



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

**ECB-PUBLIC**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Dimitrios Papadimoulis  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 1 September 2015

L/MD/15/495

**Re: Your letter (QZ-100)**

Honourable Member of the European Parliament, dear Mr Papadimoulis,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 22 June 2015.

In relation to markets in financial instruments, the designated competent authorities of Member States are entrusted with the tasks of investigating and sanctioning cases of manipulation of financial markets and insider trading, and of preventing money laundering.

The ECB's role with regard to the supervisory tasks under the Markets in Financial Instruments Directive, the Market Abuse Directive and the Anti-Money Laundering Directive is limited to cooperation, as and when appropriate, with the designated competent authorities.

In addition, under the proposed EU Regulation on indices used as benchmarks in financial instruments and financial contracts, which is currently in trialogue negotiations, Member States would be required to designate a competent authority to supervise the production and use of benchmarks, to ensure that they are reliable, representative and not prone to manipulation.

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As expressed in the ECB opinion of 7 January 2014<sup>1</sup>, the ECB supports the Union's regulatory response to the issues raised in your letter in the form of the proposed regulation and its objective of establishing a common set of rules at EU level for the benchmark-setting process for financial instruments and financial contracts in the interest of integrity and reliability of financial benchmarks and the wider concern of protection of investors and consumers.

For the Eurosystem, it is critical for safeguarding the integrity and reliability of key financial benchmarks that the quality of the contributions (input data) to these indices and the integrity of the benchmark administrators are maintained. For this reason also, the ECB actively participates in the relevant Financial Stability Board working groups to support market participants in developing more robust, transaction-based alternatives to the major current interest rate benchmarks.

Yours sincerely,

[signed]

Mario Draghi

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<sup>1</sup> See ECB opinion of 7 January 2014 on a proposal for a regulation on indices used as benchmarks in financial instruments and financial contracts (CON/2014/2), available on the ECB's website at [https://www.ecb.europa.eu/ecb/legal/pdf/en\\_con\\_2014\\_02\\_f\\_sign.pdf](https://www.ecb.europa.eu/ecb/legal/pdf/en_con_2014_02_f_sign.pdf)

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