



Effects of national application of EU regulations

The EU Market Abuse Regulation

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Regulations replace Directives.

Directly applicable = more uniform rules.

Market Abuse Directive 2003 =>
Market Abuse Regulation 2014

Recital (4)

It is necessary to adopt a Regulation establishing a more uniform interpretation.

This should

- ensure uniform conditions by preventing diverging national requirements;
- reduce regulatory complexity and firms' compliance costs;
- contribute to eliminating distortions of competition.

Article 16(2)

Arrangements, systems and procedures to detect and report suspicious orders and transaction.

Who?

Any person professionally engaged in the reception and transmission of orders for, or in the execution of transactions in, financial instruments.

FCA statement

All fund managers in scope.

“Execution of transactions” =

Placing orders with an intermediary (broker) who executes the transaction.

Consequences:

Scope widened from intermediaries to all companies and authorities that invest in securities.

Three layer surveillance; market (stock exchange), intermediaries monitor clients, clients monitor themselves.

Costs: ~ 100 000 SEK – 1 000 000 SEK per year and company.

Conclusions:

- EU regulations must be clear and provide legal certainty.
- Prudency is required when interpreting EU regulations.
- When in doubt; ensure correlation on an EU level.

Thank you!

