

23 November 2021

## Circular on Markets in Financial Instruments Directive ('MiFID II') and Markets in Financial Instruments Regulation ('MiFIR')

### Introduction

This Circular is being addressed to all market participants, particularly investment firms, credit institutions providing investment services and/or performing investment activities and market operators including any trading venues they operate.

This circular shall be read in conjunction with MiFID II and MiFIR, the delegated regulations and previous circulars issued by the Authority, as the case may be.

### ESMA publishes its Preliminary Report on the EU Carbon Market

The Authority would like to inform market participants that the European Securities and Markets Authority ('ESMA') has published its [Preliminary Report](#) on the EU carbon market. The report is ESMA's response to the request made by the European Commission ('EC') in its communication on energy prices for a preliminary analysis of European emission allowances ('EUAs') and derivatives on EUAs.

The Report presents an overview of the financial regulatory environment for the carbon market under MAR, MiFID II and EMIR and the tools available to securities supervisors to fulfil their responsibilities. The Report, based on commercial data, also provides an analysis of price evolution and volatility in EUAs and derivatives on EUAs.

### Next Steps

ESMA intends to conduct an in-depth analysis of the EU carbon market based on data sources available to securities regulators under European legislation. It is expected that the final report will be delivered to the EC in early 2022. In turn, the EC, taking into consideration ESMA's Final Report, will assess whether there is a need for targeted actions in the EU carbon market.

### Contacts

Should you have any queries on the above, please do not hesitate to contact the Authority's Market Infrastructures team on [MarketInfrastructures@mfsa.mt](mailto:MarketInfrastructures@mfsa.mt) for any further clarifications.