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EuroFinUse proposes new measures to ensure MiFID II capital market structures do not discriminate individual investors further

In view of the most recent European Council Presidency progress report, EuroFinUse - the European Federation of Financial Services Users - identified room for improvement before the final MiFID II text will be agreed on in the "Triologue" later this year.

Firstly, the introduction of yet another market venue called OTF (Organized Trading Facility) in MiFID II will only contribute to the further fragmentation of capital markets in Europe. Since the implementation of MiFID I, financial services users have had limited direct access to capital markets, leaving more advantages for intermediaries, while there is no real evidence that users have obtained any gains out of MiFID I. **Therefore, EuroFinUse proposes the elimination of OTFs from the final MiFID II text as proposed in the Amendments to the Draft report of the ECON Committee of the European Parliament¹.**

Secondly, the real enforcement of the best execution principle of MiFID is still weak. The growing fragmentation of the market caused by MiFID I, requires individual investors to count on a third party to obtain the best price and most competitive cost from all "market venues". Additionally, due to trade data fragmentation, it is almost impossible to assess if the "execution" is in reality the best outcome for the retail investor. **This problem could be addressed by including the explicit obligation for investment firms to guarantee the best possible deal throughout all market venues for their clients.**

Finally, fragmented trade information is a real problem for financial services users as they would need to pay for data access to trade information for every "market venue" thereby limiting their capacity to make informed investment decisions. **EuroFinUse proposes to require investment firms and credit institutions to provide this data free of charge and in a timely manner to its clients.**

If you would like additional information about this topic, or to schedule an interview with Managing Director **Guillaume Prache**, please call Maria Bause on +32 (0)2 514 37 77, or email at bause@eurofinuse.org

¹ Amendment 641 to the ECON draft report on MiFID II tabled by MEP Sylvie Goulard