

## EU MATTERS: your newsletter on EU matters



September, 2018

### Institutional

#### General

- European Parliament has voted a Report on **Relationships between the EU and third countries concerning financial services regulation and supervision**. The report calls for more transparency and scrutiny of equivalence decisions.

Read the report here:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONGML%2bREPORT%2bA8-2018-0263%2b0%2bDOC%2bPDF%2bV0%2f%2fEN>

#### Brexit

- Brexit **negotiations remain ongoing** but no concrete result has yet been presented. The official 18 October deadline for a deal seems increasingly in danger. If so, an extra Summit for EU leaders may be required in mid-November to approve a deal.

### Legislative files

#### MiFID/MIFIR

- ESMA has updated **equity derivatives, equity and equity like instruments' transitional transparency calculations** for MiFID II/MiFIR.

The update relates to the transitional transparency calculations for:

- equity derivatives (equity derivatives I);
- equity and equity-like instruments (TTC); and
- tick size band assessment

You can find more details here, under section E in the FAQ document:

[https://www.esma.europa.eu/sites/default/files/library/esma50-164-677\\_mifid\\_ii\\_ttc\\_faq.pdf](https://www.esma.europa.eu/sites/default/files/library/esma50-164-677_mifid_ii_ttc_faq.pdf)

- ESMA continues to publish monthly updates of its public register with the latest set of **double volume cap** (DVC) data under MiFID II. The latest update was published 7 September 2018. Link to the updates in public register: <https://www.esma.europa.eu/double-volume-cap-mechanism>
- ESMA published **new data for bonds** subject to the pre- and post-trade requirements of MiFID II and MiFIR through its data register. ESMA publishes this data quarterly, but due to data quality issues, updates, such as this, may be made within the quarter. Full details below: <https://www.esma.europa.eu/press-news/esma-news/mifid-ii-esma-makes-new-bond-liquidity-data-available-0>

## EMIR

- ESMA has updated its **validation rules** regarding EMIR with regards to the revised technical standards on reporting under Article 9 of EMIR. The amendments will be applicable from 5 November 2018.

The updated validation rules for the submitted reports are on the following fields:

- Reporting Timestamp;
- Reporting Counterparty ID;
- ID of the Other Counterparty;
- Underlying Identification; and
- Confirmation means

Read more here:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-validation-rules-under-emir>

## Pan-European Personal Pension Products (PEPP)

- On 3 September Parliament's ECON finalised their view on the Commission's proposal to introduce **personal pension products** with standard features all across the EU. The political trilogue negotiations will now start in order to finalise the rules on pan-European personal pension products.

Full details:

<http://www.europarl.europa.eu/news/en/headlines/economy/20180830STO11343/personal-pension-saving-eu-alternative-to-offer-more-flexibility>

## OTHER

### Fintech

- The ESAs have jointly published the results of their monitoring exercise on **automation in financial advice**. The Report shows that while the phenomenon of automation in financial advice seems to be slowly growing, the overall number of firms and customers involved is still quite limited. As the identified risks have not materialised and considering the limited growth of the phenomenon, the ESAs believe that no immediate action is necessary. See the results below:

<https://esas-joint-committee.europa.eu/Publications/Reports/JC%202018%2029%20-%20JC%20Report%20on%20automation%20in%20financial%20advice.pdf>

## Retail

- ESMA has renewed the prohibition of the marketing, distribution or sale of **binary options** to retail clients, in effect since 2 July, from 2 October 2018 for a further three-month period. ESMA has also agreed on the exclusion of a limited number of products from the scope of the measure.

Read more here:

<https://www.esma.europa.eu/press-news/esma-news/esma-renew-prohibition-binary-options-further-three-months>

## IOSCO

- The Financial Stability Board (FSB), the Basel Committee on Banking Supervision (BCBS), CPMI and IOSCO published a **consultative document on Incentives to centrally clear OTC derivatives**. The consultative document evaluates how post-crisis reforms interact and how they could affect incentives.

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD609.pdf>

- FSB, CPMI, IOSCO and BCBS published the second report that maps **interdependencies** between CCPs and their clearing members and other financial service providers.

See the report here:

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD610.pdf>

## EVENTS:

26 Sept	ESMA Board meeting
27 Sept	EBF Banking Summit, Brussels: 'Financing Growth', speakers include Lauri Rosendahl, President of Nasdaq Nordics and Stockholm
1-7 Oct	IOSCO – World investor week
10 Oct	CEPS-ECMI 10 <sup>th</sup> annual conference, 'Sustaining growth through Innovation in capital markets', Brussels. Speakers include Arminta Saladziene, Nasdaq Vice President, Lithuania
17 Oct	QED - 6th Annual QED Conference on Cybersecurity, Brussels
Oct/Nov	Deadline for finalising the Withdrawal Agreement and the political declaration on the future EU-UK relationship
5 Nov	Commission conference: 'Europe as an investment destination', Brussels
6 Nov	EPFSF – 'Brexit', Brussels. Speakers include Henrik Husman, President of Nasdaq Helsinki
7 Nov	ESMA Board meeting
28 Nov	'Nordic Financial Ecosystem Forum', Brussels
4 Dec	Annual European Small and Mid-Cap Awards, Brussels
4 Dec	EPFSF – 'Competitive positioning EU 27 in Financial Markets', Brussels
4-5 Dec	European Issuers 'Capital Markets Forum', Brussels. Speakers include Lauri Rosendahl, President of Nasdaq Nordics and Stockholm

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