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European Parliament / News

Tougher sanctions for financial markets manipulation

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New rules imposing tougher sanctions for manipulating financial markets, insider dealing or abuse of inside information were voted on Tuesday. These rules will also cover a wider range of trading venues and financial instruments than today's rules and they will apply directly in all member states, which should ensure a high level of investor protection in the EU.

"There is still much to do in restoring the trust and confidence in banks and the financial services industry. We must get the real economy moving again and make sure consumers are protected in the financial services sector. We are sending a clear signal that the EU is not a soft option or safe haven for perpetrators of market abuse," said Arlene McCarthy the leading MEP on this legislation.

Tougher sanctions

Companies convicted of market abuse could be fined up to 15% of their annual turnover or €15 million. Individual perpetrators would face fines of up to €5 million and a temporary or some cases permanent ban on doing certain jobs within investment firms.

Wider scope

The new rules will now be extended to cover a variety of financial instruments including commodity derivatives affecting food and energy prices, traded inside and outside the exchanges.

In response to the LIBOR scandal, MEPs ensured that transmitting false or misleading information or providing false or misleading inputs which manipulate the calculation of a benchmark fall under market abuse rules to cover all possible and future manipulation

Next steps

The new rules were adopted by 659 votes to 20, with 28 abstentions.

Parliament should start the negotiations with member states on the market abuse directive (criminal sanctions for market abuse) in October.