



Von der Leyen Commission

On 27 November the European Parliament voted in favour of Ursula von der Leyen's Commission with 461 votes in favour, 175 against and 89 abstentions. The new European Commission took office on 1 December.

European Green Deal

The European Commission is currently drafting a communication on the European Green Deal, which will be issued on 11 December. According to our intel, this communication entails a list of legislative and non-legislative initiatives that the European Commission intends to adopt in various sectors in order to meet the new EU climate ambitions. It indeed intends to propose by March 2020 the first European 'Climate Law' enshrining the 2050 climate neutrality objective into law. By October 2020, it also intends to present a comprehensive plan on how to increase the EU's greenhouse gas emission reduction target for 2030 to at least 50% and towards 55% in a responsible way. The initiatives listed in this communication concern among others the following sectors: real estate, transport, biodiversity, food, digital. On financial services specifically, the document only mentions that the European Commission will present in June 2020 an action plan on green financing without any further details. In addition, it confirms that it will evaluate the Non-Financial Reporting Directive and that it will assess the need to adopt a legislative proposal on sustainable corporate governance by June 2021.

Extension of equivalence for UK CCPs

The European Commission submitted on 4 December to the European Securities Committee (ESC) a draft implementing decision amending the [Implementing Decision 2018/2031](#) on the equivalence for UK CCPs, which extends the equivalence of UK CCPs beyond 30 March 2020. It doesn't set any new deadline but is drafted in a way to allow for flexibility regarding the timing. This would only apply in the case the UK withdraws from the EU without any agreement. Members will vote on this implementing decision by 8 December through written procedure.

Prudential framework for investment firms

The [IFR/IFD](#) texts were published on 5 December in the EU Official Journal. IFR will apply from 26 June 2021, except points (2) and (3) of Article 63 on tick sizes and systematic internalisers, which will apply from 26 March 2020, and point 30 of Article 62 on which will apply from 25 December 2019. Concerning IFD, Member States shall adopt the national transposition measures by 26 June 2021.

FCA consultation on the SM&CR regime

The FCA published on 28 November its [consultation paper](#) on extending the SMR regime to benchmark administrators. The consultation period runs to 28 February 2020.

I. ACTIVE PRIORITIES

Brexit	
<i>CMCE priorities: Ancillary activity test, access to UK and EU trading venues, CCPs and TRs</i>	
Latest developments & CMCE action	Next steps
<p>The European Commission submitted on 4 December to the European Securities Committee (ESC) a draft implementing decision amending the Implementing Decision 2018/2031 on the equivalence for UK CCPs, which extends the equivalence of UK CCPs beyond 30 March 2020. It doesn't set any new deadline but is drafted in a way to allow for flexibility regarding the timing. This would only apply in the case the UK withdraws from the EU without any agreement. Members will vote on this implementing decision by 8 December through written procedure.</p>	<p>12 December 2019 – General election</p>
MiFID II	
<i>CMCE priorities: AA exemption, position limits, reporting, physical forwards</i>	
Latest developments & CMCE action	Next steps
<p>ESMA published on 5 December its MiFID II/MiFIR report on the development in prices for pre- and post-trade data and on the consolidated tape for equity instruments. This report is submitted to the European Commission and will feed into the review report to be presented by the European Commission to the European Parliament and Council in 2020.</p> <p>CMCE action 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>CMCE is currently preparing its response to the ESMA consultation on position limits, which will close on 8 January 2020.</p>	<p>8 January 2020 – ESMA consultation on position limits closes</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>31 March 2020 – Deadline for ESMA to provide input to the European Commission on MiFID II/MiFIR review report on position limits and reporting</p>

EMIR	
<i>CMCE priorities: reporting, risk mitigation for uncleared trades, calculation of NFC's positions</i>	
Latest developments	Next steps
The ESAs published on 5 December joint draft RTS to amend the Delegated Regulation on the risk mitigation techniques for non-cleared OTC derivatives (bilateral margining) as well as a joint statement on the introduction of fallbacks in OTC derivative contracts and the requirement to exchange collateral.	
Benchmarks	
<i>CMCE priorities: commodity benchmarks, critical benchmarks, third-country equivalence</i>	
Latest developments & CMCE action	Next steps
<p>The FCA published on 28 November its consultation paper on extending the SMR regime to benchmark administrators. The consultation period runs to 28 February 2020.</p> <p>ESMA updated on 3 December the Q&As on the benchmarks regulation. One of the updated Q&As concerns the annual review of IOSCO principles for oil pricing reporting agencies.</p> <p>The European Commission published on 11 October a consultation on the review of the benchmark regulation, which will close on 31 December.</p> <p>CMCE action The Benchmarks WG is currently preparing its response to the FCA consultation on the SM&CR regime and to the European Commission consultation on BMR review.</p>	<p>9 December 2019 – Publication of the low-carbon benchmarks regulation in the EU Official Journal</p> <p>31 December 2019 – European Commission consultation on the review of the benchmark regulation closes</p> <p>28 February 2020 – FCA consultation on SM&CR closes</p> <p>7 December 2020 – Application of the SM&CR regime to benchmark administrators</p>

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 IFR/IFD texts were published on 5 December in the EU Official Journal. IFR will apply from 26 June 2021, except points (2) and (3) of Article 63 on tick sizes and systematic internalisers, which will apply from 26 March 2020, and point 30 of Article 62 on which will apply from 25 December 2019. Concerning IFD, Member States shall adopt the national transposition measures by 26 June 2021.</p>		<p>26 June 2021 – Application of IFR/IFD</p>
<p>MAR</p>		
<p><i>CMCE priorities: Insider dealing, MM indicators</i></p>		
<p>Latest developments & CMCE action</p>		<p>Next steps</p>
<p>ESMA published on 3 October a consultation on MAR review. This follows a formal request of the European Commission to ESMA in March 2019 for technical advice on the report to be submitted by the European Commission under Article 38 of MAR. The consultation closed on 29 November. Based on the feedback received, ESMA intends to submit the final report to the European Commission in the spring of 2020.</p> <p>CMCE action CMCE submitted its response to the ESMA consultation on MAR review on 28 November.</p>		<p>Spring 2020 – ESMA to submit the final report providing technical to the European Commission on MAR review</p>
<p>SFTR</p>		
<p><i>CMCE priorities: reporting obligations</i></p>		
<p>Latest developments & CMCE action</p>		<p>Next steps</p>
<p>There were no significant developments in the past two weeks.</p>		<p>Q4 2019 - ESMA to publish a final report on the guidelines on reporting under SFTR</p> <p>11 January 2021 – Reporting go-live for non-financial counterparties</p>
<p>Other relevant developments</p>		
<p>International role of the euro</p>	<p>There were no significant developments in the past 2 weeks.</p>	<p>2020 – European Commission to report on the results of the consultation on the international role of the euro</p>
<p>REMIT</p>	<p>There were no significant developments in the past 2 weeks.</p>	

