



SUMMARY OF CONCLUSIONS

Board of Supervisors

Date: 14 March
Time: 09:00 – 17:30h
Location: Paris
Contact: steven.maijoor@esma.europa.eu T: +33 1 58 36 51 12

No Items

1. Credit Rating Agencies

– Annual Report ex Article 21 of the CRA Regulation *BS/28 decision*

VOTING MEMBERS AND ADVISORS ONLY

The Head of the CRA Unit presented the Annual report.

Decision: The Board approved the report with one minor correction to the chapter on policy and cooperation.

2. Management Board election *decision*

VOTING MEMBERS ONLY

Decision: Following a vote by secret ballot, Gérard Rameix (FR) was elected as a new member of the Management Board.

3. Adoption of agenda *BS/27 decision*

Decision: The agenda was adopted.

4. Summary of conclusions of January meeting *BS/30 decision*

Decision: The summary of conclusions was approved with the inclusion of a comment by Petr Staněk (CZ) on item 12.



5. Report by Chair and Executive Director

Oral information

The Chair reported on;

- the previous day’s Management Board meeting;
- the meeting of the OTC Derivatives Regulators Group that took place on 6 February;
- the meeting with Chairman Doty of the PCAOB;
- the meeting with Commissioner Barnier on 31 January;
- the recent activities of the European Systemic Risk Board and the on-going review of the ESRB;
- the recent activities of the Joint Committee, in particular the joint report on Risks and Vulnerabilities by the Risk Sub-Committee and the review of ESMA and the ESFS by the European Commission;
- the meeting of the Economic and Financial Committee of 1 February, in particular the discussions on the IMF’s Financial Sector Assessment Programme of the EU;
- the recent activities of the Securities and Markets Stakeholder Group, and the renewal process for the group; and
- the call for candidates for the Corporate Reporting Standing Committee, since Julie Galbo (DK) announced she would step down as Chair.

The Executive Director reported on;

- the joint activities of EBA and ESMA on benchmarks, highlighting the satisfactory response rate as well as the general positive feedback; and
- the work of the Task Force on legal framework on cooperation.

6. EMIR implementation

- Planning for Trade Repository registration and supervision *BS/31 discussion*
- Presentation on EMIR implementation and update on Legal Entity Identifier *BS/32 information Annex*

The Head of the Markets Division and a staff member of the Markets Division presented the item on EMIR implementation.

The Board discussed the item, in particular;

- stressing the tight timelines for Trade Repository registrations;
- the ability of ESMA to manage and analyse the amount of data that would be collected for the purpose of Trade Repository supervision;

- the costs of registration and supervision to be covered by industry fees;
- the absence of the need for an oversight committee for trade repositories, but the usefulness of a forum to discuss data access/data quality issues; and
- the need to support the implementation of the pre-LEIs.

Conclusion: The Board agreed that the current structure of ESMA will ensure proper supervision of trade repositories and an appropriate information flow to the members of the Board of Supervisors. The Board therefore agreed on the absence of the need for an oversight committee for trade repositories, but the usefulness of a forum to discuss data access/data quality issues.

7. Post Trading Standing Committee

- Report by Giuseppe Vegas *BS/33 information*

Giuseppe Vegas (IT) presented the report and the accompanying documents.

- Guidelines on interoperability *Annex 1 decision*

Decision: The Board approved the guidelines on interoperability.

- Opinion on CCP College regulatory technical standard *Annex 2 decision*

The Board discussed the opinion, in particular the Commission's interpretation according to which national competent authorities have an obligation rather than a right to participate in colleges.

Decision: The Board approved the opinion on the CCP College regulatory technical standard.

- Technical advice on equivalence for US *Annex 3 decision*
- Technical advice on equivalence for Japan *Annex 4 decision*

The Board discussed the reports, in particular stressing the importance of avoiding regulatory arbitrage and achieving a level playing field for companies operating at a global level.

Gérard Rameix stressed in particular the need for the draft advice to remain factual in the comparison of the EU vs. third country legislation.

Conclusion: Following further comments from members, the final texts will be submitted for approval to the Board of Supervisors' meeting in May.

- Q&As on EMIR implementation *Annex 5 decision*

Decision: The Board approved the Q&As on EMIR implementation, with the exception of Question 9 which will be reviewed by the Post Trading Standing Committee.



8. IT Management and Governance Group

- Reporting requirements Trade Repositories to NCAs *BS/34 discussion*

The Head of the Operations Division presented the document.

The Board discussed the report, in particular;

- whether ESMA should have a more ambitious approach to the harmonisation of data; and
- whether re-using the existing hub structure seems preferable to developing a new framework.

Conclusion: ESMA staff will prepare a document exploring possible synergies between the areas of MiFID and EMIR, with a view to present a concrete proposal to organise the work on this subject. The Task Force on the format of reporting for Trade Repositories will be launched.

9. ESMA organisation

- Budget 2014 & high level Work Programme *BS/35 + decision Annexes*

The Executive Director presented the 2014 Budget and the high level Work Programme, indicating the documents had been approved by the Management Board at their meeting on 13 March.

The Board discussed the documents, in particular;

- whether additional staff for the purpose of audit supervision should already be included in the budget, considering that the legislative framework is still under negotiation between the European Parliament and Council;
- concerns regarding the growth of ESMA's budget in a context where national competent authorities are facing budgetary constraints; and
- the need to revise the funding mechanism of contributions by national competent authorities, the European Commission and market participants.

The Executive Director clarified that the proposed budget was established on the basis of the legislative plans and on-going negotiations. The inclusion of 5 staff members for audit supervision purposes was seen as prudent budgeting until the decisions are confirmed in this area. After 2016, a flat growth of the organisation is envisaged, with reallocation of staff to the maintenance of the framework.

Conclusion: The Board agreed that the current version of the budget needed to be revised, going back to the numbers previously agreed by the European Commission being 195 members of staff, including 5 staff members for audit supervision purposes. Those 5 staff members would then be recruited only upon adoption of the relevant legislation. The revised 2014 Budget will be submitted to the Board for approval by written procedure.

- Audit proposal: possible changes to ESMA's governance *BS/36 discussion*

The Executive Director presented the report, highlighting the possible changes to ESMA's governance on

the basis of the discussions on the Audit proposal.

The Board discussed the report, in particular;

- the potential impact on ESMA’s governance, in particular the delegation of tasks and the ultimate responsibility for decisions by the Board of Supervisors; and
- the impact on ESMA’s organisation regarding budget and resources.

The European Commission clarified that the delegation of tasks from the Board to the Audit Supervision Committee would be limited to the remits defined in the regulation. Moreover, the liability for decisions should remain with ESMA.

Conclusion: The Board agreed that the letter to the European Commission should be amended by including more safeguards as part of the proposed delegation model and to reflect that adequate budgeting should accompany the proposal. The revised letter will be submitted to the Board for approval by written procedure.

10. Investment Management Standing Committee

- Report by Gareth Murphy, incl. update on AIFMD MoU negotiations *BS/37 discussion*

Gareth Murphy (IE) presented the report and the accompanying documents.

The Board discussed the report, in particular;

- the aim of ultimately harmonising the Memoranda of Understanding with the different non-EU authorities as far as possible, while at the same time considering the deadline of July for concluding the MoUs;
- the need to have a coordinated approach for the signing of the MoUs by EU competent authorities; and
- the importance of giving clarity to market participants on questions raised on the interpretation of certain articles in the Level 1 Directive.

The Chair indicated that several MoUs would be submitted for approval and signature by the Board at the meeting in May.

Decision: With regard to the AIFMD transposition, the Board agreed that ESMA would recommend that the European Commission to publish the full list of questions and answers as soon as possible.

- Discussion paper on Money Market Funds *Annex 1 discussion*

Conclusion: The Board agreed to the conclusions in the report, in particular its aspects on the merits of a globally coordinated approach.

- Final report on RTS on types of AIFMs under the AIFMD *Annex 2 decision*

The Board discussed the report, in particular on;

- the definition of closed-ended funds and whether a distinction can be based on the frequency of redemptions; and
- the possibility that ESMA’s draft RTS would be rejected by the European Commission.

Conclusion: The Board agreed to have the report submitted for approval by a short written procedure in order to allow members to check the issue on the definition of open-ended and closed-ended funds.

- Q&A on guidelines on ETFs and other UCITS issues *Annex 3 decision*

The Board discussed the Q&A, in particular the diversification of reinvested cash collateral and the earlier agreed principles for the management of collateral.

Decision: The Board approved the Q&A on guidelines on ETFs and other UCITS issues.

11. Corporate Finance Standing Committee

- Report by Gérard Rameix *BS/38 information*

Gérard Rameix (FR) presented the report and the accompanying documents.

- Consultation paper on draft RTS for supplements to prospectuses *Annex 1 decision*

Decision: The Board approved the consultation paper on draft RTS for supplements to prospectuses.

- Opinion on updated framework for equivalence assessments under Article 20 PD *Annex 2 decision*

Decision: The Board approved the opinion on an updated framework for equivalence assessments under Article 20 PD.

- Feedback statement and amended recommendations for mineral companies *Annex 3 decision*

Decision: The Board approved the feedback statement and amended recommendations for mineral companies.

12. Standing Committees Terms of Reference

- Cover Note *BS/40 decision*
Annex 1

Decision: The Board approved the amendment to the Procedures for ESMA Groups.

- Secondary Markets Standing Committee *BS/41 decision*
- Market Integrity Standing Committee *BS/42 decision*
- Corporate Reporting Standing Committee *BS/43 + decision*
Annexes

- Corporate Finance Standing Committee *BS/44 decision*
- Investor Protection and Intermediaries Standing Committee *BS/45 decision*
- Credit Rating Agencies Technical Committee *BS/46 decision*

Decision: The Board approved the revised terms of reference, with the inclusion of an amendment to the Corporate Finance Standing Committee terms of reference.

13. Progress reports

- Report by Martin Wheatley (SMSC) *BS/47 information*

The Board of Supervisors took note of the report.

- Report by Martin Wheatley (CDTF) *BS/48 information*

The Board of Supervisors took note of the report.

- Report by Anneli Tuominen (FISC) *BS/49 information*

The Board of Supervisors took note of the report.

14. A.O.B.

Karl-Burkhard Caspari (DE) expressed his concerns on the work regarding MiFID/MiFIR in the various ESMA groups, considering the on-going legislative negotiations. The Chair clarified that the work is focussed on the most uncontroversial elements and that waiting for a final text to be agreed before initiating any work would be too risky.

15. Future meetings

information

- 21 May - BoS Away Day (Dublin)
22 May 2013 (Dublin)
- 4 July 2013 (Paris)
- 24 September 2013 (Paris)
25 September 2013 - joint meeting with SMSG (Paris)
- 7 November 2013
- 17 December 2013

Participants list

Voting Members

Member State	Representative	Accompanying Person
Belgium	Jean-Paul Servais	Antoine van Cauwenberge
Bulgaria	Stoyan Mavrodiev	Antoniya Gineva
Czech Republic	Petr Stanek (alternate)	Karel Juras
Denmark	Julie Galbo	Hanne Rae Larsen
Germany	Karl-Burkhard Caspari	Philipp Sudeck
Estonia	Raul Malmstein	Gerle Reinumägi
Ireland	Gareth Murphy (alternate)	Bryan Friel
Greece	Konstantinos Botopoulos	Vasiliki Lazarakou
Spain	Maria Elvira Rodriguez	Antonio Mas
France	G�rard Rameix	Fran�oise Buisson Dora Blanchet
Italy	Giuseppe Vegas	Nicoletta Giusto
Cyprus	Demetra Kalogerou	
Latvia	Sandis Andersmits (alternate)	
Lithuania	Vilius Sapoka (alternate)	
Luxembourg	Jean Guill	
Hungary	L�szl� Balogh (alternate)	
Malta	Mike Duignan (alternate)	

Netherlands	Ronald Gerritse	Mirèl ter Braak
Austria	Erich Schaffer (alternate)	Andrea Kuras-Goldmann
Poland	Marek Szuszkiewicz	Anna Skrzypek
Portugal	Carlos Tavares	Gabriela Figueiredo Dias
Romania	Carmen Negoita	Cristina Dumitrescu
Slovenia	Damjan Zugelj	Sabina Bešter
Slovakia		Eva Svetlosakova
Finland	Anneli Tuominen	Jarmo Parkkonen
Sweden	Martin Andersson	Anna Jegnell
United Kingdom	Martin Wheatley	Cristina Frazer

Non-voting members

ESMA Chair	Steven Maijoor	
European Commission	Emil Paulis	Valerie Ledure
ESRB	Frank Dierick	
EIOPA	Susanne Rosenbaum	
EBA	Corine Kaufman	

Observers

Croatia	Silvana Bozic	
Iceland	Sigurveig Guomundsdottir	Pall Frioriksson
Liechtenstein	Christoph Weder	
Norway	Anne Merethe Bellamy	Kristin Lund

ESMA

Executive Director	Verena Ross
Summary of Conclusions	Stephanie Duverger
Head of Markets Division	Rodrigo Buenaventura
Markets Division	Fabrizio Planta
Head of Operations Division	Nicolas Vasse
Head of Credit Rating Agencies Unit	Felix Flinterman
Head of Economic Research & Financial Stability Unit	Steffen Kern
Head of Legal, Cooperation and Convergence Unit	Stephan Karas
Investment and Reporting Division	Richard Stobo
Investment and Reporting Division	Vicki Erfurt Larsen

Done at Dublin on 22 May 2013

Steven Maijoor
Chair
For the Board of Supervisors