

The background of the slide features three European Union flags on tall poles, waving in the wind. They are positioned in front of a large, modern building with a curved facade and many windows. The scene is brightly lit, suggesting a sunny day. In the top right corner, there is a dark blue rectangular box containing the text 'CMC' in large white letters and 'EUROPE' in smaller white letters below it.

CMC
EUROPE

Commodity Markets Council Europe

All Members Meeting in Geneva – 28 June 2019

**Chair's welcome
(11:30 – 11:35)**

**Exco. update on its activities and
discussion with Members
(11:35 – 11:45)**

Role & activities of the CMCE Exco.

- In charge of overall management of CMCE operations and activities
- Meets quarterly in London
- Activities and responsibilities include:
 - Housekeeping and working with the advisors
 - CMC Europe Budget
 - Communication to and meetings with CMC Europe Members
 - Stakeholder engagement

Composition of the Exco.

Samina Anwar (Cargill), Chair

Marco Goehns (ADM), Vice-Chair

Laurent Texier (Louis Dreyfus Company), Treasurer

Pierre Davis (S&P Global)

Tim Grange (ICE)

Jonathan Hill (BP)

Przemek Koralewski (Nasdaq OMX)

Odile Roy De Puyfontaine (Vitol)

Simon Turek (CME Group)

* See Appendix for short bio's on the Exco.

CMCE Exco. Update

- Activities and responsibilities:
 - Housekeeping and working with the advisors (Jonathan Hill)
 - CMC Europe Budget (Laurent Texier)
 - Communication to and meetings with CMC Europe Members (Odile Roy De Puyfontaine)
 - Stakeholder engagement (Simon Turek)

**Market abuse enforcement trends and
outlook
(11:45 – 12:35)**

Market abuse enforcement trends

- ACER guidance on the application of the market manipulation prohibition under REMIT: layering and spoofing in continuous wholesale energy markets
- ACER: “186 Cases under review at end Q1”. Turnover of circa 30 cases per qtr
- FCA Mini-thematic review on monitoring/surveillance
- European Commission review of MAR application

ACER REMIT guidance

- Potentially influences approach to spoofing generally (not just power & gas)
- Blurring of distinctions between “indicators” and “proof”
- Somewhat prescriptive approach to assessment of “non-genuine orders”
- Insufficient recognition of legitimate behaviours (p.12, para 38)
- Increased risk for proprietary trading activity, esp around the B/O spread

European Commission MAR review

- ESMA to deliver technical advice by 31 December 2019; EC report expected mid-2020
- ESMA to carry out public consultation in preparation of TA
- Report to look at *“whether the definition of inside information is sufficient to cover all information relevant for competent authorities to effectively combat market abuse”*
- Also at:
 - potential for establishing cross-market surveillance market framework (using trade repository data);
 - scope of benchmark manipulation provisions;
 - spot FX;
 - utility of “insiders lists” regime;
 - Increased uniformity of administrative sanctions;
 - any issues experienced with cross-border enforcement.

**Lunch break
(12:35 – 13:05)**

**Brexit working group
(13:05-13:20)**

Brexit WG – Overview of 2019 activity

- Updates on regular calls regarding relevant developments, including UK draft exit SIs and consultations
- Analysis note of UK EU Exit Statutory Instruments onshoring MAR, MiFID II and EMIR
- CMCE letter to Commissioner Dombrovskis on UK trading venue equivalence

Brexit WG – Today's focus: Expectations for H2 2019

- Uncertainty on timing and modalities of Brexit – no movement expected on regulatory issues before more clarity at political level
- EU issues: ancillary activity exemption, equivalence / access to trading venues
- UK issues: onshoring legislation for no deal scenario is largely drafted/made

**MiFID working group
(13:20-14:05)**

MiFID WG – Overview of 2019 activity

- Engagement w/ AMF & BaFin to clarify meaning of ESMA Q&A re: ancillary activity notifications by third-country firms
 - AMF: No notification needed by 3rd country firms for either on venue / OTC trading in the EU
 - BaFin: Notification still needed by 3rd country firms who wish to benefit from AA exemption under German law
- CMCE draft response to ESMA Call for Evidence on position limits

MiFID WG – Today's focus

1. MiFID II review

- EC and ESMA preparatory work on MiFID II review starting
- Review to look at position limits, C6 energy derivatives, trading obligation... and any other issues where EC sees potential need for revision
- Potential action by NGOs / activist MEPs on position limits
- Possibility that AA exemption is looked at in context of review?

2. CMCE draft response to ESMA Call for Evidence on position limits

- Draft response to CfE circulated to members for comment by 24 June, including responses to 6 questions. To be submitted to ESMA next week
- ESMA also seeking views on AA exemption / Brexit
- Further views from members sought on whether the CMCE response should support the extension of the hedging exemption to financial entities

MiFID WG – Today’s focus

3. Ancillary Activity exemption

- No recent activity at ESMA, waiting for clarity on Brexit
- Recalibration of thresholds seems most likely scenario in short-term; but not seen as ‘cliff-edge’ issue
- ESMA / NCAs looking for market input
- Further possible CMCE action
 - Meetings with AFM and BaFIN - establish relationship and facilitate exchanges ahead of pos. changes to ancillary activity exemption

**Regulatory capital working group
(14:05-14:25)**

Regulatory Capital WG – Overview of 2019 activity

- Monitoring and reporting to members on finalisation of legislative negotiations
- Highlights from final IFR/IFD agreement (circulated 27/06)

Regulatory Capital WG – Today's focus

Recap of key relevant provisions of final IFR/IFD texts:

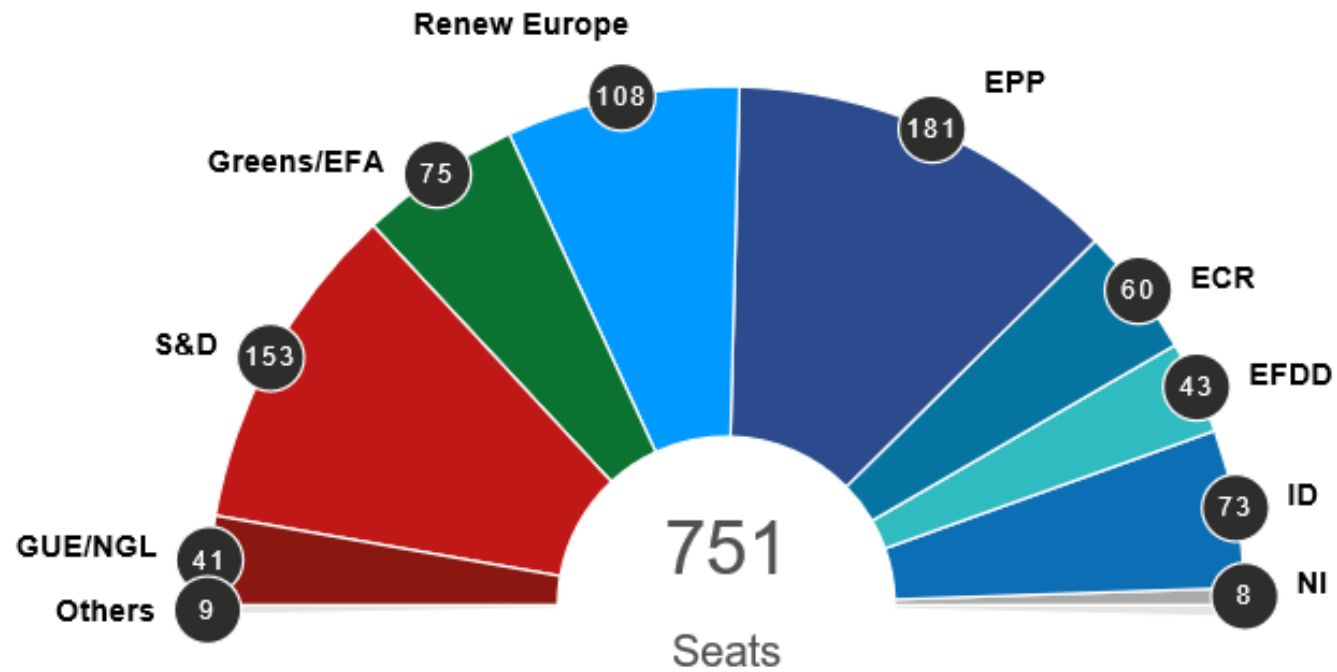
- More flexible/proportionate remuneration code regime for MiFID investment firms;
- EBA to produce a report on technical criteria for exposures to ESG type risk items (using the ESG taxonomy)
- Concentration risk exemption for commodity and emission allowance dealers for some hedging activity with NFC counterparties (on notification to NCA);
- Changes to MiFIR third country access regime. Including tougher equivalence test for third countries “likely to be of systemic importance for the Union”.

Coffee break
(14:25-14:40)

**Update on the activities of the CMCE
Swiss Chapter
(14:40-14:55)**

Update on the European elections (14:55-15:10)

2019 European Parliament elections



2019 European Parliament elections

- Fragmented EP with smaller political centre. EPP and S&D combined 334 seats (down from 404) – implications for decision-making
- The ‘Green wave’ expected to influence policy-making
- Large turnover on ECON Committee, although some influential & relevant MEPs remain (Ferber, Giegold)
- Next steps
 - 30 June: European Council to agree on top jobs, esp EC President
 - July: EP to appoint its President (2/7) and vote on EC President (mid-July)
 - Oct: Hearings of Commissioner candidates
 - 1 Nov: New Commission takes office

Stakeholder engagement (15:10-15:30)

Stakeholder engagement

- CMCE participation at QED event on EU agricultural commodities markets (29/03)
- Upcoming meeting with DG FISMA's securities markets team

Stakeholder engagement – Meeting w/ DG FISMA

- Cover both broad messaging on commodity markets and high-level messages on relevant regulatory topics
- Member feedback sought on draft speaking points re:
 - Brexit: AA test, equivalence of UK trading venues
 - Third-country provisions / equivalence
 - MiFID II review

**EMIR working group
(15:30-15:45)**

EMIR WG – Overview of 2019 activity

- Following the negotiations and entry into force of EMIR Refit
- Recap of key provisions of EMIR Refit circulated to members
- Call with the FCA on interpretation and requirements of art.4a(3) of EMIR Refit (15/05)

EMIR WG – Today's focus

- Updated ESMA Q&A following EMIR Refit entry into force
- ESMA letter on application of EMIR hedging exemption to FCs in non-financial groups
- Implementation issues from members?

**Member feedback and discussion
(15:45-16:00)**

Close of meeting
(16:00)

Appendix

Short Bio's on the Exco.

Samina Anwar (Cargill), Chair Samina is the Global Head of the Cargill Risk Operations and Execution Group and accountable for the management of Cargill strategy, resources and third party relationships that support global derivatives trading. She is a board member of Cargill PLC, a Board Member of the Commodity Markets Council and Chair, Commodity Markets Council Europe.

Marco Goehns (ADM), Vice-Chair Marco is Manager Risk Management EMEA for ADM, responsible for risk management with regard to commodity trading in the respective region as well as compliance with the applicable financial regulations. He is the global process owner for risk management. Prior to ADM, Marco had a 16-year tenure at Deutsche Bank.

Laurent Texier (Louis Dreyfus Company), Treasurer Laurent is Global Head of Compliance for LDC, responsible for covering all regulatory compliance matters, in particular in the EU, US, Singapore, PRC, Brazil and Argentina. Prior to Louis Dreyfus Company, Laurent was a compliance officer both in investment banking (Deutsche Bank, Barclays Capital, Natixis) and in private banking (Oddo), as well as for Matif, the French derivatives market.

Pierre Davis (S&P Global) Pierre is an attorney in the Global Legal and Regulatory Affairs Department of S&P Global and serves as the Chief Legal Officer for its Platts division. Pierre is responsible for all legal and divisional compliance support for the Platts business. He joined S&P Global in 2005, and has provided legal advice and counselling to S&P Global in a number of areas.

Short Bio's on the Exco.

Tim Grange (ICE) Tim has been Director of Regulatory Policy at ICE in London since 2010, after a long career at the UK FSA. He has been heavily involved in regulatory discussions on trading and clearing at national, European and international level

Jonathan Hill (BP) Jonathan is Regulatory Compliance & Affairs Manager in BP's EU trading function, a role he has held for six years. Prior to that Jonathan held a number of roles at the UK's Financial Services Authority, including Technical Specialist – Commodities. Jonathan has been a member of the CMCE Exco. since its formation, including two years as Chairman and prior to that two years as Vice-Chairman, a period which included leading the advisor review process and setting up the CMCE Swiss working group.”

Przemek Koralewski (Nasdaq) Przemek works in derivatives Product Management, Business Development & Sales for Nasdaq Futures. He previously worked as commodities broker at the LME, as Head of Futures trading for Title Trading Services USA, and as futures trader for OSTC.

Odile Roy De Puyfontaine (Vitol) Odile is the Head of Compliance EMEA, Asia and Latin America for the Vitol Group. She has been in the commodities sector for 24 years, 21 of them in compliance, working for banks, trading companies and the LME.

Simon Turek (CME Group) Simon is Senior Director, Government Relations for the CME Group. He manages International government relations and regulatory policy for the Group. Prior to CME Group, Simon worked in Paris for ESMA, focusing on the EU's EMIR reform agenda. He previously worked for the FSA and the New Zealand Exchange Group.