

Focus on Funds: Landmark European Financial Regulation Faces Reform

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Regulators in the European Union are planning “quick fix” changes to the Markets in Financial Instruments Directive (MiFID) that could affect the rules governing investor protections, as well as trading and markets rules. In the July 24, 2020, edition of *Focus on Funds*, ICI Global Director of Global Financial Policy Giles Swan details what is in the works and ICI’s advocacy on the issue.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: Giles, the Markets in Financial Instruments Directive, or MiFID, is not only a mouthful, but it’s something that’s quite important to global funds and their investors. The European directive is something now that regulators are picking up again and we have gone back to them with comments. What did we say at a high level?

Giles Swan, ICI Global director of global funds policy: We made a number of recommendations both to the investor protection rules under MiFID II and also the trading and markets structure elements.

But we made those recommendations to enhance the investment protection framework under MiFID II to improve the process for fund investment, enhancing the choice that investors have in different funds, and really enabling them to benefit from the various cost efficiencies that can be derived from the management of all fund assets.

On the trading and markets structure side, we made a number of recommendations to enhance meaningfully some of the pre-trade and post-trade transparency MiFID II has, really to ensure that fund managers can maximize the execution quality that they’re delivering for their end investors.

Ortvals-Tibbs: Knowing that the European Union is about to take up some of this work pretty quickly, how are we going to engage? What are we the most concerned about?

Swan: As the European Commission takes forward its proposals under the quick fix, we’re going to be focused on three issues: firstly, changes to simplify the investment process for fund investors; second, to maximize the choice that investors have to different funds; and third, to adapt the provisions under the MiFID framework to bring them into the modern world, including the use of digital technology by fund investors.

Ortbals-Tibbs: And so Giles, then, within the abnormal new normal under which we all operate, how are you engaging with European policymakers on this?

Swan: Well, we're all getting used to engagement through more virtual means these days, and that's how we are engaging with the European Commission and other European policymakers to discuss some of the recommendations that we've made under the MiFID framework and how those can be taken forward.

Additional Resources

- [ICI Global](#)
- [Comment Letter: European Commission Public Consultation on the Review of the MiFID/MiFIR Regulatory Framework](#)
- [Speech: The Role of Investment Funds in the Global Economy](#)