



**COUNCIL OF  
THE EUROPEAN UNION**



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## **Council adopts strengthened rules on market abuse**

The Council today<sup>1</sup> adopted strengthened EU rules aimed at clamping down on insider dealing and market manipulation on securities markets ([8260/14](#) + [PE-CONS 78/13](#) + [8261/14](#) + [PE-CONS 8/14](#)).

The new rules comprise a regulation aimed at enhancing the protection of investors, amending and replacing directive 2003/6/EC, and a directive establishing a framework for criminal sanctions.

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

Directive 2003/6/EC prohibits insider dealing and the manipulation of financial instruments that are admitted to trading on regulated markets. However, the emergence of new trading venues as well as over-the-counter (OTC) trading have brought more competition to regulated markets, making it more difficult to monitor for possible market abuse.

The new market abuse regulation (MAR) therefore extends the scope of those rules to include financial instruments traded on more recently-created venues such as multilateral trading facilities and organised trading facilities, as well as OTC-traded financial instruments.

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<sup>1</sup> At a meeting of the Foreign Affairs Council, without discussion.

**P R E S S**

The new market abuse directive (MAD) obliges member states to provide in their national legislation for criminal sanctions in respect of insider dealing, market manipulation and unlawful disclosure of inside information. It will require them to ensure that inciting as well as aiding and abetting criminal offences is also punishable.

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.

Adoption of the regulation and directive follows agreements reached with the European Parliament at first reading.

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