

# Securities markets: Commission refers Slovenia and Spain to the Court of Justice for failing to fully enact EU rules on markets in financial instruments

The European Commission decided today to refer **Slovenia** and **Spain** to the Court of Justice of the EU for failing to fully implement European rules on markets in financial instruments ([MiFID II](#)) as well as its supplementing Directive ([Delegated Directive \(EU\) 2017/593](#)).

These rules are crucial building blocks for the proper functioning of securities markets and are essential for the continued operation of the European single market. If Member States do not transpose the rules, investors are not able to benefit from the enhanced investor protection provided under MiFID II. This includes safeguards of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits. It also makes markets less safe as trading venues and investment firms do not have to operate under the more stringent and transparent operational requirements. National competent authorities of non-transposing Member States are further not able to deliver legally sound authorisations for activities that had not been previously regulated, or that were regulated differently under MiFID I. This includes the operation of trading venues, such as regulated markets, multilateral trading facilities (MTF) and organised trading facilities (OTF) and the registration of MiFID I investment firms as a systematic internaliser.

Not fully transposing these EU rules disrupts the single market as they became applicable on 3 January 2018 and complement the provisions of the [Market for Financial Instruments Regulation \(MIFIR\)](#). Cross-border “passporting” of various investment services and activities might not operate as smoothly as between Member States that have fully transposed the MiFID II rulebook.

## **Background**

In September 2017, the European Commission formally requested several Member States to transpose MiFID II and its Delegated Directive. In January 2018, reasoned opinions were issued against those Member States that had not notified full transposition yet. To date, Slovenia has not notified any measures related to the Directives at stake and Spain has notified partial transposition only.

**For More Information:**

- On the key decisions in the July 2018 infringements package, see full [MEMO/18/4486](#).
- On the general infringements procedure, see [MEMO/12/12](#).
- On the [EU infringements procedure](#).