



AUTORITÉ  
DES MARCHÉS FINANCIERS

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## **Market transparency, financial research, investor protection: AMF's proposals for more efficient and competitive markets**

**After a little more than two years of supervisory experience under the Markets in Financial Instruments Directive (MiFID 2), the Autorité des Marchés Financiers has responded to the European Commission's public consultation on the review of MiFID 2. In a document available on its website, the Authority details some of the targeted changes it is promoting.**

Promoting efficient and competitive European markets is a priority for the AMF as stated in its strategic plan #Supervision2022. Building on more than two years of supervisory experience of MiFID 2, the regulator has taken part in the public consultation conducted by the European Commission which ended on 18 May. In force since 3 January 2018, the regulatory framework applicable to markets in financial instruments has contributed to strengthening investor protection and the rules of conduct for investment firms. However, some objectives set by the European legislator have still not been achieved. This is particularly the case with market transparency and contribution of transactions to the price formation process. The AMF considers that targeted changes to MiFID 2 are needed.

The targeted proposals of the AMF are primarily based on five pillars:

- provide market participants with a more comprehensive view of the market's reality in a fragmented trading environment between numerous venues: according to the ESMA consultation paper on equity transparency published in February 2020, the percentage of turnover of shares not subject to pre-trade transparency has been around 60% since the entry into force of MiFID 2. For the AMF, the objective of pre-trade transparency, which aims at ensuring efficient price formation on equity markets, implies limiting the possibilities of exemptions from this transparency. The Authority also calls for a better calibration and a harmonisation of post-trade transparency requirements for bonds. Finally, in order to facilitate access to post-trade data, the AMF supports the creation of a consolidated tape. This should cover equity instruments as a first step, with a possible extension to bonds at a later stage;
- adjust the scope of share and derivatives trading obligations by focusing on relevant criteria for the European Union (European ISIN, denominated in a European currency) to ensure its sovereignty and offer a level playing field for all market participants;
- adapt the regulatory framework of the European commodity derivatives markets;
- address the challenge of financing investment research by ensuring a fair pricing of research, clarifying rules on issuer-sponsored research and introducing more proportionality to the existing rules;
- make investor protection rules more relevant and proportionate, dealing with product governance requirements and cost and charges disclosure for example, and increase the efficiency of product intervention decisions by ESMA in order to protect investors from certain deleterious financial products.

### *About the AMF*

*The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets. Visit our website <https://www.amf-france.org> URL = [https://www.amf-france.org/]*

## PRESS CONTACT

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— AMF Communications  
Directorate

+33 (0)1 53 45 60 28

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Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact:  
Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris  
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