



ESMA's call for evidence on the effects of product intervention measures regarding CFDs and binary options on market participants and clients.

Call for evidence. Effects of product intervention measures regarding CFDs and binary options on market participants and clients

1.- Who should read this paper

This consultation is addressed, in particular, to:

- Investment firms and credit institutions providing investment services (in particular, providers of contracts for differences or binary options impacted by ESMA's product intervention measures).
- Consumer groups and investors.

2.- Information Note

Regulation 600/2014 on markets in financial instruments (MiFIR), in force since 2018, conferred ESMA with the power to temporarily prohibit or restrict the marketing, distribution or sale of financial instruments, subject to specific conditions, which are known as product intervention measures. Given the investor detriment caused, temporary product intervention measures started to apply on 2 July 2018 for binary options, and on 1 August 2018 for contracts for differences. Following three successive renewals, ESMA's measures expired on 1 July 2019 for binary options, and on 31 July 2019 for contracts for differences. The majority of NCAs have adopted national product intervention measures to permanently address investor protection concerns arising from these products.

The European Commission has requested ESMA to report on its experience with the new intervention powers, including the practical effects of the measures, covering those applied by ESMA as well as by NCAs. This call for evidence is intended to gather the opinions of market participants and clients in this regard. ESMA will consider this information when drafting its response to the European Commission.

To review its product intervention Decisions, ESMA conducted surveys among NCAs in order to assess the practical application and impact of its measures. For their part, NCAs have collected periodic information from market participants. ESMA also received direct additional information from stakeholders, which served as input for its review.

Hence, the European Commission will have quantitative and qualitative information available on the impact of the measures which ESMA collected for the purpose of renewing its Decisions, but ESMA is seeking additional, quantitative and qualitative, market information. The consultation paper contains seven questions.

3.- Submission of comments

The deadline for this consultation is **4 November 2019**.

Respondents may send their remarks through ESMA's website: www.esma.europa.eu. The paper of this consultation and the response form are available in section [Consultations](#) (place the cursor on the word to obtain the link).

Likewise, please send a copy of your answers to the CNMV to the following email address: documentosinternacional@cnmv.es

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