



I. ACTIVE PRIORITIES

Brexit			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Transitional arrangements	<p>The vote in plenary session of the European Parliament on the own-initiative report of Brian Hayes on equivalence took place on 11 September, which passed with 564 votes in favour. The report calls upon the Commission to ensure that equivalence decisions are more transparent towards the Parliament and to ensure proportionate outcomes. In concrete terms, the Parliament would like to enjoy a right of scrutiny in equivalence decisions and to see the Commission report annually to them on equivalence decisions.</p>	<p>19-20 September - Informal European Council meeting to discuss Brexit</p> <p>November – Deadline for finding a compromise on the Withdrawal Agreement</p>	<p>During the CMCE all members meeting in Geneva on 12 September, there was a session of the CMCE Brexit WG.</p> <p>During the session, it was agreed that the CMCE Brexit WG should be formalised. An email will be circulated to members asking them to name individuals to be included on the distribution list for the group.</p> <p>It was also agreed that the process of putting together a CMCE issues paper on Brexit and the ancillary activity test should be launched. The paper could be used to inform regulators of the questions and uncertainties that the industry has and seeking guidance on the likely approach(es) to be taken by regulators.</p> <p>With respect to the AA test, it was decided that the advisory team will seek to have an informal conversation with the AFM to seek to confirm the process</p>

			and individuals involved in a possible revision of RTS 20.
MiFID II			
CMCE priorities	Status / latest developments	CMCE action	
AA exemption Position limits Reporting Physical forwards	There were no significant developments in the past two weeks.	A discussion of the CMCE MiFID WG took place at the Geneva Members’ meeting on 12 September. On the work around the classification of physical forwards it was decided that the advisory team will circulate suggested standardised language for a short paragraph that Members can choose to include in the notification emails that clarify that counterparties are asked for their agreement to cash settle, following the examples provided by two members.	
EMIR REFIT			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Reporting Risk mitigation for uncleared trades Calculation of NFCs positions	<p>The advisory team secured a copy of the revised trilogue table presenting the compromises agreed at the July trilogue meeting. It seems that support was given to maintaining a part of the Parliament’s suggested amendments on the calculation of NFCs positions against the clearing thresholds.</p> <p>The text now foresees that every 12 months an NFC may calculate its aggregate month-end average position for the previous 12 months. If it chooses not to perform the calculation, it must clear across all asset classes; whereas if it exceeds one of the clearing thresholds it shall clear in asset classes where the threshold is exceeded. A NFC can deregister from the clearing obligation by demonstrating that its aggregate month-end average position for the previous 12 months no longer exceeds the clearing threshold.</p> <p>The text also maintains the addition by the Council of language indicating that a NFC “shall be able to demonstrate to the relevant competent authority that the calculation of the aggregate month-end average position</p>	27 September – Trilogue on EMIR Refit	During the CMCE all members meeting in Geneva on 12 September, there was a session of the CMCE EMIR WG during which the advisory team provided an overview of the negotiations on EMIR Refit and CMCE activity. The advisory team will continue to monitor and report to the EMIR WG on the conclusion of the trilogue negotiations.

	for the previous 12 months does not lead to a systematic underestimation of the overall position.”		
Benchmarks			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Commodity benchmarks Critical benchmarks Third country equivalence	<p>In the European Parliament, some of the amendments to the Commission proposals on the review of the ESAs were published.</p> <p>From the compromise amendments circulated so far, the only one touching on benchmarks is a joint amendment from ALDE and the ECR Group concerning regulated data benchmarks for a new recital made by Caroline Nagtegaal, Luděk Niedermayer and Kay Swinburne.</p> <p>To date, the ECON Secretariat has only published part of the amendments submitted on the ESAs review; they have not finished their process of reviewing and translating all of them.</p>	<p>26 September – Council Working Party on the ESAs review</p> <p>1 October – Consideration of amendments in the ECON Committee on the ESAs review</p> <p>13 October – End of the scrutiny period for certain RTS under the BMR</p> <p>5 November – Vote in the ECON Committee on the ESAs review</p> <p>November - Adoption of delegated acts under the BMR by the European Commission</p>	<p>During the CMCE all members meeting in Geneva on 12 September, there was a session of the CMCE Benchmarks WG during which follow up from the call which took place in August was discussed.</p> <p>Members should provide any final comments on the draft letter to the FCA which was circulated on 11 September. The Advisory team will now also draft a letter to HM Treasury on the issue of ‘miscellaneous BM persons’.</p>

II. WATCHING BRIEF

IFR		
CMCE priorities	Status / latest developments	Next steps

Commodity dealer IF regime	<p>During the meeting of the Council Working Party on the IFR which took place on 3 September, member states discussed aspects of the Commission proposal including data analysis on possible class I firms, as well as the points in the proposal on Client Money Held (CMH) and the market risk framework based on a non-paper from the Netherlands and the Czech Republic. The documents for the working party meeting are available upon request from Hume Brophy.</p> <p>The draft compromise amendments to Markus Ferber's report on the IFD indicate that the issues raised in the joint letter with JEAG are not the subject of the compromise amendments. The Greens are trying to obtain an amendment related to the European Commission's sustainable finance proposals which are being debated in the ECON Committee in parallel. More particularly, this amendment would mandate the EBA to possibly adopt guidelines for supervisors to integrate risks stemming from Environmental, Social Governance (ESG) objectives as a part of the Supervisory Review and Evaluation Process (SREP).</p>	<p>Council of the EU: 20 September – Meeting of the Council Working Party on the IFR</p> <p>European Parliament: 24 September – Vote in ECON</p>
MAR		
CMCE priorities	Status / latest developments	Next steps
Insider dealing MM indicators	<p>There were no significant developments in the last two weeks.</p>	
SFTR		
CMCE priorities	Status / latest developments	Next steps
Reporting Obligations	<p>On 4 September, ESMA published its opinion on the changes made by the European Commission on the SFTR Level 2 which the Commission announced in July. The Commission's changes were mostly to do with the incorporating expected changes to the Level 2 measures as a result of the UTI and LEI. In essence, the Commission argues that ESMA would have too much "regulatory power" should the ESMA version of the text go</p>	<p>October – Adoption of the SFTR Level 2 measures by the Commission</p>

	<p>forward. In response, ESMA has issued a negative opinion on the Commission's changes and has kept their original RTS unchanged. The Commission may choose to keep its amendments and draft its own delegated act. If it chooses to do so, it will be required to open a public consultation. In any case, as the Commission and ESMA will have to come to an agreement, this is very likely to cause a delay in the proceedings of adopting the SFTR Level 2 measures.</p>	
--	---	--