

EU MATTERS: your newsletter on EU matters



February 2018

General and Institutions

Brexit

- ✚ The European Commission received a mandate from the General Affairs Council to allowing the negotiations to begin on possible **transitional arrangements** following the United Kingdom's orderly withdrawal from the European Union. The Commission then published a position paper setting out their views on the transitional arrangements.

<https://ec.europa.eu/commission/sites/beta-political/files/transition.pdf>

Legislative files

MiFID

- ESMA published an update of the MiFID II/MiFIR **transitional transparency calculations (TTC) for equity and bond instruments**. ESMA has added the applicable TTC for:
 - ✚ equity instruments, traded for the first time on a trading venue between 13 September 2017 and 2 January 2018 (included); and
 - ✚ bond instruments (except ETCs and ETNs), traded for the first time on a trading venue between 01 November 2017 and 2 January 2018 (included)

See the link here:

<https://www.esma.europa.eu/policy-activities/mifid-ii-and-mifir/transparency-calculations>

(Please note later modifications for two specific instruments:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-equity-transparency-calculations-and-tick-sizes-band-assessment>)

- ESMA has updated its Q&As regarding transparency issues under MiFID II and MiFIR. The update concerns **pre-trade transparency waivers for non-equity instruments**.
https://www.esma.europa.eu/sites/default/files/library/esma70-872942901-35_gas_transparency_issues.pdf

Transparency Directive

- ESMA has published a Practical Guide on National rules on **notifications of major holdings** under the Transparency Directive. Read it here:
https://www.esma.europa.eu/sites/default/files/library/practical_guide_major_holdings_notifications_under_transparency_directive.pdf

CSD Regulation

- ESMA published an update of its Q&As regarding the implementation of the CSDR. The update concerns **ancillary services, organisational requirements and prudential requirements**. See the link:
https://www.esma.europa.eu/sites/default/files/library/esma70-708036281-2_csd_r_qas.pdf

MAR

- ESMA has issued its final Implementing Technical Standards (ITS) regarding the application of MAR. The ITS sets out procedures and forms for NCAs and ESMA to facilitate **exchanges of information and assistance**. The ITS needs the Commission's endorsement. Link is here:
https://www.esma.europa.eu/sites/default/files/library/final_report_on_its_cooperation_mar.pdf

Capital Markets Union

- The European Commission's High-Level Expert Group on **Sustainable Finance** has delivered its report on a roadmap for greener and cleaner economy. The Commission will put forward an action plan on sustainable finance based on this report. Both the report and the action plan will be discussed at a high-level conference on 22 March 2018 in Brussels. Read the report here:
https://ec.europa.eu/info/publications/180131-sustainable-finance-report_en

EMIR

- ESMA has issued final guidelines on the management of **conflicts of interests** for CCPs. In order to ensure a level playing field across the EU, ESMA decided to develop guidance on CCPs management of conflicts of interests, in order to:
 - clarify how CCPs should prevent or mitigate the risks of conflicts of interest; and
 - ensure a consistent implementation across CCPs

See the final report here:

- ESMA has issued an update of its Q&A on practical questions regarding EMIR. The updated Q&A includes a new answer in relation to **operational aspects of access to the trade repository data**.
https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-52_qa_on_emir_implementation.pdf

Retail

- ESMA published a call for evidence on potential product intervention measures relating to the provision of **contracts for differences** (CFDs), including rolling spot forex, and binary options to retail investors. See the link here:
https://www.esma.europa.eu/sites/default/files/library/esma35-43-904_call_for_evidence_-_potential_product_intervention_measures_on_cfds_and_bos_to_retail_clients.pdf

Short Selling

- ESMA has updated its Q&As regarding the EU Short Selling Regulation. The update concerns **uncovered short sales**:
https://www.esma.europa.eu/sites/default/files/library/esma70-145-408_ga_on_ssr.pdf

Benchmarks

- ESMA published updated Q&As regarding the implementation of the Benchmarks Regulation. The updates concern **commodity benchmarks and the definition of a benchmark and investment funds**. See it here:
https://www.esma.europa.eu/sites/default/files/library/esma70-145-114_gas_on_bmr.pdf

Other

Fintech

- The European Commission launched the EU **Blockchain Observatory and Forum** with the support of the European Parliament. The Blockchain Observatory and Forum will highlight key developments of the blockchain technology, promote European actors and reinforce European engagement with multiple stakeholders involved in blockchain activities.
Read the press release here:
http://europa.eu/rapid/press-release_IP-18-521_en.htm

ESMA – Supervision of CCPs

- ESMA has published the results of its second **EU-wide stress test** exercise regarding CCPs established in the EU. See the results here:
<http://firds.esma.europa.eu/webst/ESMA70-151-1154%20EU-wide%20CCP%20Stress%20Test%202017%20Report.pdf>

Events

14 Feb	FIA: EMIR: Finding a Way Forward for the EU and Its Partners, Brussels
19 Feb	ESMA and EBA will hold a joint public hearing on the new EU Securitisation Regulation
20 Feb	EPFSF lunch event on Brexit, Brussels

- 22 Feb QED – conference on Benchmark regulation: Implementation issues & level 3 measures, Brussels
- 26 Feb European Commission consultation on ‘building a proportionate regulatory environment to support SME listing’ closes
- 27 Feb Conference on FinTech and Digital Innovation: Regulation at the European Level and beyond, Speakers include European Commission Vice President Valdis Dombrovskis, ESMA’s Chairman Steven Maijor and Nasdaq’s Head of Exchange & Regulator Surveillance, Market technology, Tony Sio
- 28 Feb ESMA’s consultation on Draft Guidelines on Anti-Procyclicality Margin Measures for CCPs closes
- 9 March ESMA’s consultation on draft RTS under the new Prospectus Regulation closes
- 22 March European Commission conference on Sustainable Finance, Brussels
- 25-27 April EUROFI in Sofia, Bulgaria

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