



## I. ACTIVE PRIORITIES

Brexit			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<b>Transitional arrangements</b>	<p>The UK and US published a <a href="#">joint statement</a> on 18 September following the first inaugural meeting of the US-UK Financial Regulatory Working Group, which was held the week prior in London. The Working Group's objective is to deepen bilateral regulatory cooperation between the two countries with the aim of promoting financial stability, investor protection, fair, orderly, and efficient markets and capital formation in both the UK and US. The agenda was focused on the outlook for financial regulatory reforms and future priorities, including possible areas for deeper regulatory cooperation. Given that the UK is leaving the EU, they also discussed possible regulatory issues resulting from Brexit and any implications on financial stability and cross-border financial regulation. These discussions touched upon contract continuity including the possibility of servicing existing financial contracts after exit, noting the importance of reducing potential cliff-edge risks for business and consumers.</p> <p>At the ISDA Conference in London on 24 September, Tilman Lüder, the Head of Unit C3 for Securities Markets at DG FISMA commented that the EU's equivalence framework is "working very well" citing the example of the decision on mutual recognition of derivatives trading venues by the US and EU which was made in December 2017.</p>	<p><b>18 October</b> – European Council to discuss Brexit &amp; decide on need for extraordinary Council meeting in November</p> <p><b>November</b> – Deadline for finding a compromise on the Withdrawal Agreement</p>	<p>Following a decision made during the CMCE all members meeting in Geneva regarding the establishment of a CMCE Brexit WG, an email was circulated to members asking them to name individuals to be included on the distribution list for the group. Please contact the advisory team if you would like to be included on the Brexit WG list and have not yet done so.</p>
MiFID II			

CMCE priorities	Status / latest developments	CMCE action
<b>AA exemption</b> <b>Position limits</b> <b>Reporting</b> <b>Physical forwards</b>	ESMA published an updated <a href="#">Q&amp;A on MiFIR data reporting</a> on 26 September to add a question on total issue nominal value, on FX swap reporting and certain fields of FIRDS.	On the work around the classification of physical forwards the advisory team is to circulate suggested standardised language for a short paragraph that Members can choose to include in the circle-out notification emails linked to the OSN contract.

## EMIR REFIT

CMCE priorities	Status / latest developments	Next steps	CMCE action
<b>Reporting</b> <b>Risk mitigation for uncleared trades</b> <b>Calculation of NFCs positions</b>	<p>A meeting of the Council Working Group on EMIR Refit took place to prepare for next week's trilogue negotiations. On the reporting framework member state delegations discussed trades between FCs and NFCs as well as intra-group transactions and exchange-traded derivatives.</p> <p>Ahead of the meeting, the Presidency circulated a summary note to delegations on the outcome of the first trilogue in July, noting amongst other things that both the Council and the Commission had expressed their scepticism to the workability of the EP proposal to develop differentiated clearing thresholds for NFCs and FCs. It was nevertheless agreed that a text proposal would be developed to explore language retaining the EP suggestion that ESMA may develop distinct thresholds.</p> <p>A non-paper was also circulated by the Commission services to the Presidency and to the EP noting that the EP amendment to EMIR Article 11 exempting NFCs that are not subject to the clearing obligation from operational risk mitigation techniques for uncleared OTC derivative trades for intragroup transactions would create a divergence between the EU and US regimes, and therefore would impact on the Commission equivalence decision for the US CFTC.</p>	<b>3 October</b> – Second political trilogue on EMIR Refit	

	<p>On 27 September, ESMA published a <a href="#">final report</a> on the clearing obligation for certain OTC derivative intra-group transactions in the interest rate and credit derivative asset classes.</p> <p>On 26 September, ESMA published an updated <a href="#">Q&amp;A</a> under EMIR to add questions on the access model of EU CCPs and the reporting of FX swaps under art.9 of EMIR.</p>		
Benchmarks			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<p><b>Commodity benchmarks</b></p> <p><b>Critical benchmarks</b></p> <p><b>Third country equivalence</b></p>	<p>In the European Parliament, some more of the <a href="#">amendments</a> on the ESAs review tabled by MEPs were made available. Some of these amendments relate to the benchmarks regulation and several suggest deleting the aspects of the Commission proposal related to equivalence under the BMR and the endorsement of third-country benchmarks. There are also amendments on outsourcing and on critical benchmarks. It is possible that some more amendments may become available as the ECON Secretariat has not yet finished reviewing and translating all of them.</p> <p>On equivalence, Kay Swinburne (ECR, UK) suggests deleting several of the changes proposed by the Commission, including:</p> <ul style="list-style-type: none"> <li>- The provisions that would empower the Commission to adopt a delegated act to specify the conditions for equivalence, provide ESMA with the right to monitor the third-country jurisdiction, specific administrators or specific benchmarks for compliance with the equivalence decision</li> <li>- The proposal that applications for endorsement by a third-country benchmark administrator should be made to ESMA rather than a national competent authority</li> </ul> <p>Brian Hayes (EPP, IE) and Markus Ferber (EPP, DE) also suggest deleting the Commission proposal on the endorsement of a third-country benchmark as it is seen as giving rise to the risk of imposing dual supervision by ESMA and the NCA to an EU benchmark administrator that endorses a third-country benchmark.</p>	<p><b><u>Council of the EU</u></b>  <b>26 October</b> – Council WG on the ESAs review</p> <p><b><u>European Parliament</u></b>  <b>1 October</b> – Consideration of amendments in the ECON Committee on the ESAs review</p> <p><b>13 October</b> – End of the scrutiny period for certain RTS under the BMR</p> <p><b>5 November</b> – Vote in the ECON Committee on the ESAs review</p> <p><b><u>European Commission</u></b>  <b>November</b> - Adoption of delegated acts under the BMR by the European Commission</p>	<p>A first draft of a CMCE letter to the FCA on the treatment of miscellaneous benchmarks person was circulated to the CMCE BMR WG on 27 September. Members are asked to provide their comments or feedback by 8 October.</p> <p>A final draft version of the CMCE letter to the FCA on the implementation of BMR in the UK was circulated on 27 September to the CMCE Benchmarks WG. Barring any further comments by members by the end of this week, the letter will be sent to the FCA at the beginning of next week.</p>

	<p>On 26 September, a Council Working Party on the ESAs review took place. Member states discussed a first draft of a Presidency compromise. In this compromise, there is a section on Benchmarks. While the paper does not support most of the Commission proposal, the aspects in relation to European critical benchmarks have been maintained. The Presidency suggests transferring competence to ESMA only for the authorisation of the European critical benchmarks (EONIA and EURIBOR) to avoid legal uncertainties after 1.1.2020. A read-out from the meeting will be circulated to the BMR WG.</p> <p>ESMA updated its <a href="#">Q&amp;A on benchmarks</a> on 27 September to include questions on systematic internalisers, certificates, the Net Asset Value, the application for endorsement and the benchmark statement.</p>		
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## II. WATCHING BRIEF

IFR		
CMCE priorities	Status / latest developments	Next steps
<b>Commodity dealer IF regime</b>	<p>During the meeting of the Council Working Party on the IFR which took place on 20 September, member states discussed a French non-paper which would require third-country investment firms to establish a branch in the EU. This non-paper received mixed support amongst member states; a small minority of delegations were ready to support the entire paper, but others objected to either parts, or the entire contents of the paper. The Austrian Presidency concluded that this will have to be re-visited during a future meeting. A full read-out will be circulated.</p> <p>On 25 September, the ECON Committee of the European Parliament adopted the reports of Markus Ferber (EPP, DE) on <a href="#">IFR/IFD</a>. They also voted to enter into interinstitutional (trialogue) negotiations.</p>	<p><b>Council of the EU:</b>  <b>15 October 2018</b> – Council WP on IFR/IFD</p> <p><b>15 November 2018</b> – Council WP on IFR/IFD</p> <p><b>10 December 2018</b> – Council WP on IFR/IFD</p>

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>Q4 2018</b> – Adoption of the SFTR Level 2 measures by the Commission