



### This week's highlights

- **EMIR Refit:** The latest version of the compromise amendments on EMIR Refit indicate that there have been changes to the requirements for the annual calculation of NFC's positions against the clearing thresholds and for ESMA to be empowered to develop different clearing thresholds for NFCs and FCs through RTS. A meeting of the shadow rapporteurs took place this week to discuss these compromise amendments and on the aforementioned amendments, the ECR group supports the version in which art.10(1)b would say "either." However, the S&D group are not willing to support this and want to split the amendment into two separate ones so that there would not be the optionality. They will formally put forward a separate amendment in line with this view.
- **EMIR:** The ESAs have launched two joint consultations today: one on the EMIR clearing obligation under the Securitisation Regulation and risk mitigation techniques for non-OTC derivatives, which closes on 15 June.
- **Supervisory reporting:** 9 responses to the European Commission's fitness check of supervisory reporting requirements in financial services legislation have been made public; this consultation was discussed in the EMIR Working Group at the time when it was open.
- **ESAs review:** In the Council, the Bulgarian Council Presidency is currently drafting a first version of a compromise text. In the European Parliament, the draft report, which was previously expected for June, will be delayed. However, it will still be published before one of the Shadow Rapporteurs, Burkhard Balz leaves the Parliament at the end of August to take up a role in the Board of the Deutsche Bundesbank.

MiFID II		
CMCE priorities	Status / latest developments	CMCE action
<b>AA exemption</b> <b>Position limits</b> <b>Reporting</b>	There were no significant developments in the last week.	During the last CMCE regular members call, options for CMCE action following the ESMA letter to VP Dombrovskis asking for guidance on the entity vs group level interpretation of the ancillary activity test were discussed. It was agreed during the call that CMCE will not write a letter to DG FISMA or take any action beyond gathering intelligence.

Physical forwards		
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EMIR			
CMCE priorities	Status / latest developments	Next steps	CMCE action
EMIR REFIT	<p>The latest version of the compromise amendments was circulated to the CMCE EMIR WG.</p> <p>Compared to the previous version of the compromise amendments, the amendments on ETD reporting, OTC reporting, the intra-group exemption and the collateral requirements for uncleared trades have been left largely unchanged on the points that are relevant for CMCE., but a number of relevant changes have been introduced.</p> <p>On the <b>annual calculation of NFC's positions</b> against the clearing thresholds, the drafting has been changed to provide different treatment for NFCs that choose not to calculate their position annually and NFCs that calculate their position and exceed one of the thresholds. The text provides that (i) an NFC that does not perform the calculation is obliged to clear in all asset classes and to post collateral for uncleared trades; whereas (ii) an NFC that performs the calculation and exceeds one of the thresholds must clear only in asset classes where the threshold is breached, and will not need to post collateral for uncleared trades under Art. 11(3).</p> <p>ESMA is empowered to <b>develop different clearing thresholds for NFCs and FCs through RTS</b>. ESMA is mandated to periodically review the thresholds and "in particular to ensure increased participation in central clearing, propose RTS to amend them". A sentence is also added to note that ESMA shall update the RTS under Art. 10 on a regular basis, i.e. the RTS providing the hedging definition and setting the clearing thresholds.</p> <p>There was a meeting of the shadow rapporteurs to discuss these compromise amendments and on amendment 5 (above), the ECR group</p>	16 May - Vote in ECON	

	<p>supports the version in which art.10(1)b would say “either.” However, the S&amp;D group are not willing to support this and want to split the amendment into two separate ones so that there would not be the optionality. They will formally put forward a separate amendment in line with this view.</p> <p>There will not be any shadow rapporteur’s meetings before the vote on the 16 May.</p>		
<b>EMIR II.2 – CCP supervision</b>	There were no significant developments this week.	<b>16 May</b> - Vote in the ECON Committee	
<b>Supervisory reporting under EMIR</b>	9 <a href="#">responses</a> to the European Commission’s fitness check of supervisory reporting requirements in financial services legislation have been made public. This consultation was discussed in the EMIR Working Group at the time when it was open.		
<b>EMIR</b>	Today, the ESAs launched a consultation on the RTS on the EMIR <a href="#">clearing obligation</a> under the securitisation regulation and <a href="#">risk mitigation techniques</a> for non-OTC derivatives, which closes on 15 June.		

Brexit		
Latest developments	Next steps	CMCE action
There were no significant developments this week.	<p><b>28 June</b> – European Council meeting on art.50</p> <p><b>June</b> – European Parliament plenary to adopt resolution on Brexit</p>	

	<b>October</b> – EU target timeline for reaching final deal on withdrawal agreement	
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CRR II & Regulatory Capital			
CMCE priorities	Status / latest developments	Next steps	CMCE action
IFR & IFD	There were no significant developments of relevance in the last week.	<b>16 May</b> – presentation of draft report in ECON <b>24 May</b> – Deadline for amendments <b>18/19 June</b> – Consideration of amendments <b>24 September</b> – Vote in ECON	

Benchmarks			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<b>Commodity benchmarks</b>  <b>Critical benchmarks</b>  <b>Third country equivalence</b>	There were no significant developments of relevance in the last week.		

European Parliament INI Report on equivalence	
Latest developments	Next steps

There were no significant developments this week.	<b>28 May</b> - Consideration of Amendments in ECON  <b>18-19 June</b> - ECON vote

SFTR		
CMCE priorities	Status / latest developments	Next steps
<b>Reporting obligations</b>	There were no significant developments this week.	<b>May</b> – Adoption of SFTR Level 2 measures  <b>Q4</b> - Publication in Official Journal

ESAs review			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<b>Critical benchmarks</b>  <b>Supervision</b>	In the Council, the Bulgarian Council Presidency is currently drafting a first version of a compromise text. In the European Parliament, the draft report, which was previously expected for June, will be delayed. However, it will still be published before one of the Shadow Rapporteurs, Burkhard Balz leaves the Parliament at the end of August to take up a role in the Board of the Deutsche Bundesbank.	<b>23 May</b> – Council Working Party  <b>18-19 June</b> - Presentation of draft report in the ECON Committee  <b>9 July</b> - Deadline for amendments in the ECON Committee	

		<b>3 September</b> - Consideration of amendments in the ECON Committee  <b>24 September</b> – Vote in the ECON Committee	
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