



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 November 2012

16512/12

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2011/0295 (COD)**

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"I" ITEM NOTE

from: Presidency
to: Coreper (part 2)

Subject: Proposal for a Regulation of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) (MAR)
- General approach

1. On 25 October 2011 the Commission submitted to the Council the above-mentioned proposal, which aims to increase market integrity and investor protection, while ensuring a single rulebook and level playing field and increasing the attractiveness of securities markets for capital raising. The proposal was accompanied by a proposal for a Directive on criminal sanctions for insider dealing and market manipulation. These two proposals together constitute the review of the current Market Abuse Directive (MAD).
2. The proposed Regulation (MAR) has been examined by the Working Party on Financial Services under the ECOFIN Council, whereas the proposed Directive (MAD) has been examined by the Working Party on Substantive Criminal Law under the JHA Council.

3. Intensive negotiations on MAR have been going on during the PL, DK and CY Presidencies aiming at an agreement on the Council's general approach, which would allow the Presidency to start negotiations with the European Parliament with a view to reaching a first reading agreement. The EP ECON Committee voted on its report in October 2012.
4. The proposed MAR is linked to the revised rules for markets in financial instruments (MiFID/MiFIR), i.e. some provisions in the general approach on MAR have to be aligned at a later stage to MiFID/MiFIR once there is an agreement on the general approach on these files.
5. During the discussions in the Working Party on Financial Services the Presidencies have tabled several overall compromise proposals and other texts in order to make progress on the file.
6. Following a silence procedure within the framework of Working Party on Financial Services, which ended on 30 November 2012 without any delegation breaking it, delegations can now support the latest Presidency compromise proposal for Council's general approach, as set out in doc. 16416/1/12 REV 1.
7. It is therefore suggested that Permanent Representatives Committee:
 - confirms the agreement on the Council's general approach on MAR , as set out in doc. 16416/1/12 REV 1,
 - agrees to align this general approach to the general approach on MiFID/MiFIR once an agreement on these files have been achieved, and
 - invites the Presidency to start negotiations with the EP on the basis of the agreed general approach with a view to reaching an agreement in the first reading.