

MiFID II LEGISLATIVE INFORMATION

The Investment Services Regulatory Framework regulates the investment services offered by credit institutions / investment firms to investors in relation to Financial Instruments, as well as traditional stock exchanges and other alternative Trading Venues.

The Investment Services Regulatory Framework is based, but not limited to, the provisions of laws, directives, guidelines and other supporting documentation, governing the provision of Investment and / or Ancillary Services.

Specifically, the Level 1 of the "Investment Services Regulatory Framework" comprises of the below:

- **Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU** (link is external), repealing Directive 2004/39/EC.
- **Regulation (EU) No 600/2014 of the European Parliament and of the Council, of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012**, (link is external).

The Investment Services Regulatory Framework took effect in January 2018, in an effort to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection.

The new Investment Services Regulatory Framework extended the MiFID I requirements in a number of areas including amongst others, the following:

- new market structure requirements;
- new and extended requirements in relation to market transparency;
- new rules on research and inducements;
- new product governance requirements for manufacturers and distributors of Investment Products (i.e. Financial Instruments and Structured Deposits);
- new and extended requirements in relation to transaction and post-trade transparency reporting.