

MEMO# 32037

November 5, 2019

SEC Announces Extension of MiFID II No-Action Letter

[32037]

November 5, 2019 TO: ICI Members

ICI Global Members SUBJECTS: MiFID, EMIR, AIFMD, UCITS V RE: SEC Announces Extension of MiFID II No-Action Letter

In October 2017, the staff of the Division of Investment Management of the Securities and Exchange Commission (SEC) issued to the Securities Industry and Financial Markets Association (SIFMA) a temporary no-action letter under the Investment Advisers Act of 1940 (Advisers Act) regarding compliance with the provisions relating to research in the Markets in Financial Instruments Directive II (MiFID II) and related implementing rules and regulations (Temporary No-Action Letter), which was due to expire on July 3, 2020.[\[1\]](#) The initial relief period was intended to provide the staff and market participants with time to understand the evolution of business practices after the implementation of MiFID II.

The staff has now determined to extend the Temporary No-Action Letter until July 3, 2023 (Extended Period).[\[2\]](#) The staff has concluded that the Extended Period will allow:

- for the SEC staff to continue to monitor and assess the evolving impact of MiFID II and evaluate whether any additional guidance or recommendations to the SEC for regulatory actions are appropriate;
- additional time for European Union authorities or regulators in individual member states to continue their evaluation of the effects of MiFID II and potentially modify their rules; and
- additional time for market-based solutions with respect to payments for research in the United States and Europe to evolve further, and for greater transparency regarding research payments and practices to develop.

During the Extended Period, the staff's position continues to be based on the facts and representations in the Temporary No-Action Letter. Further, the new letter notes that the SEC or the staff of the SEC may take further action or issue further guidance regarding MiFID II during the Extended Period.

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endnotes

[1] See ICI Memorandum No. 30929, dated October 26, 2017, available at <https://www.iciglobal.org/iciglobal/pubs/memos/memo30929>.

[2] The new no-action letter is available at <https://www.sec.gov/investment/sifma-110419>.

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