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## Press release

### **AFME comments on likely impact on fixed income markets of ESMA's MiFID II consultation proposals**

19 December 2014

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Commenting on the consultation launched today by the European Securities and Markets Authority (ESMA) regarding the implementation of the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR), Christian Krohn, Managing Director at the Association for Financial Markets in Europe (AFME), said:

“ESMA's proposals in this consultation raise numerous issues - one being the likely impact on fixed income markets. We are concerned the proposals could impact these markets' liquidity, increase investor costs and make issuance of debt more expensive, and we hope to continue to engage with policymakers to ensure MiFID II will not be an obstacle to the growth agenda of the European Commission.”

“For example, ESMA proposes to define a large number of instruments as liquid, although the majority of fixed income instruments trade highly infrequently, and it is a key component of ESMA's mandate to assess liquidity.

“While we support the introduction of transparency requirements, these need to be carefully tailored to the specifics of those markets to avoid disruption and broader impacts on investors and issuers.”

-ENDS-

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#### **Notes:**

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, [www.afme.eu](http://www.afme.eu)
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