



I. ACTIVE PRIORITIES

Brexit			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Transitional arrangements Ancillary activity test	<p><u>REMIT</u> In the UK, the department for Business, Energy and Industrial Strategy (BEIS) published 5 draft statutory instruments (SIs) to prepare for a no-deal Brexit, which will require approval by the UK Parliament. This package of SIs included an SI on the Electricity and Gas (Market Integrity and Transparency) (Amendment) (EU Exit) Regulations 2019. The explanatory letter states that Remit will be on shored into UK law, and there will be no policy changes to provisions on insider trading and market manipulation, the provisions on the publication of inside information, transparency requirements. However, until national regulators have developed suitable secure platforms for this information, other forms of data reporting will be used. During this period of transition, national regulations can rely on alternative sources of market surveillance.</p> <p>ACER published an open letter on 8 January to provide guidance to national regulatory authorities as well as to inform market participants and the wider market about their views with regard to certain repercussions on the implementation of REMIT in the event of a no-deal Brexit regarding re-registration requirements and data collection.</p> <p><u>Benchmarks Regulation</u> The UK Government has published a draft SI which onshore the EU BMR as a part of their ongoing work preparing the UK if a no-deal Brexit would occur. The draft SI, like all of the government's work in onshoring EU</p>		

	<p>legislation, does not make policy changes. It would not take effect on 29 March 2019 if there is a transitional period.</p> <p><u>French Government no-deal Brexit</u> On 17 January, the French Parliament adopted the law which enables the government to take emergency measures through the so-called system of <i>ordonnances</i> which do not require a vote of the French Parliament, to prepare for a no-deal Brexit. The government is now set to adopt, from the 23rd of January, <i>ordonnances</i> to allow the “continued operations of certain financial services.”</p>		
MiFID II			
CMCE priorities	Status / latest developments	CMCE action	
<p>AA exemption</p> <p>Position limits</p> <p>Reporting</p> <p>Physical forwards</p>	<p>According to the minutes of the November 2018 ESMA Board of Supervisors meeting, the Team Leader on Secondary Markets presented the way forward on commodity derivatives provisions. This presentation touched upon the features of a qualitative and quantitative approach; and whether the issue should be brought to the attention of the European Commission. The Board concluded by endorsing the note and agreeing that ESMA would send a comprehensive letter to the European Commission collecting different issues relating to the UK’s withdrawal from the EU should be presented to the December 2018 Board of Supervisors for further consideration.</p>	<p>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.</p>	
EMIR REFIT			
CMCE priorities	Status / latest developments	Next steps	CMCE action
<p>Reporting</p> <p>Risk mitigation for uncleared trades</p>	<p>Following the political agreement that was brokered before Christmas by the Austrian Presidency, the Romanian Presidency is in the process of polishing the language from a legal perspective.</p>		

Calculation of NFCs positions			
Benchmarks			
CMCE priorities	Status / latest developments	Next steps	CMCE action
Commodity benchmarks Critical benchmarks Third country equivalence	<p><u>ESAs review</u> In the European Parliament, the ECON Committee adopted the ESAs review report on 10 January. The Council adopted a partial general approach before Christmas on the provisions of the Commission proposal related to Anti-Money Laundering (AML). In the Council, the Romanian presidency made a request to formally split the file, and open trilogues on the provisions relating to AML only. They wanted to pursue technical work on the rest of the proposal in parallel.</p> <p>This suggestion was supported by a majority of member states in the COREPER meeting of EU Ambassadors on 16 January and will be further discussed by the ECOFIN Council meeting of EU Finance Ministers on 22 January to provide the Romanian Presidency with political guidance.</p> <p>At this stage it is very unlikely that an agreement could be reached between the Council and Parliament on the broader ESAs review package before the European elections, given that the Council has not been able to finalise its position.</p> <p><u>Low-carbon benchmarks</u> The first trilogue took place on 16 January. Delegations discussed the different categorisation of sustainable benchmarks by the Council and Parliament, the extension of the authorisation period for critical benchmarks, the review clauses and the implementation period for existing benchmarks.</p>	<p>22 January – ECOFIN Council to give political guidance on the ESAs review</p> <p>24 January – Council WP on low-carbon benchmarks</p> <p>31 January – Trilogue on low-carbon benchmarks</p> <p>June 2019 – Commission Expert Group on Sustainable Finance to publish report on carbon benchmarks</p>	<p>A meeting with HM Treasury on the letter on Miscellaneous BM persons is being scheduled.</p>

II. WATCHING BRIEF

IFR		
CMCE priorities	Status / latest developments	Next steps
Commodity dealer IF regime Scope of Class I Changes to MiFID II/MiFIR 3rd country regime	<p>After the Austrian Presidency was unable to find a General Approach amongst member states before Christmas, the Romanian presidency launched and finalised a silence procedure on 4 January on an updated version of the IFR which incorporates suggestions from the Finnish-French non-paper on third-country provisions under MiFIR that was discussed in December of 2018. Following the conclusion of the silence procedure, on 7 January, the Council adopted a general approach on IFR/IFD and the first trilogue will take place on 23 January.</p>	23 January – First trilogue on IFR/IFD
MAR		
CMCE priorities	Status / latest developments	Next steps
Insider dealing MM indicators	<p>On 16 January, ESMA published their 2018 annual report to the Commission on the application of Accepted Market Practices (AMPs) under MAR. The report contains an overview of supervisory opinions made by NCAs which create AMPs which require the approval of ESMA. ESMA concludes that it will have more data in future years, so this report is not the most comprehensive. ESMA raises AMPs around liquidity contracts on which they see that there are difference in national interpretations which they attempted to resolve through points of convergence and examines the AMPs submitted by regulators in the Netherlands, France, Italy and Spain. It also contains considerations on alternative tools to provide liquidity by market makers and trading venues.</p> <p>In the 58th edition of Market Watch, the FCA reminded firms of the expectations to comply with requirements on suspicious transaction and order reports across asset classes, including fixed income and commodities. According to surveys that the FCA conducted with firms, the FCA concluded that there is a good level awareness of the requirements amongst many market participants. They add that when MAR entered into force, firms had asked they had asked for additional</p>	

	<p>time to implement changes to IT systems to comply with requirements on quote surveillance. 2 years into the regime, the FCA stated that they now expect firms to comply with the requirements.</p> <p>The FCA published their updated guidance on financial crime systems and controls on insider dealing and market manipulation following the consultation process they underwent in 2018.</p>	
SFTR		
CMCE priorities	Status / latest developments	Next steps
Reporting Obligations	<p>After the Commission submitted the delegated and implementing acts under the SFTR to the EP and Council for their scrutiny on 13 December, the EP has asked for the scrutiny period to be extended from 1 month to 3 months as expected.</p>	13 February – Expected end of EP and Council scrutiny period (tentative)