

## EU MATTERS: your newsletter on EU matters



**June 2017**

### General and Institutions

During his two day visit to Brussels, US President Donald Trump met with the Presidents of the European Council, the European Commission and the European Parliament (Donald Tusk, Jean-Claude Juncker and Antonio Tajani) as well as European leaders. Discussions included combatting terrorism, the importance of keeping EU-US trade open, the need to protect American and European industries against unfair competition as well as climate change.

### **Brexit**

The European Commission received an authorisation from the European Council to open the Article 50 negotiations with the UK and to nominate the Commission as the Union negotiator, which included the adoption of the first set of negotiating directives and approval of the formation of a Brexit task force. Michel Barnier (France) was appointed to head the negotiations. The formal talks are scheduled to begin after the U.K.'s June 8 national elections, possibly the week starting June 19.

[http://www.consilium.europa.eu/press-releases-pdf/2017/5/47244659671\\_en.pdf](http://www.consilium.europa.eu/press-releases-pdf/2017/5/47244659671_en.pdf)

The remaining 27 EU countries can bid for hosting the European Union's bloc's banking authority after Brexit. The European Commission will assess the applications by mid-September and EU ministers will decide in October.

- ESMA has published an Opinion setting out 9 general principles aimed at fostering consistency in authorisation, supervision and enforcement related to the relocation of entities, activities and functions from the UK.
- The opinion is a practical tool to support supervisory convergence in the context of increased requests from UK financial market participants seeking to relocate to the EU27.

<https://www.esma.europa.eu/file/22279/download?token=fkywWDOE>

### EU FILES

#### **Capital Markets Union**

- The European Parliament, the Council and the Commission agreed on a package that sets out criteria for simple, transparent and standardised securitisation (STS). The deal is one of the cornerstones of the Capital Markets Union (CMU).  
[http://www.consilium.europa.eu/en/press/press-releases/2017/05/30-capital-markets-union-securitisation/?utm\\_source=dsms-auto&utm\\_medium=email&utm\\_campaign=Capital+markets+union%3a+agreement+reached+on+securitisation](http://www.consilium.europa.eu/en/press/press-releases/2017/05/30-capital-markets-union-securitisation/?utm_source=dsms-auto&utm_medium=email&utm_campaign=Capital+markets+union%3a+agreement+reached+on+securitisation)
- The European Commission proposed an overhaul of the existing European Venture Capital Funds (EuVECA) and the European Social Entrepreneurship Funds (EuSEF) regulations in 2016 as part of the CMU Action Plan. The objective of these reforms is to improve access to finance for small and growing companies and social enterprises to promote jobs and growth.  
[http://europa.eu/rapid/press-release\\_IP-17-1477\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1477_en.htm)

## CCP clearing

- The European Commission published a legislative proposal for the EMIR review as well as a communication paving the way for a further legislative proposal which is expected on Mid-June.
- Options under consideration in the communication include:  
Continued reliance on existing equivalence regimes; enhanced supervision of 3rd country CCPs for EU authorities; Mandating that CCPs clearing a certain volume of euro-denominated products must be physically located within the European Union.
- The European Commission's communication:  
[https://ec.europa.eu/info/sites/info/files/170504-emir-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/170504-emir-communication_en.pdf)
- European Commission's proposal:  
[http://eur-lex.europa.eu/resource.html?uri=cellar:b12bb02d-30ba-11e7-9412-01aa75ed71a1.0001.02/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:b12bb02d-30ba-11e7-9412-01aa75ed71a1.0001.02/DOC_1&format=PDF)
- and annex:  
[http://eur-lex.europa.eu/resource.html?uri=cellar:b12bb02d-30ba-11e7-9412-01aa75ed71a1.0001.02/DOC\\_2&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:b12bb02d-30ba-11e7-9412-01aa75ed71a1.0001.02/DOC_2&format=PDF)

## Benchmarks

- ESMA and the Financial Services and Markets Authority of Belgium, (FSMA) issued a joint statement regarding Euribor Benchmark.  
[https://www.esma.europa.eu/sites/default/files/library/esma71-99-398\\_joint\\_public\\_statement\\_fsma-esma\\_regarding\\_euribor.pdf](https://www.esma.europa.eu/sites/default/files/library/esma71-99-398_joint_public_statement_fsma-esma_regarding_euribor.pdf)

## MiFID II & MiFIR

- ESMA published a follow-up report to the Peer Review on MiFID Conduct of Business rules relating to fair, clear and not misleading information. ESMA finds that there is substantial divergence in intensity of supervision and monitoring among NCAs but

trusts that those NCAs in which deficiencies remain will address those under the new MiFID2/MiFIR regime.

[https://www.esma.europa.eu/sites/default/files/library/esma42-113-627\\_mifid\\_clear\\_and\\_not\\_misleading\\_information\\_follow\\_up\\_peer\\_review\\_report.pdf](https://www.esma.europa.eu/sites/default/files/library/esma42-113-627_mifid_clear_and_not_misleading_information_follow_up_peer_review_report.pdf)

- ESMA has issued an opinion regarding the implementation of MiFID II and MiFIR which clarifies the concept of “traded on a trading venue” (TOTV). This is aimed at fostering the consistency of supervisory practices and ensure consistent approaches throughout the Union.

[https://www.esma.europa.eu/sites/default/files/library/esma70-156-117\\_mifir\\_opinion\\_on\\_totv.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-156-117_mifir_opinion_on_totv.pdf)

## Market Abuse Regulation

ESMA has announced that its IT system for the collection of financial instrument reference data under Article 4(1) of MAR (i.e. the Financial Instrument Reference Data System – FIRDS4 ) will become operational starting from 17 July 2017. This means that as of 17 July 2017, operators of regulated markets as well as investment firms and market operators operating MTFs will be able to transmit via FIRDS reference data concerning financial instruments for which a request for admission to trading was made, which were admitted to trading or were traded from 3 July 2016 onwards.

<https://www.esma.europa.eu/file/22272/download?token=2-N7wNya>

## FTT

- A meeting scheduled mid-May has been re-scheduled for mid-June.

## FinTech

- The European Parliament has adopted a report intended to encourage the EU to further support FinTech development. The proposals, addressed to the European Commission, seek to define an EU regulatory framework for FinTech and call for a comprehensive EU plan to boost FinTech in Europe, similar to those developed as part of the Digital Single Market and Capital Markets Union. (Rapporteur Cora van Nieuwenhuizen).

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2017-0211+0+DOC+PDF+V0//EN>

- On May 11, the European Parliament and European Commission co-organised a well-attended workshop on Blockchain with several policy makers as speakers.

## European Supervisory Authorities

- The European Parliament’s ECON committee held an exchange of views with Jacques de Larosière in the context of the European Supervisory Authorities’ (ESAs) review.
- The European Commission’s consultation on the review of the European Supervisory Authorities closed on 16<sup>th</sup> May.

[https://ec.europa.eu/info/finance-consultations-2017-esas-operations\\_en](https://ec.europa.eu/info/finance-consultations-2017-esas-operations_en)

## EVENTS

- 8 June British General Election
- 11 June First round of the French general elections
- 15 June European Commission public consultation on FinTech: a more competitive and innovative European Financial sector closes
- 18 June Second Round of the French general elections
- 19 June Brexit negotiations to start this week
- 21 June EPFSF – Event on Capital Markets Union (CMU) Pan-European Personal Pension Product (PEPP) Chapter, Brussels with Henrik Husman, Nasdaq, as a speaker
- 21-22 June FESE Convention, Paris
- 23 June Joint ESAs Consumer Protection Day, Praque, Check Republic
- 26 June EU Conference on Corporate Governance on XXI century: Shareholder Rights Directive II and Beyond with Kaarel Ots, Nasdaq, speaking
- 28 June Further EMIR review proposals from the European Commission expected
- 30 June European Commission’s Public consultation on the conflict of laws rules for third party effects of transactions in securities and claims ends
- 5 July ESMA board of supervisors meeting in Paris
- 6 July ESMA Joint Board of Supervisors & Securities and Markets Stakeholder Group meeting, Paris
- 18 July Public hearing on sustainable finance, Charlemagne Building, Brussels
- 13 -15 Sept Eurofi conference in Tallinn, Estonia