



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.12.2002
COM(2002) 724 final

2001/0118 (COD)

OPINION OF THE COMMISSION

**pursuant to Article 251 (2), third subparagraph, point (c) of the EC Treaty,
on the European Parliament's amendments
to the Council's common position regarding the
proposal for a**

**DIRECTIVE OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL**

ON INSIDER DEALING AND MARKET MANIPULATION (MARKET ABUSE)

**AMENDING THE PROPOSAL OF THE COMMISSION
pursuant to Article 250 (2) of the EC Treaty**

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1. HISTORY

Date of transmission of the proposal to the EP and the Council (document COM(2001) 281 final – C5/2001/262 – 2001/0118(COD) ¹ :	01 June 2001
Date of the opinion of the European Economic and Social Committee ² :	17 January 2002
Date of the opinion of the European Parliament, first reading ³ :	14 March 2002
Date of adoption of the common position ⁴ :	19 July 2002
Date of the opinion of the European Parliament, second reading ⁵ :	24 October 2002

2. SUBJECT OF THE PROPOSAL

The aim of the proposed Directive is to ensure the integrity of European financial markets, to establish and implement common standards against market abuse throughout Europe, and to enhance investor confidence in these markets.

To ensure that integrated European financial markets will be well protected, a common legal framework is needed on the prevention, detection, investigation and punishment of market abuse. Such a framework needs to ensure certainty among market participants over concepts and enforcement, thereby setting a level playing field for all economic actors in each Member State.

Therefore, the main objectives of the Directive are:

- establishing a European wide effect based regime against market abuse;

¹ OJ. C 240 E, 28.08.2001 p. 265.

² OJ. C 80, 03.04.2002 p. 61

³ Report A 5/2002/69/

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- committing professionals strongly to transparency and equal treatment;
- establishing a single administrative authority in each Member State;
- introducing a minimum set of powers for administrative authorities;
- introducing administrative sanctions in each Member State;
- a comprehensive framework for co-operation of competent authorities.

3. THE COMMISSION'S OPINION ON PARLIAMENT'S AMENDMENTS

Summary

The Parliament has amended the Council common position with 5 amendments. The Commission accepts all these Parliament's amendments, i.e. Amendments 1 to 5.

Parliament's amendments in second reading

3.1. Amendments accepted by the Commission

All amendments are accepted by the Commission.

Amendment 1, modifying Recital 26, clarifies that manager dealings have to be disclosed on an individual basis at least, linked to amendment 4 below.

Amendment 2, modifying Recital 36, requires adequate financing of competent authorities by Member States.

Amendment 3, modifying Article 1 (1), introduces explicitly frontrunning on commodity derivative markets into the scope of the Directive.

Amendment 4, modifying Article 6 (4), clarifies that manager dealings have to be disclosed on an individual basis at least, linked to amendment 1 above.

Amendment 5, modifying Article 6 (10), clarifies that rules governing the profession of journalists, including self-regulation, have also to be taken into account when establishing implementing measures through comitology procedure.

3.2. Amendments or parts of amendments not accepted by the Commission

None

4. CONCLUSION

In accordance with Article 250(2) of the Treaty, the Commission amends its proposal accordingly.