

(FISMA)

---

**From:** [REDACTED] (MARKT)  
**Sent:** 09 April 2013 15:12  
**To:** MARKT LIST G3  
**Subject:** Meeting with MFA re MIFID/R & MAR

On 9/4-2013 Maite Fabregas, [REDACTED] and [REDACTED] met with [REDACTED] of Managed Fund Association (MFA) et al re MAR and MIFID/R.

MFA declared that their intention is to be more vocal in EU policy matters. MFA queried about the most recent developments under MIFID/R and MAR and wondered about the timing. As regards OTF, they are opposed to the ban on proprietary trading as in their view conflict of interest can be managed; in addition this ban would lead to more liquidity fragmentation as this liquidity provision role would have to take place under the SI regime. As regards transparency, MFA queried about the COM's views on volume cap for reference price waivers and stated that although they understand the COM position, they are favourable to the use of waivers generally. As regards access, MFA has no formal opinion but would see favourably an open access market structure due to beneficial effects on costs. Other queries concerned high frequency/algorithmic trade, straight through processing and third country regime.

As regards MAR, MFA expressed concern that the scope must be a clearly defined; the current wording by the EP of the list of instruments in scope is too open-ended. The definition of what constitutes insider info is also too broad. Finally, the definition of market manipulation in the EP text is too "harsh" since the mere failure to report a modification of an algorithm could constitute a violation. Intent must be factored in.

[REDACTED]  
Policy Officer



**European Commission**  
DG MARKT  
Unit G/3 Securities Markets

Rue de Spa 2, [REDACTED] 1  
B-1049 Brussels/Belgium  
+32-(0) [REDACTED]

[@ec.europa.eu](mailto:[REDACTED]@ec.europa.eu)