

## EU MATTERS: your newsletter on EU matters



May 2018

### Legislative files

#### MiFID II/MiFIR

- ESMA has updated its public register regarding the **double volume cap** (DVC) mechanism under MiFID II (so-called March 2018 publication). The number of new breaches for the March 2018 publication is 47 equities for the 8% cap, applicable to all trading venues, and 8 equities for the 4% cap, that applies to individual trading venues. Read more here:  
<https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-double-volume-cap-register>
- ESMA has updated its MiFID II/MiFIR **transitional transparency calculations** (TTC) for bonds. The link is here:  
<https://www.esma.europa.eu/policy-activities/mifid-ii-and-mifir/transparency-calculations>
- ESMA has published its first **liquidity assessment for bonds** subject to the pre- and post-trade requirements of MiFID II and MiFIR. More of it here:  
[https://www.esma.europa.eu/sites/default/files/library/esma71-99-971\\_pr\\_esma\\_bond\\_transparency\\_publication.pdf](https://www.esma.europa.eu/sites/default/files/library/esma71-99-971_pr_esma_bond_transparency_publication.pdf)

#### Short-Selling Regulation (SSR)

- A recent study by ESMA finds the public disclosure of net short positions in EU shares **influences investors' behaviour**.  
Link to the report:  
[https://www.esma.europa.eu/sites/default/files/library/esma50-165-538\\_report\\_on\\_trends\\_risks\\_and\\_vulnerabilities\\_no.1\\_2018.pdf#page=60](https://www.esma.europa.eu/sites/default/files/library/esma50-165-538_report_on_trends_risks_and_vulnerabilities_no.1_2018.pdf#page=60)

### Other

#### European Supervisory Authorities (ESAs)

- The three European Supervisory Authorities (ESMA, EBA and EIOPA) have concluded a **multilateral MoU with the EFTA Surveillance Authority**, on cooperation, information exchange and consultation. The MoU establishes practical arrangements

between the authorities in relation to for instance product intervention, breach of European Economic Area law, action in emergency situations, mediation, as well as on the adoption of specific opinions, effective within the EEA-EFTA States.

See the link here:

[https://www.esma.europa.eu/sites/default/files/library/esas\\_and\\_efta\\_sa\\_mmou\\_-\\_signed.pdf](https://www.esma.europa.eu/sites/default/files/library/esas_and_efta_sa_mmou_-_signed.pdf)

- The ESAs have issued a **Joint Committee Report On Risks And Vulnerabilities In The EU Financial System**. This report for the second half of 2017 outlines the following risks as potential sources of instability:
  - sudden repricing of risk premia as witnessed by the recent spike in volatility and associated market corrections;
  - uncertainties around the terms of the UK's withdrawal from the EU; and
  - cyber-attacks

The report also reiterates their warning to retail investors investing in virtual currencies and

raises awareness for risks related to climate change and the transition to a lower-carbon economy. ESAs advise on actions by European and national competent authorities as well as financial institutions related to the following topics:

- Sudden risk premia reversals
- Brexit
- Cyber security
- Climate change

Read the report here:

<https://esas-joint-committee.europa.eu/Publications/Reports/Joint%20Committee%20Risk%20Report.pdf>

## ECB

- The ECB published the European Framework for Threat Intelligence-based Ethical Red Teaming (TIBER-EU), which is the first **Europe-wide framework for controlled and bespoke tests against cyber-attacks in the financial market**. The framework facilitates testing for cross-border entities under oversight of several authorities. Its goals are to help entities gain insight about their protection, detection and response capabilities and to help them fighting cyber-attacks. Read it here:

[https://www.ecb.europa.eu/pub/pdf/other/ecb.tiber\\_eu\\_framework.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.tiber_eu_framework.en.pdf)

## IOSCO

- CPMI-IOSCO published a new report '**Harmonisation of critical OTC derivatives data elements**' (other than UTI and UPI) – technical guidance. The report provides technical guidance to authorities on harmonised definitions, formats and usage of a set of critical data elements for OTC derivative transactions reported to trade repositories. Read the report here:

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD598.pdf>

- CPMI and IOSCO have published the **Framework for supervisory stress testing of CCPs**. The framework provides authorities with guidance to support their design and implementation of supervisory stress tests for CCPs. See the link here:

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD599.pdf>

## Events

16 May	CEPS - The Role of Business in Achieving the EU's Circular Economy Ambition, MEP Sirpa Pietikäinen as one of the speakers
23-24 May	European Business Summit, speakers include many Commissioners, Brussels
31 May	WFE Working Committee meeting, hosted by Nasdaq London
5 June	QED Conference on Sustainable Finance, Brussels
7 June	CEPS/ECMI Data, 'Innovation and Regulation in Finance: Finding the right balance!', Brussels
7 June	Brussels Tech Summit, Brussels
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