

EU MATTERS: your newsletter on EU matters



August 2017

General and Institutions

Brexit

- The **first proper round of talks** were held regarding Brexit in Brussels in mid-July. The discussions related mainly to issues such as citizens' rights, financial obligations, nuclear energy cooperation and the decision about UK and EU goods on the market prior to Brexit.
- ESMA has published three opinions setting out sector-specific principles in the areas of investment firms, investment management and secondary markets, aimed at fostering consistency in authorisation, supervision and enforcement related to the **relocation of entities**, activities and functions from the United Kingdom to the EU27. https://www.esma.europa.eu/sites/default/files/library/esma71-99-526_esma_issues_sector-specific_principles_on_relocations_from_the_uk_to_the_eu27.pdf

EU FILES

Capital Markets Union

- The **European Council adopted conclusions** on the European Commission's mid-term review of the EU's capital markets union action plan. The Council renewed its commitment to the action plan, which is aimed at securing a fully-fledged capital markets union by the end of 2019. It supports a number of priority initiatives set out by the European Commission. http://www.consilium.europa.eu/press-releases-pdf/2017/7/47244662566_en.pdf
- The European Commission held a Public Hearing on **Sustainable Finance** with Vice-President Valdis Dombrovskis, in Brussels. At the hearing The High Level Expert Group on Sustainable Finance:
 - published an interim report on 'Financing a Sustainable European Economy': https://ec.europa.eu/info/sites/info/files/170713-sustainable-finance-report_en.pdf

- and opened a sustainable finance questionnaire (open until 20 September):
<https://ec.europa.eu/eusurvey/runner/sustainable-finance-interim-report-2017>
 The results of this questionnaire will feed into the final report which will be published at the end of 2017.

Prospectus Regulation

- ESMA has published three Consultation Papers (CP) on draft technical advice for the Prospectus Regulation. (The consultation is open until 28 September.)
 - + **Format and content** of the Prospectus:
<https://www.esma.europa.eu/file/22575/download?token=ZdD6zfoo>
 - + Content and format of the EU **growth prospectus**:
https://www.esma.europa.eu/file/22576/download?token=z3hE_cwT
 - + **Scrutiny and approval** of prospectus:
<https://www.esma.europa.eu/file/22577/download?token=27xOMLCZ>

Benchmarks

- ESMA has published Q&A on practical questions regarding the implementation of the Benchmarks Regulation (BMR). The Q&A includes two answers regarding the **transitional provisions** under the BMR, clarifying which benchmarks supervised entities will be allowed to use after 1 January 2018.
<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-benchmarks-regulation-ga-transitional-provisions>

MiFID II & MiFIR

- Updates on Q&A on MiFID II/MiFIR implementation:
 - + **MiFIR data reporting**:
https://www.esma.europa.eu/file/21278/download?token=7gCWzi_l
 - + **Market structure** topics:
<https://www.esma.europa.eu/file/22595/download?token=m5oRuhAf>
 - + **Commodity derivatives** topics:
<https://www.esma.europa.eu/file/22600/download?token=JZzU9Om0>
- ESMA has issued final RTS regarding the aggregation and publication of **derivatives data** by trade repositories (TRs).
<https://www.esma.europa.eu/file/22615/download?token=aos4tzus>
- ESMA has updated market size calculations for MiFID II **ancillary test** for commodity derivatives.
https://www.esma.europa.eu/sites/default/files/library/esma70-156-165_opinion_on_market_size_calculation.pdf

Retail financial services

- The European Commission published a proposal for a Regulation on a **Pan-European Personal Pension Product (PEPP)**. The PEPP is expected to be a simple product for savers that includes a default, low-risk investment option, and strong rules on risk mitigation as well as a transparent and flexible. The proposal will now go to the European Parliament and the European Council before it becomes EU law.
https://ec.europa.eu/info/publications/170629-personal-pension-products_en
- The European Supervisory Authorities jointly published an advise on **Packaged Retail and Insurance-Based Investment Products (PRIIPS)** with environmental or social objectives:
<https://www.esma.europa.eu/-/esas-advise-on-packaged-retail-and-insurance-based-investment-products-with-environmental-or-social-objectives>

ESMA

- ESMA has written to the European Commission setting out its views on recent proposals for improvements in the way the EU deals with **third countries** on financial services. ESMA highlights further areas where changes should be considered including the third country regimes for credit rating agencies, trade repositories, benchmarks and possibly trading venues and data providers.
<https://www.esma.europa.eu/file/22605/download?token=ANxa4BC3>

EVENTS

24 August	Deadline for ESMA's consultation on guidelines on CCPs' conflict of interest management
13-15 Sept	EUROFI seminar, Tallinn, Estonia, speakers include Nasdaq's Hans-Ole Jochumsen and Arminta Saladziene
22 Sept	IOSCO/CPMI Consultation 'Framework for supervisory stress testing of central counterparties' closes
28 Sept	ESMA's Consultation on technical advice under the new Prospectus regulation closes.
7 Oct	EPFSF - The European Fintech Action Plan, Brussels; Speakers include Nasdaq's Valerie Bannert-Turner
17 Oct	ESMA 2017 conference, 'The State of European Financial Markets', Paris, speakers include Nasdaq's Hans-Ole Jochumsen
22 Nov	Joint Nasdaq & EQT conference on 'Access to Capital and Financing: Does the Nordics have the secret recipe?', Brussels
22 Nov	European Small and Mid-Cap Awards ceremony, Brussels