

25 July 2019

Application of Host Country National Product Intervention Measures

Background

You may note that the European Securities and Markets Authority ('ESMA') temporary restrictions on contracts for differences (CFDs) and Binary Options (BOs) to retail clients are coming or have come to an end.

Many National Competent Authorities (NCAs) have notified ESMA that they will adopt or have already adopted national product intervention measures. The following [link](#) discloses the ESMA opinions on the various national product intervention measures, depending on whether it relates to Binary Options or Contracts for Differences which have been issued as at to date. Kindly note that the referred [link](#) is continuously being updated. The referred opinions clearly state whether the national measures are similar or not to ESMA product intervention measures and the date when these national measures will take effect.

Kindly note that we expect the Compliance Function to monitor the firm's cross-border business and check whether the host National Competent Authority has adopted stricter national product intervention measures vis a vis MFSA with respect to Contracts for Differences and/or Binary Options. You may wish to note that proposed national product intervention measures to be adopted by MFSA were outlined respectively in the [Contracts for Differences Consultation Document](#) and in the [Binary Options Consultation Document](#) and [Binary Options Feedback Statement](#). Subsequently, Chapter 4 the [Conduct of Business Rulebook](#) was amended on 11th July 2019 in order to reflect the National Product Intervention Measures in relation to Binary Options. It should be noted that MFSA is in the process of amending the Conduct of Business Rulebook in relation to the National Product Intervention Measures in relation to Contracts for Differences.

Contacts

Any queries or requests for clarifications on the contents of this Circular should be addressed to the Conduct Supervision on offsiteinv@mfsa.com.mt.