

29 March 2022

## Amendments to the Financial Markets Rules

### 1. Introduction

This Circular seeks to provide the industry with a summary of the changes which are being proposed to the Financial Market Rulebook (the “Rulebook”) to reflect amendments carried out to the Markets in Financial Instruments Directive (‘MiFID’) and the Markets in Financial Instruments Regulation (‘MiFIR’).

### 2. Changes to the Rulebook

#### The Data Reporting Service Providers (“DRSP”) Regulatory Regime

Directive (EU) 2019/2177 and Regulation (EU) 2019/2175 amend several financial services regulations, including, inter alia, MiFID and MiFIR respectively.

These amendments led to changes in the regulatory regime dealing with DRSPs. In view of the fact that the MFSA is no longer responsible for the authorisation and ongoing supervision of all DRSPs, and to clearly reflect the fact that the Authority’s mandate with respect to these entities has been limited to APAs and ARMs with a derogation in accordance with Article 2(3) of MiFIR, references to ‘DRSPs’ throughout the Financial Market Rules are being replaced by the wording ‘APAs and ARMs with a derogation in accordance with Article 2(3) of MiFIR’.

#### Transposition of Article 73 of MiFID

Article 73 of MiFID deals with the reporting of infringements of MiFID and MiFIR. Furthermore, Article 73 provides that:

- investment firms, market operators, APAs and ARMs which have a derogation in accordance with Article 2(3) of MiFIR
- credit institutions in relation to investment services or activities and ancillary services and
- branches of third-country firms

should have in place appropriate procedures for their employees to report potential or actual infringements internally through a specific, independent and autonomous channel.

In view of this, a new Section 10 in Part IV is being introduced in the Rulebook to transpose such requirements.

Furthermore, the above-mentioned entities shall also be required to make reference and comply with the applicable provisions within the Protection of the Whistleblower Act.

### **3. Conclusion**

The revised Rulebooks enter into force on the day following the publication of this circular.

Should you have any queries in relation to this circular, please contact [smpolicy@mfsa.mt](mailto:smpolicy@mfsa.mt).