



EUROPEAN COMMISSION

MEMO

Brussels, 10 September 2013

Statement by Commissioner Michel Barnier on the endorsement by the European Parliament of the political agreement on new European rules for market abuse

I welcome the political agreement with Council on the Market Abuse Regulation that Parliament has endorsed today, which will establish tougher rules to better prevent, detect and punish market abuse. With this agreement, the European Parliament has made a decisive contribution to the fight against insider dealing and market manipulation.

I would particularly like to thank the rapporteur Arlene McCarthy (see EP press release) and all the shadow rapporteurs, and to acknowledge the hard work of the Irish Presidency that made this agreement possible and the great contribution of the Polish, Danish and Cypriot Presidencies to this positive outcome.

With the agreement, the rules will be extended to capture abuse on the electronic trading platforms that have proliferated in recent years. Abusive strategies through high frequency trading will be clearly prohibited. Those who manipulate benchmarks such as LIBOR will be guilty of market abuse and face tough fines. Market abuse occurring across both commodity and related derivative markets will be prohibited, and cooperation between financial and commodity regulators will be reinforced.

Furthermore, the deterrent effect of the legislation will be far greater than today, with the possibility of fines at least up to three times the profit made from market abuse, or at least 15% of turnover for companies. Member-States could decide to go beyond this minimum.

The explicit link between several key elements of the Market Abuse Regulation and our MIFID 2 proposals requires the alignment of these initiatives. At the same time, along with my colleague Viviane Reding, I look forward to working with the Lithuanian Presidency and the European Parliament to conclude a trilogue agreement on the Directive on criminal sanctions for market abuse, so that the package can enter into force, along with the MIFID 2 proposals, once those negotiations have been successfully concluded.