

## PRESS RELEASE

### **ESMA renews binary options prohibition for a further three months from 2 January 2019**

The European Securities and Markets Authority (ESMA) has agreed to renew the prohibition of the marketing, distribution or sale of binary options to retail clients, in effect since 2 July, for a further three-month period.

ESMA has carefully considered the need to extend the intervention measure currently in effect. It considers that a significant investor protection concern related to the offer of binary options to retail clients continues to exist. ESMA has therefore agreed to renew the measure from 2 January 2019 on the same terms as the previous renewal decision that started to apply on 2 October 2018.

The renewal was agreed by ESMA's Board of Supervisors on 7 November 2018.

#### **Next steps**

ESMA intends to adopt the renewal measure in the official languages of the EU in the coming weeks, following which ESMA will publish an official notice on its website. The measure will then be published in the Official Journal of the EU and will start to apply from 2 January 2019 for a period of three months.

## Notes for editors

1. The temporary intervention measure in relation to binary options started to apply on 2 July 2018. It was previously renewed for a further three month period from 2 October 2018. In accordance with the Markets in Financial Instruments Regulation, ESMA can only introduce temporary intervention measures for a three-month period, following which the measures must be renewed or they automatically expire.
2. ESMA's mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- a. assessing risks to investors, markets and financial stability;
  - b. completing a single rulebook for EU financial markets;
  - c. promoting supervisory convergence; and
  - d. directly supervising specific financial entities.
3. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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