



## Press Release

Brussels, 20<sup>th</sup> October 2011

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# “EUROPEAN INVESTORS AND EXCHANGES ASK FOR THE MiFID REVIEW TO PUT THE ECONOMY FIRST”

CFA Institute, EuroInvestors and FESE welcome the publication by the European Commission of the proposal for amending the Markets in Financial Instruments Directive (MiFID). Together, these associations represent over 100,000 investment professionals, 4 million retail investors, 9,077 listed companies and the 46 regulated exchanges that form the bridge between them. These associations jointly call on the EU Institutions to ensure that the MiFID Review achieves what should be its primary objective: **making the capital markets work for Europe’s real economy and society as a whole**. Its end result should be a regulatory framework that supports capital formation for EU enterprise and the creation of new wealth for the citizens of Europe.

The fundamental economic **purpose** of the capital markets is to connect end-investors and issuers of capital directly. Market regulation should permit investors to make **well-informed decisions** and provide issuers with **lower capital costs**. The financial crisis has shown that **regulated public markets**, which provide transparency, fair prices, open and free access to the investors and market surveillance, are the best safeguard of investor interests and also ensure robust, liquid, and efficient markets.

Specifically, we ask that the MiFID Review be oriented towards the **following principles**:

- Promoting the **transparency and consolidation of trade data** for all financial instruments;
- Maintaining and enhancing **market credibility, openness, and investor confidence**;
- Ensuring a **level playing field** in trade execution for all market participants;
- Improving **direct access of individual investors to capital markets** by reducing the overall complexity and costs of investing; improving the integrity, reliability and quality of the data they need to evaluate alternative investment opportunities; enforcing the existing rules requiring fair investor information and disclosure of conflicts of interests; ensuring that sales processes are presented to investors in a fair way and distinguished from unbiased advice; and extending investor protections to all “substitute” retail investment products;
- Ensuring consistency with other legislation aimed at promoting **relevant and appropriate issuer information** which balances the diverse needs of **companies at different stages of growth** with the information needs of investors, with particular attention to the needs of Europe’s smaller companies.

Now that the European Commission has finalised its proposal to address the key challenges ahead of us, the **European Parliament and the Member States** will have an important role in bringing this important work to a satisfactory conclusion. We look forward to working with the co-legislators to ensure that the proposal serves the interests of Europe’s investors and companies in the long term.

## **Information to the Editors**

### **About CFA Institute**

CFA Institute is the global association for investment professionals. It administers the CFA and CIPM curriculum and exams programs worldwide; publishes research; conducts professional development programs; and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry. CFA Institute has more than 100,000 members, who include the world's 92,805 CFA charterholders, as well as 135 affiliated professional societies in 58 countries and territories.

### **About EuropeanInvestors**

The European Federation of Investors and other financial services users ("EuroInvestors") was created in 2009, following the financial crisis which demonstrated the limits of the almost exclusive dialogue between regulators and the financial industry, largely ignoring the user side.

EuroInvestors includes already about 50 national organizations of financial services users, which, in turn, account for more than four million European citizens.

EuroInvestors aims at representing and defending at the European level the interests of financial services users by grouping the organisations pursuing the same objectives at a national or international level.

### **About FESE**

The Federation of European Securities Exchanges (FESE) represents 46 exchanges in equities, bonds, derivatives and commodities through 21 full members from 30 countries, as well as 4 Observer Members. FESE is a keen defender of the Internal Market and many of its members have become multi-jurisdictional exchanges, providing market access across multiple investor communities. FESE represents public Regulated Markets. Regulated Markets provide both institutional and retail investors with transparent and neutral price-formation. Securities admitted to trading on our markets have to comply with stringent initial and ongoing disclosure requirements and accounting and auditing standards imposed by EU laws.

As of September 2011, FESE members had up to 9,077 companies listed on their markets, of which 8% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,232 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers.

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