

## EU MATTERS: your newsletter on EU matters



April 2018

### General and Institutions

#### Brexit

- The European Council adopted guidelines on the framework for post-Brexit relations with the UK at the European Summit in Brussels

The guidelines are available here:

<http://www.consilium.europa.eu/media/33458/23-euco-art50-guidelines.pdf>

### Legislative files

#### Capital Markets Union (CMU)

- The European Commission has put forward proposals promoting **alternative sources of financing and removing barriers to cross-border investments**. The proposals include:
  - Legislation on European covered bonds
  - Removal of barriers to cross-border distribution of funds
  - Rules clarifying which law applies to a cross-border transactions in claims and securities

Read the press release here:

[http://europa.eu/rapid/press-release\\_IP-18-1364\\_en.htm](http://europa.eu/rapid/press-release_IP-18-1364_en.htm)

- The European Commission's has launched an **Action Plan on financing sustainable growth**. The Action Plan, launched on March 8, is part of CMU's efforts to connect finance with the specific needs of the European economy to the benefit of the planet and our society. It is also one of the key steps towards implementing the Paris Agreement and the EU implementation of the 2030 Agenda for Sustainable development.

Key features of the plan are:

- Establishing a **EU taxonomy** to define what is sustainable
- Creating **EU labels** for green financial products
- Clarifying the **duty of asset managers and institutional investors** to take sustainability into account in the investment process

- Requiring insurance and investment firms to **advise clients** on the basis of their preferences on sustainability.
- Incorporating **sustainability in prudential requirements**
- Enhancing transparency in **corporate reporting**

Read more on the Action Plan here:

[https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth\\_en](https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en)

## Prospectus regulation

- ESMA has published a report with the first part of its proposal for **Technical Advice under the Prospectus Regulation**. It covers the areas of format and content of prospectus, the EU growth prospectus and the scrutiny and approval of prospectus. Subject to endorsement by the European Commission, the technical advice will form the basis for the delegated acts to be adopted by the European Commission.

Read the final report here:

[https://www.esma.europa.eu/sites/default/files/library/esma31-62-800\\_final\\_report\\_on\\_technical\\_advice\\_under\\_the\\_pr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma31-62-800_final_report_on_technical_advice_under_the_pr.pdf)

## MiFID/MiFIR

- ESMA clarifies treatment of packages under MiFIR's **trading obligation** for derivatives. The clarification includes a positive list of categories of packages for which the derivative components subject to the trading obligation are always required to be traded on a trading venue.
- Read the clarification here:

[https://www.esma.europa.eu/sites/default/files/library/esma70-156-322\\_opinion\\_packages\\_and\\_to.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-156-322_opinion_packages_and_to.pdf)

- ESMA has published its final report on proposed amendments to the Commission Delegated Regulation RTS 1, which further details the **transparency requirements for equity instruments**, including the quoting obligations for systematic internalisers under MiFIR. The proposal now passes to the European Commission for endorsement and political approval.

Link to the report:

[https://www.esma.europa.eu/sites/default/files/library/esma70-156-354\\_final\\_report\\_rts\\_1\\_amendment.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-156-354_final_report_rts_1_amendment.pdf)

- ESMA updated its Q&A on MiFID II and MiFIR regarding **commodity derivatives** topics. The new Q&As provide clarification on issues related position limits, position reporting and ancillary activity.

[https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-28\\_cdtf\\_gas.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-28_cdtf_gas.pdf)

- ESMA has published a list of **trading venues and CCPs benefitting from a transitional exemption from the access provisions** under MiFIR.

[https://www.esma.europa.eu/sites/default/files/library/esma70-155-4809\\_list\\_of\\_access\\_exemptions\\_art.54.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-155-4809_list_of_access_exemptions_art.54.pdf)

## EMIR

- ESMA published guidelines on how **trade repositories** should calculate derivative positions under EMIR.

<https://www.esma.europa.eu/press-news/esma-news/esma-harmonises-position-calculation-trade-repositories>

## Benchmark Regulation

- ESMA has **updated its Q&As** regarding the implementation of the Benchmarks Regulation. The Q&As include one new answer regarding requirements applicable to supervised contributors during the transitional period. See it here:  
[https://www.esma.europa.eu/sites/default/files/library/esma70-145-114\\_qas\\_on\\_bmr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-114_qas_on_bmr.pdf)

## Central Securities Depository Regulation (CSDR)

- ESMA has published its **final guidelines** on how to report internalised settlement under CSDR. Read the report:  
<https://www.esma.europa.eu/press-news/esma-news/esma-finalises-guidelines-how-report-internalised-settlement>
- ESMA has **updated its Q&As** regarding the implementation of the CSDR. The link is here:  
[https://www.esma.europa.eu/sites/default/files/library/esma70-708036281-2\\_csd\\_r\\_qas.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-708036281-2_csd_r_qas.pdf)

## Other

### Fintech

- The Joint Committee of the European Supervisory Authorities (ESAs) published today its **final report on Big Data** analysing its impact on consumers and financial firms. Overall, the ESAs have found that while the development of Big Data poses some potential risks to financial services consumers, the benefits of this innovation currently outweigh these. Many of the risks identified by the ESAs are mitigated by existing legislation. Read the report here:  
[https://www.esma.europa.eu/sites/default/files/library/jc-2018-04\\_joint\\_committee\\_final\\_report\\_on\\_big\\_data.pdf](https://www.esma.europa.eu/sites/default/files/library/jc-2018-04_joint_committee_final_report_on_big_data.pdf)

### Retail

- ESMA has agreed on measures on the provision of contracts for differences (CFDs) and binary options to retail investors in the EU. Measures include restrictions on the marketing, distribution or sale of CFDs and binary options to retail investors. Read about the measures here:  
<https://www.esma.europa.eu/document/additional-information-agreed-product-intervention-measures-relating-contracts-differences>

### Motion for resolution

- European Parliament’s ECON committee has published a draft report on “Relationships between the EU and third countries concerning financial services regulation and supervision”. You can see it here:  
<http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-619.408&format=PDF&language=EN&secondRef=01>

## **EVENTS:**

19 April	22nd European Corporate Governance Conference in Sofia, Bulgaria
25-27 April	EUROFI in Sofia, Bulgaria
20 -21 June	FESE Convention, Vienna
11 July	EPFSF - CMU Sustainable Finance, Brussels
6 November	EPFSF - Brexit, Brussels
4 December	EPFSF - Competitive positioning EU 27 in Financial Markets, Brussels

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