Background

To alleviate the economic effects of the COVID-19 pandemic for EU companies, the European Parliament and European Council agreed a package of measures to help with the recovery of the capital markets. The package of measures includes the adaptation of the MiFID II directive and the prospectus regulation. Before the entry into force of the QuickFix, scheduled reviews of the MiFID II regulations were planned based on practical experience applying the guidelines.

Aims

The simplifications set out in the MiFID II - Quick Fix aim to facilitate investment activity in the real economy and to support the prompt recapitalisation of European companies after the COVID-19 pandemic. To achieve these aims, accessibility to financial markets should be enhanced, information requirements for qualified investors reduced and cost savings for professional financial market participants based on the reduction of bureaucratic processes.

MiFID II – QuickFix: What is changing?

**Status Quo: Communication media**

Paper form applies as standard for customer information.

**Change in MiFID II - QuickFix: Communication media**

Information must now be provided to customers electronically.

**Status Quo: Product Governance**

Corporate bonds with a "make-whole clause" apply as "packaged investment products for small investors".

**Change in MiFID II - QuickFix: Product Governance**

Corporate bonds with make-whole clauses are exempt from product monitoring.
Status Quo: Information for professional investors/suitable counterparties
– Cost information is to be provided before contract conclusion as standard.
– The requirement to disclose service costs covers all services and ancillary services.
– Investment firms are required to state that customer orders are carried out under the best possible conditions.

Change in MiFID II - QuickFix: Information for professional investors/suitable counterparties
– Subsequent cost information is possible with approval from the customer.
– For professional investors, only information on portfolio management and investment advice is necessary.
– This requirement is suspended.

Status Quo: Cost/use analysis for professional investors
The cost/use ratio is to be verified when restructuring assets.

Change in MiFID II - QuickFix: Cost/use analysis for professional investors
Cost/use analysis when restructuring assets is only required for professional investors on request.

Status Quo: Financial analysis costs
Gebühren für Dienstleistungen wie Research-Kosten müssen separat ausgewiesen werden.

Change in MiFID II - QuickFix: Financial analysis costs
Exceptions are introduced allowing for the combination of analysis and implementation costs.

MiFID II – QuickFix: What is changing?

Commodity derivatives

Status Quo: Position limit regime
An individual or a group of companies may not exceed a threshold of netted positions in commodity derivatives.

Change in MiFID II - QuickFix: Position limit regime
The focus is on agricultural contracts and significant commodity derivatives. Exceptions apply to the provision of liquidity and securitised derivatives.

Status Quo: Secondary employment exemption
The supervisory authority must be informed of the use of the secondary employment exemption annually. Qualitative tests on the assessment of secondary employment are carried out based on proportionate speculative business.

Change in MiFID II - QuickFix: Secondary employment exemption
The annual reporting obligation to the supervisory authority on use of the secondary employment exemption is omitted.
The secondary employment test is simplified.

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