

## EU MATTERS: your newsletter on EU matters



December 2017

### General and Institutions

#### Brexit

- 6<sup>th</sup> and 7<sup>th</sup> round of negotiations were held at the beginning of November and December in Brussels. “Sufficient progress” is still needed for the European Council to give a green light to move into the next step in the negotiations.
- Paris becomes the new home of the European Banking Authority (EBA) after Brexit.

#### MiFID

- ESMA published a consultation on **SI and tick sizes**. They propose a change to RTS 1, to clarify that SI quotes should reflect the price increments applicable to EU trading venues. This change will not be in place by 3 January. The consultation is open until 25 January. A link to the consultation:  
[https://www.esma.europa.eu/sites/default/files/library/esma70-156-275\\_cp\\_on\\_revised\\_rts\\_1.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-156-275_cp_on_revised_rts_1.pdf)
- ESMA updated its Q&As regarding the implementation of MiFID II. This update clarifies the application of the **trading obligation for shares** to trade certain instruments on-venue. See here:  
<https://www.esma.europa.eu/press-news/esma-news/esma-clarifies-trading-obligation-shares-under-mifid-ii>
- ESMA published for public consultation future guidelines on the calculation of **derivative positions** by trade repositories (TRs) authorised in the European Union under EMIR. See the link here:  
<https://www.esma.europa.eu/file/23965/download?token=vNboR-Mk>
- ESMA has updated its Q&As regarding **market structure** issues under MiFID II and MiFIR. This update includes new answers regarding: Tick size regime; Direct Electronic Access (DEA); and Multilateral systems. See the link here:  
<https://www.esma.europa.eu/file/22595/download?token=m5oRuhAf>
- ESMA has updated its Q&As regarding **transparency issues** under MiFID II and MiFIR, including on the redistribution regime applicable to delayed data. Link to the Q&A here:  
<https://www.esma.europa.eu/file/22286/download?token=NcafgRB5>

- ESMA has updated its Q&As regarding **commodity derivatives** under MiFID II and MiFIR including: position limits, ancillary activities and position reporting: [https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-28\\_cdtf\\_qas.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-28_cdtf_qas.pdf)
- ESMA has updated its Q&As regarding **data reporting** under the MiFID II and MiFIR. This update clarifies:
  - transaction reporting for primary issuances;
  - corporate events;
  - portfolio management; and
  - swaps related to indices[https://www.esma.europa.eu/file/21278/download?token=7gCWzi\\_l](https://www.esma.europa.eu/file/21278/download?token=7gCWzi_l)
- The European Commission published a delegated act with regard to regulatory technical standards (RTS) on the **trading obligation for certain derivatives** under MiFID II/MiFIR: <http://ec.europa.eu/transparency/regdoc/?fuseaction=list&coteId=3&year=2017&number=7684&version=ALL&language=en> and also a proposed list of derivatives subject to trading obligations under the upcoming market rules. Here is the list: [http://ec.europa.eu/finance/docs/level-2-measures/mifir-rts-2017-7684-annex\\_en.pdf](http://ec.europa.eu/finance/docs/level-2-measures/mifir-rts-2017-7684-annex_en.pdf)
- European Commission adopted **equivalence decision for derivatives trading venues** in the United States. Read more about it here: [http://europa.eu/rapid/press-release\\_MEX-17-5128\\_en.htm](http://europa.eu/rapid/press-release_MEX-17-5128_en.htm)

## MAR

- ESMA has updated its Q&A document regarding the implementation of the Market Abuse Regulation (MAR) as regards to managers' transactions. See it here: [https://www.esma.europa.eu/sites/default/files/library/esma70-145-111\\_qa\\_on\\_mar.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-111_qa_on_mar.pdf)

## CMU

- Estonia, Latvia and Lithuania have agreed to create a **pan-Baltic capital market** to strengthen their economies and stimulate investment to create jobs with support of the European Commission (EC) and the EBRD. The Ministers of Finance for Estonia, Latvia and Lithuania – signed a Memorandum of Understanding (MoU) in Brussels early November, in which the parties agree to harmonise capital market regulations and dismantle barriers to investment. [https://ec.europa.eu/commission/commissioners/2014-2019/dombrovskis/announcements/baltic-states-create-pan-baltic-capital-market-joint-initiative-supported-european-commission-and\\_en](https://ec.europa.eu/commission/commissioners/2014-2019/dombrovskis/announcements/baltic-states-create-pan-baltic-capital-market-joint-initiative-supported-european-commission-and_en)

## European Fund for Strategic Investments (EFSI)

- The flagship initiative under the EU's 'investment plan for Europe'(EFSI), which was established in mid-2015 is to be **extended in terms of both duration and financial capacity**. The aim is to mobilise at least half a trillion euros of additional investments

by 2020, the fund is on track for attaining its initial €315 billion target in additional investments by mid-2018.

<http://www.consilium.europa.eu/en/press/press-releases/2017/11/08/investment-plan-for-europe-efsi-extension-approved-by-council/>

- **Investment Plan for Europe: European Investment Bank (EIB) and OP Corporate Bank (OP)** boost access to finance for Finnish companies. EIB and OP signed a EUR 150m guarantee agreement to support medium-sized companies in Finland. It is the first time that such a transaction is signed with a Finnish bank. The agreement was made possible by the **European Fund for Strategic Investments (EFSI)**. Read about it here:  
[https://ec.europa.eu/commission/news/investment-plan-europe-eib-and-op-boost-access-finance-finnish-companies-2017-nov-06\\_en](https://ec.europa.eu/commission/news/investment-plan-europe-eib-and-op-boost-access-finance-finnish-companies-2017-nov-06_en)
- European Council finally adopted **securitisation rules** aimed at facilitating the development of a securitisation market in Europe. See link here:  
<http://www.consilium.europa.eu/en/press/press-releases/2017/11/20/capital-markets-union-agreement-reached-on-securitisation/pdf>
- The European Commission's expert group on **corporate bond markets** has published its findings and recommendations, alongside a separate external study on the drivers of corporate bond market liquidity. The Commission is also planning a public consultation early 2018, and in the autumn a Communication on corporate bonds is planned. Read the Report on Improving European corporate bond markets here:  
[https://ec.europa.eu/info/files/171120-corporate-bonds-report\\_en](https://ec.europa.eu/info/files/171120-corporate-bonds-report_en)  
Read the Study on the drivers of corporate bond market liquidity here:  
[https://ec.europa.eu/info/files/171120-corporate-bonds-study\\_en](https://ec.europa.eu/info/files/171120-corporate-bonds-study_en)
- The European Commission follows up on the **Call for Evidence** and consults on supervisory reporting. Read more about it here:  
[https://ec.europa.eu/info/consultations/finance-2017-supervisory-reporting-requirements\\_en](https://ec.europa.eu/info/consultations/finance-2017-supervisory-reporting-requirements_en)

## EMIR

- ESMA has issued an update of its Q&A on practical questions regarding EMIR on reporting to trade repositories.  
[https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-52\\_ga\\_on\\_emir\\_implementation.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-52_ga_on_emir_implementation.pdf)

## Benchmarks (BMR)

- ESMA has published updated Q&As regarding the implementation of the Benchmarks Regulation on **third country issues**.  
<https://www.esma.europa.eu/press-news/esma-news/esma-updates-benchmarks-gas-third-country-issues>

## PRIIPS

- ESAs published a new Q&A on PRIIPs regarding **Key Information Documents**. Click here:

[https://esas-joint-committee.europa.eu/Publications/Technical%20Standards/JC%202017%2049%20%28JC\\_PRIIPs\\_QA\\_3rd%29.pdf](https://esas-joint-committee.europa.eu/Publications/Technical%20Standards/JC%202017%2049%20%28JC_PRIIPs_QA_3rd%29.pdf)

## IOSCO

- IOSCO reports on implementation of **G20/FSB recommendations** to strengthen securities markets. See report here: <http://www.iosco.org/news/pdf/IOSCONEWS479.pdf>

## FESE

- 22 November, FESE and European Issuers, in cooperation with the European Commission, hosted the 2017 edition of the **European Small and Mid-Cap Awards**: See the Winners of the Awards:
  - ✚ International Star: Winner: ABEO listed on Euronext (France)
  - ✚ Rising Star: Winner: Poulailon listed on Euronext (France)
  - ✚ Star of Innovation: Winner: Blue Prism listed on the London Stock Exchange (United Kingdom)
  - ✚ Star of 2017: Winner: Kotipizza Group listed on Nasdaq (Finland)

See the link to the Awards here:

<http://europeansmallandmidcapawards.eu/>

## Nasdaq

- Nasdaq together with EQT hosted a joint conference “*Access to capital and financing: Do the Nordics have the secret recipe?*” on 22 November at the Permanent Representation of Sweden to the EU. Introduction by Ambassador Lars Danielsson, The Permanent Representative of Sweden to EU; Speakers included: David Wright, President, Eurofi; Danuta Hübner, Former EU Commissioner and Polish MEP; Paulina Dejmek-Hack, Economic Adviser to the President of European Commission, Jean-Claude Juncker, Caspar Callerström, CEO, EQT; Hans-Ole Jochumsen, Vice Chairman, Nasdaq, Lauri Rosendahl, President Nordics, Nasdaq; Adam Kostyal, Senior Vice President, Nasdaq; Jonas Nyquist, Head of Private Equity, Skandia.

## EVENTS

14 Dec ESMA; Board of supervisors meeting  
14-15 Dec European Summit in Brussels; including Brexit negotiations

### 2018

15 Jan ESMA’s consultation on a position calculation under EMIR closes  
23 Jan European Commission’s Review of the European Supervisory Authorities closes  
25 Jan ESMA’s consultation on a proposed amendment to MiFID II RTS 1 closes  
1 Feb 16th Annual Financial Services conference, Brussels, Lauri Rosendahl, President of Nasdaq Stockholm & Nordics, speaking