



FINANCIAL SERVICES

MiFID II – One year delay until 2018

by **David Naughton**

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The European Commission (the Commission) announced on 10 February 2016 that the implementation date for the revised Markets in Financial Instruments Directive 2014/65/EU (MiFID II) would be delayed by one year.

To view the press release, please [click here](#).

MiFID II was originally due to come into force on 3 January 2017 in all EU Member States, but it will now come into force exactly one year later on 3 January 2018.

The possibility of a delay had been discussed for the last number of months. The European Securities and Markets Authority (ESMA) has been tasked with drafting regulatory technical standards and implementing technical standards (the Standards) to accompany MiFID II. While drafting the Standards, ESMA hinted in October 2015 that a delay to MiFID II was possible due to the complex technical infrastructure needed to ensure MiFID II is implemented properly.

MiFID II replaces MiFID I, which created a single market in the EU for investment services and activities. MiFID II is being introduced to ensure the financial system is more transparent and more responsible going forward, following the recent global financial crisis.

Both market participants within the scope of MiFID II and national competent authorities will need to build systems which adhere to the transparency rules and data reporting requirements under MiFID II. The Commission has estimated that once MiFID II comes into effect, ESMA will collect data from 300 trading venues regarding 15 million financial instruments.

The delay to the implementation of MiFID II is not expected to affect the progress of the level 2 legislation which will implement MiFID II.

The extension to the effective date of MiFID II does, we expect, bring welcome relief and legal certainty for market participants. The move could also help reduce market disruption, which was likely if MiFID II was in force prior to all necessary information systems being built.

If you would like further information on MiFID II and how it may affect your business, please contact a member of the Financial Services team.

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