

# **Markets in financial instruments: extending the transposition deadline for Member States and the compliance date for firms**

2005/0111(COD) - 14/06/2005 - Legislative proposal

**PURPOSE** : to extend the transposition deadline for Member States and the compliance date for regulated firms of Directive 2004/39/EC on Market in Financial Instruments (MiFID).

**PROPOSED ACT** : Directive of the European Parliament and of the Council.

**CONTENT** : this proposal concerns extending the transposition deadline for Member States and the compliance date for regulated firms of Directive 2004/39/EC on Market in Financial Instruments (MiFID). This is because serious difficulties have been reported by industry and Member States in relation to the ability of regulated entities to comply with the current deadline for transposition of the Directive (30 April 2006).

In order to remedy these difficulties that Member States and the industry will face in the transposition and application of the Directive, the Commission proposes to :

- extend the deadline by which Member States must transpose the MiFID into national law by 6 months, i.e. until October 2006;
- grant an extra 6 month period, after transposition into national law, for the effective application of the MiFID in order to allow firms sufficient time to adapt their systems and internal procedures so as to comply with the requirements of the Directive i.e. until April 2007.

Given the close interaction between the various parts of the MiFID, these proposals apply to the whole Directive (and not just those provisions which will be supplemented by implementing measures).

These modifications are purely technical, and are necessary to preserve the timetable for the various stages of entry into force and the review of the directive. For reasons of coherence the transposition deadline for this proposal has been aligned to the proposed extended transposition deadline (i.e. 30 October 2006) for Directive 2004/39/EC (Article 2). However, national legislation, implementing the previous regime established by Directive 93/22/EC may remain into force until the full application of the MiFID into national law (i.e. 30 April 2007).