

## EU MATTERS: your newsletter on EU matters



**November 2017**

### General and Institutions

#### **Brexit**

- 5<sup>th</sup> round of Brexit negotiations were held in October in Brussels, and a short time after at the EU Summit, the European Council concluded that some progress has been made with regards to the citizens' rights and on convergence on principles and objectives regarding protection of the Good Friday Agreement. But a firm and concrete commitment from the UK to honour its financial obligations taken during its membership is still needed.

The Council called for work to continue in order to move to the second phase, and the Council to reassess the progress in December.

<http://www.consilium.europa.eu/media/23512/20-euco-conclusions-art50.pdf>

#### **Retail Services**

- European Parliament's ECON committee has voted its report on the Action Plan on Retail Financial Services. It is planned to be voted on in the November Plenary.  
<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2017-0326+0+DOC+PDF+V0//EN>

#### **MiFID**

- ESMA has issued Q&As on post-trading issues regarding the implementation of MiFID II and MiFIR:  
[https://www.esma.europa.eu/sites/default/files/library/esma70-151-957\\_qas\\_on\\_mifid\\_post\\_trading.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-151-957_qas_on_mifid_post_trading.pdf)
- ESMA published a Briefing on the Legal Entity Identifier (LEI) as part of its efforts to raise industry awareness and facilitate compliance with the LEI requirements under MiFID II ahead of its 3 January 2018 launch.  
<https://www.esma.europa.eu/file/23486/download?token=ZQY-8gO>  
<https://www.esma.europa.eu/file/23485/download?token=HwHOsIt>
- ESMA has launched the second phase of its Financial Instrument Reference Database (FIRDS) which involves providing access to the database containing the currently available reference data that will eventually enable market participants to identify

instruments subject to MAR and MiFID II/MiFIR reference data reporting requirements ahead of the go-live date on 3 January 2018.

FIRDS – Instructions on access and download of full and delta reference data files:

[https://www.esma.europa.eu/sites/default/files/library/esma65-8-5014\\_firds\\_-\\_instructions\\_for\\_download\\_of\\_full\\_and\\_delta\\_reference\\_files.pdf](https://www.esma.europa.eu/sites/default/files/library/esma65-8-5014_firds_-_instructions_for_download_of_full_and_delta_reference_files.pdf)

- ESMA has published nine opinions on position limits regarding commodity derivatives under MiFID II/MiFIR.

These agree with the nine position limits proposed by FCA. The position limits concern contracts on: London cocoa, Rubusta coffee, White sugar, Aluminium, Copper, Lead, Nickel, Tin and Zinc.

[https://www.esma.europa.eu/sites/default/files/library/position\\_limits\\_publication\\_0.xlsx](https://www.esma.europa.eu/sites/default/files/library/position_limits_publication_0.xlsx)

- ESMA published an updated Q&A on market structure topics and transparency topics, which included a number of additional Q&A's relevant for exchanges

Market Structure Topics:

- Systematic Internalisers & Price Improvement: Question 23: Clarifies that to ensure that price improvements do not undermine the efficient pricing of instruments traded, price improvements on quoted prices would only be justified when they are meaningful and reflect the minimum tick size applicable to the same financial instrument traded on a trading venue.

- Tick Sizes: Question 8: Clarifying that in the event of the estimated ADNT not being published by the NCA or, where applicable ESMA, all relevant trading venues would need to apply a harmonised default tick size pending such a publication to ensure a uniform tick size regime across the Union. Question 9: Clarifying that in case of a simultaneous dual listing, the ESMA website will always display one NCA as the NCA of the most relevant market in terms of liquidity as per Article 26 of MiFIR.

Transparency Topics

- Post trade publication: Question 8: Clarifies that trading venues and systematic internalisers using similar technology and systems should process transactions for post-trade publication at the same speed.

Please click here:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-mifid-ii-qas-0>

## EMIR

- The European Commission has determined the United States to be equivalent to EMIR in terms of the legal, supervisory and enforcement arrangements for non-centrally cleared over-the-counter (OTC) derivatives transaction.

[https://ec.europa.eu/info/sites/info/files/171013-press-release-emir-cftc\\_en.pdf](https://ec.europa.eu/info/sites/info/files/171013-press-release-emir-cftc_en.pdf)

- ESMA has produced, for the first time, an overview of the EU Derivatives markets which include data on the size of the interest rate, credit, equity, commodity and foreign exchange derivatives markets.

<https://www.esma.europa.eu/file/23728/download?token=E5SuQghR>

- The European Commission has published a Draft Implementing Regulation on the extension of the transitional periods on capital requirements for exposures to central counterparties. Read the draft here:

[https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5186307\\_en](https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5186307_en)

## Review of the European System for Financial Supervision

- ECON Committee held a hearing with the Chairs of EBA; EIOPA, and ESMA, where the review of the European Supervisory Authorities was also debated.  
<http://www.europarl.europa.eu/news/en/press-room/20171009IPR85609/meps-quiz-eu-watchdogs-on-non-performing-loans-and-brexit>
- The European Commission has extended the deadline for any comments on the proposed review until 19 December 2017.

## ESMA

- ESMA hosted its first conference, entitled “The State of European Financial Markets”, in Paris. The conference was attended by over 350 participants from across the European financial sector, including political decision makers, regulators, consumer and industry representatives and financial media will discuss the key issues facing Europe’s capital and securities markets. Nasdaq’s Vice Chairman Hans-Ole Jochumsen was one of the speakers on the Brexit panel.  
The replay of the conference:  
[http://player.cdn.tv1.eu/player/macros/eu/esma-conf-paris\\_171017](http://player.cdn.tv1.eu/player/macros/eu/esma-conf-paris_171017)

## FINTECH

- The European Commission has published an inception impact assessment on the legislative proposal for an EU framework on crowd and peer to peer finance, which is expected on Q1 2018.  
[http://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5288649\\_en](http://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5288649_en)

## Events:

7 Nov	EPFSF - The European Fintech Action Plan, Brussels; Speakers include Nasdaq’s Mark Hunt
14 Nov	CMU workshop – European Commission
15 Nov	European Commission’s consultation on Post trade in CMU: dismantling barriers and strategy for the future, closes
16 Nov	FESE board meeting, Brussels
17 Nov	Commission’s President Juncker's Fair jobs and Growth Summit jointly with Prime Minister Stefan Löfven, Gothenburg, Sweden
20-24 Nov	Invest Week, Brussels.
22 Nov	Joint Nasdaq & EQT conference on ‘Access to Capital and Financing: Does the Nordics have the secret recipe?’, Brussels
22 Nov	FESE, Better Finance and the European Investment Bank will host a joint conference “Equity Financing of the EU Economy”
22 Nov	European Small and Mid-Cap Awards ceremony, Brussels
23 Nov	CEPS-ECMI - 'Towards variable union in Europe's capital markets', Brussels
24 Nov	Public hearing on European corporate bond markets – European Commission, Brussels
14 Dec	CEPS -Digital presidency takeaways from Estonia's programme for digital Europe, Brussels

**2018**

1 Feb The 16<sup>th</sup> Annual Financial Services conference, Brussels