



**COUNCIL OF
THE EUROPEAN UNION**



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PRESSE 603

Council confirms agreement with EP on market abuse directive

The Permanent Representatives Committee (Coreper) approved today, on behalf of the Council, a compromise reached with the European Parliament on a draft directive on criminal sanctions for market abuse (*17895/13*).

The directive will oblige member states to provide in their national legislation for criminal penalties in respect of insider dealing, market manipulation and unlawful disclosure of inside information. It will require member states to ensure that inciting as well as aiding and abetting criminal offences is also punishable

This so-called market abuse directive (MAD) will be applied taking into account the legal framework established by a revised market abuse regulation (MAR). It will amend and replace directive 2003/6/EC.

A well-functioning legal framework requires effective enforcement. To ensure that sanctions are effective and dissuasive, the directive establishes minimum levels for the maximum term of imprisonment.

Offences related to insider dealing and to recommending or inducing another person to engage in insider dealing and market manipulation will be punishable by a maximum term of at least four years. Offences related to unlawful disclosure of inside information will be punishable by a maximum term of at least two years.

P R E S S

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Today's agreement will enable both regulation¹ and directive to be adopted at first reading. The regulation will first be subject to technical alignment in the light of revised rules relating to markets in financial instruments, for which negotiations with the Parliament are still on-going.

The importance of market integrity was highlighted by the economic and financial crisis of 2008-09, and the G20 has agreed to strengthen financial supervision and regulation and to build a framework of internationally agreed high standards.

¹ The draft regulation was approved by Coreper in June, following an agreement with the Parliament. See press release [11635/13](#).