

Directive 2006/31/EC of the European Parliament and of the Council
of 5 April 2006 amending directive 2004/39/EC on markets in financial
instruments, as regards certain deadlines (Text with EEA relevance) (repealed)

DIRECTIVE 2006/31/EC OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL

of 5 April 2006

amending directive 2004/39/EC on markets in
financial instruments, as regards certain deadlines

(Text with EEA relevance) (repealed)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular
Article 47(2) thereof,

Having regard to the proposal from the Commission,

After consulting the European Economic and Social Committee,

Having regard to the opinion of European Central Bank⁽¹⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁽²⁾,

Whereas:

- (1) Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments⁽³⁾ introduces a comprehensive regulatory regime to ensure a high quality of execution of investor transactions.
- (2) Directive 2004/39/EC provides that Member States are to adopt the laws, regulations and administrative provisions necessary to comply with it by 30 April 2006. In order to ensure uniform application in the Member States, a significant number of complex provisions of that Directive need to be supplemented by implementing measures, to be adopted by the Commission during the period for transposition by Member States. Because Member States cannot fully prepare and finalise their national laws until the content of the implementing measures is clear, they may have difficulty in meeting the current transposition deadline.
- (3) In order to comply with the requirements of Directive 2004/39/EC and national implementing legislation, investment firms and other regulated entities may have to introduce new information technology systems, new organisational structures, and reporting and record-keeping procedures, or to make significant modifications to existing systems and practices. This can only be done once the contents of the implementing measures to be adopted by the Commission and of the national legislation transposing the Directive are settled.

- (4) It is also necessary that Directive 2004/39/EC and its implementing measures be transposed into national law or apply directly in Member States simultaneously for the Directive to produce its full effect.
- (5) It is therefore appropriate to extend the deadline for Member States to transpose Directive 2004/39/EC into national law. Similarly, the deadline for investment firms and credit institutions to comply with the new requirements should be postponed for a period after the transposition into national law has been completed by the Member States.
- (6) Given the interaction between the different provisions of Directive 2004/39/EC, it is appropriate that any extension of those deadlines apply to all the provisions of that Directive. Any extension of the transposition and application deadlines should be proportionate to, and not exceed, the needs of the Member States and regulated entities. In order to avoid fragmentation that could hamper the functioning of the internal market in securities, Member States should apply the provisions of Directive 2004/39/EC at the same time.
- (7) In its Resolution of 5 February 2002 on the implementation of financial services legislation⁽⁴⁾, the European Parliament requested that it and the Council should have an equal role in supervising the way in which the Commission exercises its executive role in order to reflect the legislative powers of the European Parliament under Article 251 of the Treaty. In the solemn declaration made before the European Parliament the same day by its President, the Commission supported that request. On 11 December 2002, the Commission proposed amendments to Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁽⁵⁾, and then submitted an amended proposal on 22 April 2004. The European Parliament does not consider that this proposal preserves its legislative prerogatives. In the view of the European Parliament, it and the Council should have the opportunity of evaluating the conferral of implementing powers on the Commission within a determined period. It is therefore appropriate to limit the period during which the Commission may adopt implementing measures.
- (8) The European Parliament should be given a period of three months from the first transmission of draft amendments and implementing measures to allow it to examine them and to give its opinion. However, in urgent and duly justified cases, it should be possible to shorten that period. If, within that period, a resolution is adopted by the European Parliament, the Commission should re-examine the draft amendments or measures.
- (9) Further consequential amendments are necessary to postpone the dates for the repeal of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field⁽⁶⁾ and for the transitional provisions laid down in Directive 2004/39/EC, and to extend the timetable for the Commission's reporting obligations.
- (10) Given the postponed deadline between the obligation for Member States to transpose Directive 2004/39/EC into national law and the deadline for investment firms and credit institutions to comply with the new requirements, the provisions of Directive 2004/39/

EC will remain ineffective until 1 November 2007; it is therefore appropriate to repeal Directive 93/22/EEC with effect from 1 November 2007.

(11) Directive 2004/39/EC should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

Status: This is the original version (as it was originally adopted).

- (1) [OJ C 323, 20.12.2005, p. 31.](#)
- (2) Opinion of the European Parliament of 13 December 2005 (not yet published in the Official Journal) and Council Decision of 10 March 2006.
- (3) [OJ L 145, 30.4.2004, p. 1.](#)
- (4) [OJ C 284 E, 21.11.2002, p. 115.](#)
- (5) [OJ L 184, 17.7.1999, p. 23.](#)
- (6) [OJ L 141, 11.6.1993, p. 27.](#) Directive as last amended by Directive 2002/87/EC of the European Parliament and of the Council ([OJ L 35, 11.2.2003, p. 1.](#)).