



22 April 2014

## New developments in EU financial regulation

The updated rules for the Markets in Financial Instruments Directive (denominated “MiFID II”) were finally approved by the European Parliament, which can be consulted [here](#).

The most relevant provisions contained in MiFID II, are the rules establishing the inclusion of non-equity instruments such as bonds and derivatives, on the pre- and post- trading reporting regime, and the introduction of trading controls for algorithmic trading activities, namely by the establishment of the requirements for all algorithmic traders to be properly regulated and to provide liquidity when pursuing a market-making strategy.

Other elements of this new regulation consist on the introduction of new rules regarding a new market structure regulatory framework; the creation of strengthened supervisory powers of financial markets; the enhancement of competition in trading and clearing systems; the strengthening of investor protection to ensure an effective and harmonised administrative sanctions regime and the granting of access to EU markets by non-Eu firms.

Furthermore, other pieces of EU legislation were passed, including:

- > Definition by the European Commission of the situations upon which it is mandatorily required to publish addendums to prospectus, through the publication of the Commission Delegated Regulation (EU) no. 382/2014, of 7 March ([click here](#));
- > Approval of the UCITS V Directive by the European Parliament, which key provisions are the obligation of UCITS management companies to establish remuneration policies that are consistent with sound and effective risk management; the establishment of new rules relating to depositaries concerning liability and entities eligible to act as depositaries and the harmonisation of the applicable administrative sanctions regime ([click here](#)).

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