



Hearings of Commissioners-designate in the European Parliament

The European Parliament will hold hearings of the Commissioners-designate from 30 September to 8 October, which are aimed at assessing the fitness of the commissioners-designate for their proposed posts and whether they are ready to deliver on the programme that Ursula von der Leyen outlined to Parliament in July. Each hearing will last three hours and be streamed live. The hearing of Valdis Dombrovskis, who has been assigned with the financial services portfolio, will take place on 8 October.

After the hearings, the European Parliament will prepare evaluation letters on the candidates. It is expected to vote on the new Commission as a whole on 23 October. The new European Commission will then take office as of 1 November.

MiFID II review

According to our intel, DG FISMA was not thrilled with the German position papers asking for level 1 changes to MiFID II, which were inspired by the fact that Germany expects to have to do a lot of pre-legislative work on MiFID II during its presidency of the Council in H2 2020. The problem is that proceeding through level 2 will face heavy criticism from Member States. If the European Commission decides to ask ESMA to fix certain level 2 items, ESMA is likely to advise that no changes are required. Proceeding through level 1 will require an impact assessment, and on most tweaks, the European Commission does not have sufficient data. As a result, while in principle a level 1 review should happen in 2020 or 2021, it is not yet clear how DG FISMA will proceed.

I. ACTIVE PRIORITIES

Brexit	
CMCE priorities: Ancillary activity test, access to UK and EU trading venues, CCPs and TRs	
Latest developments & CMCE action	Next steps
The UK Supreme Court ruled on 24 September that Prime Minister Boris Johnson’s prorogation of parliament for five weeks was unlawful “because it had the effect of frustrating or preventing the ability of parliament to carry out its constitutional functions without reasonable justification”.	17/18 October – European Council 31 October – Deadline for UK to adopt Withdrawal Agreement, subject to a further extension

<p>The judgment was unanimous among the 11 judges. As a result, the House of Commons resumed its business on Wednesday 25 September.</p>	
<h2>MiFID II</h2>	
<p><i>CMCE priorities: AA exemption, position limits, reporting, physical forwards</i></p>	
<h3>Latest developments & CMCE action</h3>	<h3>Next steps</h3>
<p>According to our intel, DG FISMA was not thrilled with the German position papers asking for level 1 changes to MiFID II, which were inspired by the fact that Germany expects to have to do a lot of pre-legislative work on MiFID II during its presidency of the Council in H2 2020. The problem is that proceeding through level 2 will face heavy criticism from Member States. If the European Commission decides to ask ESMA to fix certain level 2 items, ESMA is likely to advise that no changes are required. Proceeding through level 1 will require an impact assessment, and on most tweaks, the European Commission does not have sufficient data. As a result, while in principle a level 1 review should happen in 2020 or 2021, it is not yet clear how DG FISMA will proceed.</p> <p>ESMA published on 24 September two opinions agreeing with the proposed position limits from NCAs regarding the following contracts, which it states align with the objectives and methodology in MiFID II:</p> <ul style="list-style-type: none"> • EEX Italian Power Base contracts • EEX Italian Power Peak contracts <p>CMCE action</p> <p>A CMCE response to the ESMA call for evidence on position limits and position management in commodity derivatives was submitted on 5 July, and was published by ESMA on 12 July with all the responses it received to the call for evidence.</p> <p>A call with the MiFID WG was held on Friday 20 September to agree on a CMCE position on position limits ahead of the meeting with Tilman Lueder, Head of the Securities Markets Unit at DG FISMA, on 2 October.</p>	<p>January 2020 – Deadline for ESMA to provide input to the European Commission on MiFID II/MiFIR review report on C6 energy derivatives contracts</p> <p>March 2020 – Deadline for ESMA to provide input to the European Commission on MiFID II/MiFIR review report on position limits and reporting</p>
<h2>EMIR</h2>	
<p><i>CMCE priorities: reporting, risk mitigation for uncleared trades, calculation of NFC's positions</i></p>	
<h3>Latest developments</h3>	<h3>Next steps</h3>
<p>There were no significant developments in the last 2 weeks.</p>	

Benchmarks

CMCE priorities: commodity benchmarks, critical benchmarks, third-country equivalence

Latest developments & CMCE action

The legal linguistic review of the low-carbon benchmarks amendments to the benchmarks regulation took place on 18 September. This was due to take place this spring following the vote in the European Parliament in March but the process was delayed due to the European elections.

Next steps include a vote at ministerial level in the Council and an announcement in the ECON Committee and in plenary, unless a majority of MEPs decides to reopen the file, which is very unlikely. No date has been fixed yet as MEPs are entirely focused on the hearings of the Commissioners-designate which will start on 30 September and end on 8 October. The next plenary meetings will take place on 9/10 October (mini-plenary), 21-24 October, 13/14 November (mini-plenary), 25-28 November and 16-19 December.

Following the announcement in the European Parliament and the vote in the Council at ministerial level, the texts will be submitted directly for the signature of the Presidents and Secretaries-General of the European Parliament and Council, followed by the publication in the Official Journal. We expect this to take place by the end of this year.

CMCE action

CMCE submitted in July a response focussing on commodity benchmarks to the TEG's [call for feedback](#) on the interim report on ESG disclosure for benchmarks. The European Commission contacted CMCE end of August to request a call with the members. The call was held on 4 September to clarify CMCE position and explain the members' concerns to the European Commission and the TEG.

Prior to the launch of a formal consultation process, CMCE provided the FCA on 23 September with a written input on the Senior Managers and Certification Regime (SM&CR), which will apply from 7 December 2020 to UK authorised BM administrators. This follows a call between CMCE members and the FCA that took place on 29 August.

Next steps

September – Final TEG report on climate friendly benchmarks to be published

7 December 2020 – Application of the SM&CR regime to benchmark administrators

ESAs review & low-carbon benchmarks:

October plenaries – Plenary vote in new Parliament (TBC)

21 October - Signature of Council President and EP President (earliest possible date)

Mid-November - Publication in the EU Official Journal (tentative timeline)

December - Entry into force (20 days after publication)

II. WATCHING BRIEF

IFR	
<i>CMCE priorities: commodity dealer IF regime, scope of class I, changes to MiFID III/MiFIR third-country regime</i>	
Latest developments & CMCE action	Next steps
<p>The Council and the European Parliament reached an agreement in trilogue on 26 February.</p> <p>MEPs endorsed the agreement in the ECON Committee on 1 April. The vote in plenary took place on 16 April [link] [link].</p> <p>The legal linguistic review took place on 9-10 September [link] [link]. Next steps include a vote at ministerial level in the Council and an announcement in the ECON Committee and in plenary, unless a majority of MEPs decides to reopen the file, which is very unlikely.</p> <p>No date has been fixed yet as MEPs are entirely focused on the hearings of the Commissioners-designate which will start on 30 September and end on 8 October. The next plenary meetings will take place on 9/10 October (mini-plenary), 21-24 October, 13/14 November (mini-plenary), 25-28 November and 16-19 December.</p> <p>Following the announcement in the European Parliament and the vote in the Council at ministerial level, the texts will be submitted directly for the signature of the Presidents and Secretaries-General of the European Parliament and Council, followed by the publication in the Official Journal.</p>	
MAR	
<i>CMCE priorities: Insider dealing, MM indicators</i>	
Latest developments & CMCE action	Next steps
<p>There were no significant developments in the past two weeks.</p> <p>CMCE action A discussion took place at the Geneva members' meeting on 28 June on market abuse enforcement trends and the recent ACER guidance on REMIT implementation and layering and spoofing in wholesale energy markets. It was concluded that it would be useful for members to have a forum in which to exchange experiences and learnings in this area. In the first instance, a CMCE members' only</p>	<p>31 December 2019 – Deadline for ESMA to provide technical advice to the Commission on the MAR review</p>

information sharing forum will be set up. A MAR working group could be set up in due course if the need for that emerges from these discussions.		
SFTR		
<i>CMCE priorities: reporting obligations</i>		
Latest developments & CMCE action		Next steps
There were no significant developments in the past two weeks.		Q4 2019 - ESMA to publish a final report on the guidelines on reporting under SFTR
Other relevant developments		
International role of the euro	There were no significant developments in the past 2 weeks.	Autumn 2019 – European Commission to report on the results of the consultation on the international role of the euro
REMIT	There were no significant developments in the past 2 weeks.	