transactions to competent authorities. In the absence of reporting of positions in commodity derivatives, it would be difficult to enforce position limits on such commodity derivatives. With no position reporting, there would be limited ability to effectively detect breaches of the position limits. Many of the requirements in relation to algorithmic trading are also dependent on data.
- (8) The absence of the necessary data collection infrastructures would also make it difficult for investment firms to apply best execution rules. Trading venues and systematic internalisers would not be able to publish data relating to the quality of execution of transactions on those venues. Investment firms would not be provided with important execution data to help them determine the best way to execute client orders.
- (9) In order to ensure legal certainty and avoid potential market disruption, it is necessary and justified to take urgent action to defer the entry into application of the new legal framework in its entirety, including all delegated and implementing acts adopted thereunder.
- (10) The implementation process for the data collection infrastructures involves five steps: business requirements, specifications, development, testing and deployment. ESMA estimates that those steps will be completed by January 2018, provided that there is legal certainty on the final requirements under the relevant regulatory technical standards by June 2016.
- (11) In light of the exceptional circumstances and in order to enable ESMA, NCAs and stakeholders to complete the operational implementation, it is appropriate to defer the date of application of Regulation (EU) No 600/2014 by 12 months until 3 January 2018. Reports and reviews should be deferred accordingly.

- (12) Investment firms often execute, on their own account or on behalf of clients, transactions in derivatives and other financial instruments or assets that comprise a number of interlinked, contingent trades. Such package transactions enable investment firms and their clients to better manage their risks, with the price of each component of the package transaction reflecting the overall risk profile of the package rather than the prevailing market price of each component. Package transactions can take various forms, such as exchange for physicals, trading strategies executed on trading venues, or bespoke package transactions, and it is important to take those specificities into account when calibrating the applicable transparency regime. It is therefore appropriate to specify for the purpose of Regulation (EU) No 600/2014 the specific circumstances in which pre-trade transparency requirements should not apply to orders relating to such package transactions, nor to any individual component of such orders.
- (13) As a body with highly specialised expertise, it would be efficient and appropriate to entrust ESMA with the elaboration of draft regulatory technical standards which do not involve policy choices for submission to the Commission regarding a methodology for determining those package orders for which there is a liquid market. The Commission should adopt those draft regulatory technical standards by means of delegated acts pursuant to Article 290 of the Treaty on the Functioning of the Union and in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council <sup>(1)</sup>.
- (14) It is considered that securities financing transactions, as defined in Regulation (EU) 2015/2365 of the European Parliament and of the Council <sup>(2)</sup>, do not contribute to the price discovery process and that it would be appropriate that Title II and Title III of Regulation (EU) No 600/2014 not apply to those transactions.
- (15) Regulation (EU) No 596/2014 of the European Parliament and of the Council <sup>(3)</sup> establishes requirements regarding the collection of financial instrument reference data. Those data, that are collected via FIRDS, are used to determine the financial instruments that fall within the scope of Regulation (EU) No 596/2014. Regulation (EU) No 596/2014 applies from 3 July 2016. However, FIRDS will not be fully operational before January 2018. It is therefore appropriate to defer the date of application of Article 4(2) and (3) of Regulation (EU) No 596/2014 until 3 January 2018.
- (16) Regulation (EU) No 596/2014 contains reference to the date of application of the new legal framework. In order to ensure that references in Regulation (EU) No 596/2014 to organised trading facilities, small and medium-sized enterprises' ('SME') growth markets, emission allowances or auctioned products based thereon do not apply until the date of application of Regulation (EU) No 600/2014 and Directive 2014/65/EU, Article 39(4) of Regulation (EU) No 596/2014 stating that references to them are read as references to Directive 2004/39/EC should be adjusted taking into account the extension of the date of application of those acts.
- (17) The settlement of securities transactions is closely linked to securities trading. As such, Regulation (EU) No 909/2014 of the European Parliament and of the Council <sup>(4)</sup> contains references to the date of application of the new legal framework. Before that date, the references to Regulation (EU) No 600/2014 and Directive 2014/65/EU should be read as references to Directive 2004/39/EC. Regulation (EU) No 909/2014 further creates a transitional regime for the application of the rules on settlement discipline to multilateral trading facilities ('MTFs') applying for registration as SME growth markets in accordance with Directive 2014/65/EU.
- (18) In order to ensure that Directive 2004/39/EC is referenced in Regulation (EU) No 909/2014 until the extended date of application of the new legal framework and that the transitional provisions for MTFs applying for registration as SME growth markets under Regulation (EU) No 909/2014 are maintained so as to provide sufficient time for MTFs to apply for such registration under Directive 2014/65/EU, Regulation (EU) No 909/2014 should be amended.

<sup>(1)</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

<sup>(2)</sup> Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1).

<sup>(3)</sup> 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 L 173, 12.6.2014, p. 1).

<sup>(4)</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).

- (19) Regulations (EU) No 600/2014, (EU) No 596/2014 and (EU) No 909/2014 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

*Article 1*

Regulation (EU) No 600/2014 is amended as follows:

- (1) in Article 1, the following paragraph is inserted:

‘5a. Title II and Title III of this Regulation shall not apply to securities financing transactions as defined in point (11) of Article 3 of Regulation (EU) 2015/2365 of the European Parliament and of the Council (\*).

(\*) Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1).;’

- (2) in Article 2(1), the following points are added:

‘(48) “exchange for physical” means a transaction in a derivative contract or other financial instrument contingent on the simultaneous execution of an equivalent quantity of an underlying physical asset;

(49) “package order” means an order priced as a single unit:

(a) for the purpose of executing an exchange for physical; or

(b) in two or more financial instruments for the purpose of executing a package transaction;

(50) “package transaction” means:

(a) an exchange for physical; or

(b) a transaction involving the execution of two or more component transactions in financial instruments and which fulfils all of the following criteria:

(i) the transaction is executed between two or more counterparties;

(ii) each component of the transaction bears meaningful economic or financial risk related to all the other components;

(iii) the execution of each component is simultaneous and contingent upon the execution of all the other components.’;

- (3) in Article 4(7), the date ‘3 January 2017’ is replaced by ‘3 January 2018’ and the date ‘3 January 2019’ is replaced by ‘3 January 2020’;

- (4) in Article 5(8), the date ‘3 January 2016’ is replaced by ‘3 January 2017’;

- (5) in Article 8(1), the first sentence is replaced by the following:

‘Market operators and investment firms operating a trading venue shall make public current bid and offer prices and the depth of trading interests at those prices which are advertised through their systems for bonds, and structured finance products, emission allowances, derivatives traded on a trading venue and package orders.’;

- (6) Article 9 is amended as follows:

(a) in paragraph 1, the following points are added:

‘(d) orders for the purpose of executing an exchange for physical;

(e) package orders that meet one of the following conditions:

- (i) at least one of its components is a financial instrument for which there is not a liquid market, unless there is a liquid market for the package order as a whole;
- (ii) at least one of its components is large in scale compared with the normal market size, unless there is a liquid market for the package order as a whole;
- (iii) all of its components are executed on a request-for-quote or voice system and are above the size specific to the instrument.;

(b) the following paragraph is inserted:

‘2a. Competent authorities shall be able to waive the obligation referred to in Article 8(1) for each individual component of a package order.’;

(c) the following paragraph is added:

‘6. In order to ensure the consistent application of points (i) and (ii) of paragraph (1)(e), ESMA shall develop draft regulatory technical standards to establish a methodology for determining those package orders for which there is a liquid market. When developing such methodology for determining whether there is a liquid market for a package order as a whole, ESMA shall assess whether packages are standardised and frequently traded.

ESMA shall submit those draft regulatory technical standards to the Commission by 28 February 2017.

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.’;

(7) in Article 18, the following paragraph is added:

‘11. In respect of a package order and without prejudice to paragraph 2, the obligations in this Article shall only apply to the package order as a whole and not to any component of the package order separately.’;

(8) in Article 19(1), the date ‘3 January 2019’ is replaced by ‘3 January 2020’;

(9) in Article 26(10), the date ‘3 January 2019’ is replaced by ‘3 January 2020’;

(10) in Article 35(5), the date ‘3 January 2017’ is replaced by ‘3 January 2018’ and the date ‘3 July 2019’ is replaced by ‘3 July 2020’;

(11) in Article 37(2), the date ‘3 January 2017’ is replaced by ‘3 January 2018’;

(12) Article 52 is amended as follows:

(a) in paragraph 1, the date ‘3 March 2019’ is replaced by ‘3 March 2020’;

(b) in paragraph 4, the date ‘3 March 2019’ is replaced by ‘3 March 2020’;

(c) in paragraph 5, the date ‘3 March 2019’ is replaced by ‘3 March 2020’;

(d) in paragraph 6, the date ‘3 March 2019’ is replaced by ‘3 March 2020’;

(e) in paragraph 7, the date ‘3 July 2019’ is replaced by ‘3 July 2020’;

(f) in paragraph 8, the date ‘3 July 2019’ is replaced by ‘3 July 2020’;

(g) in the first subparagraph of paragraph 9, the date ‘3 July 2019’ is replaced by ‘3 July 2020’;

- (h) in the second subparagraph of paragraph 9, the date '3 July 2021' is replaced by '3 July 2022';
  - (i) in the first subparagraph of paragraph 10, the date '3 July 2019' is replaced by '3 July 2020';
  - (j) in paragraph 11, the date '3 July 2019' is replaced by '3 July 2020';
  - (k) in the second subparagraph of paragraph 12, the date '3 January 2017' is replaced by '3 January 2018';
- (13) in the first subparagraph of Article 54(2), the date '3 July 2019' is replaced by the following '3 July 2020'.
- (14) Article 55 is amended as follows:
- (a) the second paragraph is replaced by the following:  
'This Regulation shall apply from 3 January 2018.';
  - (b) the fourth paragraph is replaced by the following:  
'Notwithstanding the second paragraph, Article 37(1), (2) and (3) shall apply from 3 January 2020'.

#### *Article 2*

Article 39 of Regulation (EU) No 596/2014 is amended as follows:

- (a) paragraph 2 is replaced by the following:  
'2. It shall apply from 3 July 2016 except for:
  - (a) Article 4(2) and (3), which shall apply from 3 January 2018; and
  - (b) Article 4(4) and (5), Article 5(6), Article 6(5) and (6), Article 7(5), Article 11(9), (10) and (11), Article 12(5), Article 13(7) and (11), Article 16(5), the third subparagraph of Article 17(2), Article 17(3), (10) and (11), Article 18(9), Article 19(13), (14) and (15), Article 20(3), Article 24(3), Article 25(9), the second, third and fourth subparagraphs of Article 26(2), Article 32(5) and Article 33(5), which shall apply from 2 July 2014.;
- (b) in the first subparagraph of paragraph 4, the date '3 January 2017' is replaced by '3 January 2018';
- (c) in the second subparagraph of paragraph 4, the date '3 January 2017' is replaced by '3 January 2018'.

#### *Article 3*

Article 76 of Regulation (EU) No 909/2014 is amended as follows:

- (a) in point (b) of the second subparagraph of paragraph 5, the date '13 June 2017' is replaced by '13 June 2018';
- (b) in paragraph 7, the date '3 January 2017' is replaced by '3 January 2018'.

#### *Article 4*

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

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This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 23 June 2016.

*For the European Parliament*

*The President*

M. SCHULZ

*For the Council*

*The President*

A.G. KOENDERS

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# DIRECTIVES

## DIRECTIVE (EU) 2016/1034 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 23 June 2016

### amending Directive 2014/65/EU on markets in financial instruments

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 53(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank <sup>(1)</sup>,

Having regard to the opinion of the European Economic and Social Committee <sup>(2)</sup>,

Acting in accordance with the ordinary legislative procedure <sup>(3)</sup>,

Whereas:

- (1) Regulation (EU) No 600/2014 of the European Parliament and of the Council <sup>(4)</sup> and Directive 2014/65/EU of the European Parliament and of the Council <sup>(5)</sup> (together, 'the new legal framework') are major financial legislative acts adopted in the wake of the financial crisis as regards securities markets, investment intermediaries and trading venues. The new legal framework reinforces and replaces Directive 2004/39/EC of the European Parliament and of the Council <sup>(6)</sup>.
- (2) The new legal framework governs the requirements applicable to investment firms, regulated markets, data reporting services providers and third country firms providing investment services or activities in the Union. It harmonises the position limits regime for commodity derivatives to improve transparency, to support orderly pricing and to prevent market abuse. It also introduces rules on high-frequency algorithmic trading and improves the oversight of financial markets by harmonising administrative sanctions. Building on the rules already in place, the new legal framework also strengthens the protection of investors by introducing robust organisational and conduct requirements. Member States are to transpose the Directive 2014/65/EU by 3 July 2016.
- (3) The new legal framework requires trading venues and systematic internalisers to provide competent authorities with financial instrument reference data that describe in a uniform manner the characteristics of every financial instrument that is subject to Directive 2014/65/EU. Those data are also used for other purposes, for instance for the calculation of transparency and liquidity thresholds, as well as for the reporting of positions in commodity derivatives.

<sup>(1)</sup> Opinion of 29 April 2016 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion of 26 May 2016 (not yet published in the Official Journal).

<sup>(3)</sup> Position of the European Parliament of 7 June 2016 (not yet published in the Official Journal) and Council decision of 17 June 2016 (not yet published in the Official Journal).

<sup>(4)</sup> Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

<sup>(5)</sup> 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, p. 349).

<sup>(6)</sup> Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).

- (4) In order to collect data in an efficient and harmonised manner, a new data collection infrastructure, the Financial Instruments Reference Data System ('FIRDS'), is being developed by the European Securities and Markets Authority ('ESMA') in conjunction with national competent authorities ('NCAs'). FIRDS will cover a wide range of financial instruments brought into the scope of Regulation (EU) No 600/2014 and it will link data feeds between ESMA, NCAs and trading venues across the Union. The vast majority of the new IT-systems underpinning FIRDS will need to be built from scratch, based on new parameters.
- (5) Member States are to apply the measures transposing Directive 2014/65/EU from 3 January 2017. However, due to the size and complexity of the data to be collected and processed for the new legal framework to become operational, in particular for transaction reporting, transparency calculations and the reporting of positions in commodity derivatives, stakeholders, such as trading platforms, ESMA and NCAs are not in a position to ensure that the necessary data collection infrastructures will be in place and become operational by that date.
- (6) The absence of the necessary data collection infrastructures would have implications across the entire scope of the new legal framework. Without data, it would not be feasible to establish a precise delineation of financial instruments that fall within the scope of the new legal framework. Furthermore, it would not be possible to tailor the pre-trade and post-trade transparency rules, in order to determine which instruments are liquid and when waivers or deferred publication should be granted.
- (7) In the absence of the necessary data collection infrastructures, trading venues and investment firms would not be able to report executed transactions to competent authorities. In the absence of the reporting of positions in commodity derivatives, it would be difficult to enforce position limits on such commodity derivatives. With no position reporting, there would be limited ability to effectively detect breaches of the position limits. Many of the requirements in relation to algorithmic trading are also dependent on data.
- (8) The absence of the necessary data collection infrastructures would also make it difficult for investment firms to apply best execution rules. Trading venues and systematic internalisers would not be able to publish data relating to the quality of execution of transactions on those venues. Investment firms would not be provided with important execution data to help them determine the best way to execute client orders.
- (9) In order to ensure legal certainty and avoid potential market disruption, it is necessary and justified to take urgent action to extend the entry into application of the new legal framework in its entirety, including all delegated and implementing acts adopted thereunder.
- (10) The implementation process for the data collection infrastructures involves five steps: business requirements, specifications, development, testing and deployment. ESMA estimates that those steps will be completed by January 2018, provided that there is legal certainty on the final requirements under the relevant regulatory technical standards by June 2016.
- (11) In light of the exceptional circumstances and in order to enable ESMA, NCAs and stakeholders to complete the operational implementation, it is appropriate to defer the date by which the Member States need to apply the measures transposing Directive 2014/65/EU and the date by which the repeal of Directive 2004/39/EC is to take effect by 12 months until 3 January 2018. Reports and reviews should be deferred accordingly. It is also appropriate to defer the date by which the Member States need to transpose Directive 2014/65/EU to 3 July 2017.
- (12) The exemption set out in point (d) of Article 2(1) of Directive 2014/65/EU should be extended to include non-financial entities who are members of or participants in a regulated market or a multilateral trading facility (MTF), or have direct electronic access to a trading venue when executing transactions on a trading venue which are objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of those non-financial entities or their groups.
- (13) Directive 2014/65/EU should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

### Article 1

Directive 2014/65/EU is amended as follows:

(1) in Article 2(1), point (d)(ii) is replaced by the following:

‘(ii) are members of or participants in a regulated market or an MTF, on the one hand, or have direct electronic access to a trading venue, on the other hand, except for non-financial entities who execute transactions on a trading venue which are objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of those non-financial entities or their groups;’

(2) in point (a) of Article 25(4), the second subparagraph is replaced by the following:

‘For the purpose of this point, a third-country market shall be considered to be equivalent to a regulated market if the requirements and the procedure laid down under the third and the fourth subparagraphs are fulfilled.

At the request of the competent authority of a Member State, the Commission shall adopt equivalence decisions in accordance with the examination procedure referred to in Article 89a(2), stating whether the legal and supervisory framework of a third country ensures that a regulated market authorised in that third country complies with legally binding requirements which are, for the purpose of the application of this point, equivalent to the requirements resulting from Regulation (EU) No 596/2014, from Title III of this Directive, from Title II of Regulation (EU) No 600/2014 and from Directive 2004/109/EC, and which are subject to effective supervision and enforcement in that third country. The competent authority shall indicate why it considers that the legal and supervisory framework of the third country concerned is to be considered equivalent and shall provide relevant information to that end.

Such third-country legal and supervisory framework may be considered equivalent where that framework fulfils at least the following conditions:

- (i) the markets are subject to authorisation and to effective supervision and enforcement on an ongoing basis;
- (ii) the markets have clear and transparent rules regarding the admission of securities to trading so that such securities are capable of being traded in a fair, orderly and efficient manner, and are freely negotiable;
- (iii) security issuers are subject to periodic and ongoing information requirements ensuring a high level of investor protection; and
- (iv) market transparency and integrity are ensured by the prevention of market abuse in the form of insider dealing and market manipulation.’;

(3) in the second subparagraph of Article 69(2), the date ‘3 July 2016’ is replaced by ‘3 July 2017’;

(4) in the third subparagraph of Article 70(1), the date ‘3 July 2016’ is replaced by ‘3 July 2017’;

(5) the following article is inserted:

‘Article 89a

#### **Committee procedure**

1. The Commission shall be assisted by the European Securities Committee established by Commission Decision 2001/528/EC (\*). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council (\*\*).

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

(\*) Commission Decision 2001/528/EC of 6 June 2001 establishing the European Securities Committee (OJ L 191, 13.7.2001, p. 45).

(\*\*) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).’;

- (6) Article 90 is amended as follows:
- (a) in paragraph 1, the date '3 March 2019' is replaced by '3 March 2020';
  - (b) in paragraph 2 the date '3 September 2018' is replaced by '3 September 2019' and the date '3 September 2020' is replaced by '3 September 2021';
  - (c) in paragraph 4, the date '1 January 2018' is replaced by '1 January 2019';
- (7) in Article 93(1), the date '3 July 2016' is replaced by '3 July 2017', the date '3 January 2017' is replaced by '3 January 2018' and the date '3 September 2018' is replaced by '3 September 2019';
- (8) in Article 94, the date '3 January 2017' is replaced by '3 January 2018';
- (9) in Article 95(1), the date '3 July 2020' is replaced by '3 January 2021' and the date '3 January 2017' is replaced by '3 January 2018'.

*Article 2*

This Directive shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

*Article 3*

This Directive is addressed to the Member States.

Done at Brussels, 23 June 2016.

*For the European Parliament*  
*The President*  
M. SCHULZ

*For the Council*  
*The President*  
A.G. KOENDERS

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