



## CMCE Bi-weekly Update (17 August 2018)

### I. ACTIVE PRIORITIES

Brexit			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<b>Transitional arrangements</b>	On 9 August, HM Treasury published an updated paper on its approach to financial services legislation under the European Union Withdrawal Act where it seems confident that an implementation period will be in place from 29 March 2019. HM Treasury advises firms to plan on the assumption that they will be able to trade on the same terms that they do now until December 2020 and will need to comply with any new EU legislation that becomes applicable during this period. This is in contrast with the European Commission's rhetoric, which has stressed the need for market participants to prepare for a no-deal scenario.	<p><b>August onwards</b> – Further UK Statutory Instruments expected to be published as part of contingency planning in case of no-deal</p> <p><b>24 September</b> – Vote in the European Parliament plenary on the resolution of Brian Hayes</p>	A call of the CMCE Brexit WG took place on 13 August. An update was provided on recent UK statutory instruments. It was concluded that another discussion of the CMCE Brexit WG will be scheduled once members will have had some time to reflect, in order to (1) agree whether CMCE should reach out to the FCA to provide input into the drafting of relevant SI's and (2) to discuss CMCE activity on the EU side. A follow-up discussion on possible CMCE engagement with UK and EU policy-makers / regulators will take place at the CMCE Members meeting in Geneva on 12 September.
MiFID II			
CMCE priorities	Status / latest developments	CMCE action	
<b>AA exemption</b> <b>Position limits</b>	There were no significant developments in the past two weeks.	The first call of the subgroup created under the CMCE MiFID Working Group to discuss certain physical forward contracts and their classification under MiFID II took	

Reporting		place on 26 July. Members of the group have been asked to send the advisory team sample notification emails of bookout agreements.	
Physical forwards			
EMIR REFIT			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Reporting  Risk mitigation for uncleared trades  Calculation of NFCs positions	<p>On 8 August, ESMA updated its <a href="#">statement</a> from July calling for supervisors take a lenient approach to enforcing clearing obligations on pension scheme arrangements, after the EMIR exemption for PSAs expires on 17 August. The updated statement clarifies that also for the purpose of the trading obligation, ESMA expects competent authorities to not prioritise their supervisory actions towards PSAs that are expected to be exempted again in a relatively short period of time, and to generally apply their risk-based supervisory powers in their day-to-day enforcement of applicable legislation in a proportionate manner.</p> <p>On 8 August, the Commodity Futures Trading Commission <a href="#">voted</a> to codify the CFTC's existing procedures for granting registration exemptions to foreign CCPs. To date, exemptions have been granted to ASX Clear (Futures) Pty Ltd.; Japan Securities Clearing Corp.; Korea Exchange, Inc.; and OTC Clearing Hong Kong Ltd. This proposal is in keeping with the CFTC's initiative to simplify agency rules, regulations and practices to make them less burdensome, less costly and transparent to all market participants.</p> <p>On 16 August, the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) published for public comment a consultative <a href="#">report</a> on governance arrangements for OTC derivatives data elements. The document, Governance arrangements for critical OTC derivatives data elements (other than UTI and UPI), identifies key criteria, functions and bodies for the governance arrangements for critical data. The report seeks general and specific comments from respondents by 27 September 2018.</p>	September 27 – Trilogue on EMIR Refit	

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 in the past two weeks.		A call of the Benchmarks WG took place on 13 August, with a discussion on CMCE action on the treatment of administrators of and contributors to commodity benchmarks under the UK legal framework implementing BMR. It was agreed that CMCE will put together a draft letter to the FCA, based on input to be sent to the advisory team by Members.

## II. WATCHING BRIEF

IFR		
CMCE priorities	Status / latest developments	Next steps
<b>Commodity dealer IF regime</b>	There were no significant developments in the last two weeks.	<b>Council of the EU:</b> <b>September</b> – meeting of the Council Working Party on the IFR (the precise date has not yet been set).  <b>European Parliament:</b> <b>24 September</b> – Vote in ECON (tentative, subject to the progress of the negotiating team)

MAR		
CMCE priorities	Status / latest developments	Next steps
<b>Insider dealing</b>  <b>MM indicators</b>	There were no significant developments in the last two weeks.	
SFTR		
CMCE priorities	Status / latest developments	Next steps
<b>Reporting Obligations</b>	There were no significant developments in the last two weeks.	<b>September</b> – Adoption of the SFTR Level 2 measures by the Commission