



SUMMARY OF CONCLUSIONS

Board of Supervisors

Date: 25 September
Time: 09:00 – 17:00h
Location: Rome, Italy
Contact: frederiek.vermeulen@esma.europa.eu T: +33 1 58 36 43 37

No Items

1. Management Board election

Decision: Following a vote by secret ballot, Cyril Roux (IE), Gérard Rameix (FR, 2nd term) and Marek Szuszkiewicz (PL) were elected as members of the Management Board.

2. Confidential items

3. Adoption of agenda *BS/129 decision*

Decision: The agenda was adopted.

4. Summary of conclusions of July meeting *BS/125 decision*

Decision: The summary of conclusions was approved, including a change to item 7. Market Integrity Standing Committee.

5. Report by Chair and Executive Director *Oral information*

The Chair reported on;

- the recent activities of the Joint Committee and joint activities by the ESAs, in particular the activities in the area of self-placement and the agreed 2015 Joint Committee Work Programme;
- the recent activities of the Securities and Markets Stakeholder Group;
- the recent activities of the European Systemic Risk Board;

- the meeting of the Economic and Financial Committee that took place on 5 September in Brussels;
- the informal Ecofin meeting that took place on 13 September in Milan;
- the annual hearing of the ESAs' Chairs at the European Parliament ECON Committee that took place on 23 September and recent meetings with members of the European Parliament;
- meetings in Washington D.C. with US counterparts such as the SEC, CFTC and the FED that took place on 2-3 September;
- the recent discussions in the OTC Derivatives Regulators Group, the limited progress achieved and ESMA's position to reflect this in the update report to the FSB; and
- the Management Board meeting that took place on 24 September.

The Executive Director reported on;

- the on-going discussions with the ECB regarding the cooperation between ESMA and the Single Supervisory Mechanism;
- the meeting of the Financial Services Committee that took place on 10 September in Brussels;
- the implementation of security measures in order to lower the risk of disclosure of sensitive information and the impact on national competent authorities;
- the developments regarding the non-incorporation of the ESAs Regulations and sectoral financial services legislation in EEA EFTA states;
- the current credit rating activity work streams of the Joint Committee;
- the decision to revise the rules of procedure of the Mediation Panel that will be submitted for approval at a future Board meeting;
- the recent and upcoming activities by the European Court of Auditors and the Internal Audit Service of the European Commission.

Giuseppe Vegas (IT) informed the Board on the priorities of the Italian Presidency of the Council and the discussions at the informal Ecofin that took place on 13 September in Milan.

6. IT Steering Group

- IT Steering Group report

*BS/130 & discussion
Annexes*

The Executive Director presented the report.

The Board discussed the report, in particular;

- the identified potential projects to share resources, reduce costs at EU level and exercise delega-

- tion of certain tasks from NCAs to ESMA and to prioritise between the different projects;
- the need to have as many NCAs as possible involved in the project;
 - the legal analysis for the delegations of tasks;
 - the funding and budget management, in particular the funding key to define the contribution by each participant;
 - the estimated costs of the projects, also taking into account the already incurred and the remaining costs at a national level, and the envisaged model for staffing the projects;
 - whether centralisation would improve data quality and contribute to the objective of better supervision of financial markets; and
 - the need for a clear governance model and strong project management if the Board would decide to continue the projects.

Conclusion: The Chair concluded that there was sufficient support from the Board to continue exploring the centralisation of the identified projects, to be decided upon at an additional meeting of the Board of Supervisors meeting in October.

7. Review Panel

- Report by Jean Guill *BS/131* *information*
- Report on MiFID COB peer review *Annex 1* *decision*

The coordinator of the peer review, Nicoletta Giusto (IT), presented the report.

The Board discussed the report, in particular;

- the experiences gained with the first conducted on-site visits to national competent authorities;
- the independent role of the assessment group and its findings and conclusions; and
- the publication of the full report, including the executive summaries from the authority specific reports, and a proportionate response from the visited national competent authorities, if these authorities wish to provide an official response.

Decision: The Board approved the report on MiFID COB peer review, with a proportionate response – if any - from the visited national competent authorities to be included in the report.

- Mandate for the market making review *Annex 2* *decision*

The Head of the Legal, Convergence and Cooperation Unit presented the mandate, clarifying that the mandate should also cover the relevant paragraphs of section 9 (process) of the Guidelines.

The Board discussed the mandate, in particular the composition of the assessment group to carry out the peer review.

Decision: The Board approved the mandate, including section 9 of the Guidelines as proposed.

8. Investment Management Standing Committee

- Report by Gareth Murphy *BS/132* *information*

Gareth Murphy presented the report and the accompanying documents.

- Consultation Paper on Technical Advice for UCITS V *Annex 1* *decision*

The Board discussed the report, in particular the scope of the provisions on the independence requirement for the management company/investment company and the depositary in respect of cross-shareholdings between the relevant entities.

Decision: The Board approved the consultation paper on Technical Advice for UCITS V.

- Consultation Paper on Technical Advice for EuVECA and EuSEF *Annex 2* *decision*

Decision: The Board approved the consultation paper on Technical Advice for EuVECA and EuSEF.

- AIFMD Q&A *Annex 3* *decision*

The Board discussed the Q&A, in particular the need to further analyse the impact of Q&A 8 in Section VI and whether a Q&A would be the appropriate instrument to use for this matter.

Decision: The Board approved the AIFMD Q&A. Q&A 8 in Section VI will be changed into a draft guideline which will be published for consultation.

9. Corporate Finance Standing Committee

- Report by Gérard Rameix *BS/133* *information*

Gérard Rameix presented the report and the accompanying documents.

The Executive Director informed the Board that ESMA staff will coordinate an assessment of the implications of the restrictive measures on Russian securities in the EU with the objective of developing a common approach by NCAs on the topics identified.

- Final report on draft RTS on major shareholdings *Annex 1* *decision*

Decision: The Board approved the final report on draft RTS on major shareholdings.

- Consultation Paper on RTS under Omnibus II Directive *Annex 2* *decision*

Decision: The Board approved the consultation paper on RTS under Omnibus II Directive.

10. Post-Trading Standing Committee

- Report by Giuseppe Vegas *BS/134* *discussion*

Giuseppe Vegas presented the report and the accompanying documents.

The Board discussed the way forward on the definition of FX derivatives, in particular;

- whether the development of guidelines by ESMA would contribute to a consistent approach on the definition of FX derivatives across the European Union; and
- the timeline for the adoption of a delegated act by the European Commission.

Conclusion: The Board agreed to wait for the European Commission to adopt a delegated act on the definition of FX derivatives in the context of MIFID II.

- Final report on draft RTS on the clearing obligation on IRS *Annex 1 decision*

The Board discussed the report, in particular;

- the range of European currencies denominated swaps covered by the scope of the clearing obligation;
- the frontloading requirement for the different categories of counterparties; and
- the envisaged timeline for submitting the final report to the European Commission.

Decision: The Board approved the final report on draft RTS on the clearing obligation on IRS, including minor textual changes to the recitals regarding the frontloading obligation and to the report regarding the range of European currencies denominated swaps to be covered. The revised report will be circulated to the Board via written procedure for a fatal flaw check and submitted to the European Commission shortly after.

- Consultation Paper on the clearing obligation on NDF *Annex 2 decision*

The Board discussed the report, in particular whether further analysis of the fulfilment of the requirements for the central clearing obligation was needed before starting the consultation.

Decision: The Board approved the consultation paper on the clearing obligation on NDF.

- EMIR Q&A *Annex 3 decision*

With regard to Q&A 37 on Trade Repositories the European Commission indicated to send drafting suggestions in order to ensure full compatibility with the Level 1 text.

Decision: The Board approved the EMIR Q&A. Q&A 37 on Trade Repositories will be recirculated to the Board for approval by written procedure in case of substantial changes.

11. ESMA Organisation

- Plan to improve the quality of data reported to Trade Repositories *BS/135 discussion*

The Head of the Markets Division presented the report.

The Board discussed the report, emphasising the importance of a joint effort by ESMA and NCAs in order to achieve the objective of improving the data quality.

Conclusion: The Board supported the plan to improve the quality of data reported to Trade Repositories.

- 2015 annual work programme

*BS/136 & decision
Annex 1*

The Executive Director presented the draft 2015 work programme, mentioning the main changes following the discussions in the Management Board.

The Board discussed the report, in particular;

- the need for a more fundamental discussion on ESMA’s strategy and priorities;
- the division of resources and the flexibility in allocating them; and
- the list of identified possible negative priorities, in particular with a view at the budget proposal by the European Commission.

The Executive Director indicated that the Board will have a discussion on the longer term strategic direction of ESMA at the November meeting. She mentioned that the list of identified negative priorities will be revisited by the Management Board following the adoption of the final 2015 budget by the Budgetary Authority.

Decision: The Board approved the 2015 annual work programme, subject to minor textual changes.

- ESFS review

*BS/137 & discussion
Annex 1*

The Chair presented the note, mentioning that the report by the European Commission on the review of the European System of Financial Supervision (ESFS) will form part of the future discussion on the broader strategic review of ESMA.

The Board discussed the note, in particular;

- the suggested improvements by the European Commission for the short term, in particular the need for increased supervisory convergence, ESMA’s internal governance and the composition of the budget;
- the lack of more focussed recommendations towards the individual ESAs; and
- the importance of the earlier recommendations by ESMA as sent to Commissioner Barnier last year.

Conclusion: The board took note of the report and will have a discussion on the broader strategic review of ESMA at the November Board meeting.

- Conflicts of interests policy for non-staff

*BS/139 & information
Annex 1*

The Executive Director presented the conflicts of interest policy for non-staff adopted by the Management Board on 24 September, mentioning the overall agreement within the ESAs on an aligned policy.

The Board discussed the policy, in particular;

- whether the Management Board is the appropriate body to decide on the policy;
- to seek convergence with national provisions regarding conflicts of interests;
- the need for clarity regarding the scope and definitions of Article 1;
- the requirement to publish the list of economic interests that create a conflict of interest; and
- the provisions on prospective employment, in particular the two year notification period.

Conclusion: ESMA staff will provide further clarification by developing a Frequently Asked Questions document. Some Members questioned whether the Management Board was the appropriate body to approve the policy.

12. Secondary Markets Standing Committee & Commodity Derivatives Task Force

- Report by Martin Wheatley *BS/140* *information*

David Lawton presented the report and the accompanying documents.

- Consultation Paper on ITS under CRR *Annex 1* *decision*

Decision: The Board approved the consultation paper on ITS under CRR.

- Consultation Paper on Guidelines on the application of C6 and C7 of Annex 1 of MiFID *Annex 2* *decision*

Decision: The Board approved the consultation paper on Guidelines on the application of C6 and C7 of Annex 1 of MiFID.

13. ESMA staff update on PRIIPs

- Cover note *BS/141* *information*
- Draft Discussion Paper on PRIIPs *Annex 1* *information*

The advisor from the Investment and Reporting Division presented the note.

Anneli Tuominen (FI) updated the Board on the latest discussions in the Joint Committee Subcommittee on Consumer Protection and Financial Innovation.

Conclusion: The Board took note of the report.

14. Progress reports

- Report by Verena Ross (CRA TC) *BS/142* *information*

Conclusion: The Board took note of the report.

- Report by Jean-Paul Servais (IPISC)

BS/143 information

Conclusion: The Board took note of the report.

- Report by Carlos Alves (CEMA)

BS/145 information

Conclusion: The Board took note of the report.

15. A.O.B.

16. Future meetings

- 5 November: joint meeting with the SMSG (Paris)
6-7 November 2014 (Paris)
- 17 December 2014 (Paris)
- 29 January 2015
- 19 March 2015
- 6-7 May 2015 (incl. Away Day) (Riga)
- 24-25 June 2015
- 24 September 2015 (Luxembourg)
- 5 November 2015
- 10 December 2015

Participants list

Voting Members

Member State	Representative	Accompanying Person
Belgium	Jean-Paul Servais	
Bulgaria	Stoyan Mavrodiev	Vladimir Savov
Czech Republic	Pavel Hollmann	Karel Juráš
Denmark	Hanne Rae Larsen (alternate)	
Germany	Karl-Burkhard Caspari	Philipp Sudeck
Estonia	Kristjan-Erik Suurväli (alternate)	
Ireland	Cyril Roux	Gareth Murphy Niamh Mulholland
Greece	Konstantinos Botopoulos	
Spain	Lourdes Centeno	Antonio Mas
Croatia	Durdica Mihotic Zizic (alternate)	
France	Gérard Rameix	Françoise Buisson
Italy	Giuseppe Vegas	Nicoletta Giusto
Cyprus	Demetra Kalogerou	Liana Ioannidou
Latvia	Sandis Andersmits (alternate)	
Lithuania	Vilius Sapoka (alternate)	
Luxembourg	Simone Delcourt (alternate)	

Hungary	Andras Bethlendi	Richárd Végh
Malta	Marianne Scicluna	Joseph Bannister
Netherlands	Merel van Vroonhoven	Pim de Wild
Austria	Erich Schaffer (alternate)	Andrea Kuras-Goldmann
Poland	Marek Szuszkiewicz	Anna Skrzypek
Portugal	Carlos Alves (alternate)	Maria Ruiz
Romania	Daniel Daianu (alternate)	Raluca Tariuc
Slovenia	Sabina Bešter (alternate)	
Slovakia	Ivan Barri	Slavomir Stastny
Finland	Anneli Tuominen	Ville Kajala
Sweden	Martin Noreus	Aino Bunge Oskar Ode
United Kingdom	David Lawton (alternate)	Marie-Noëlle Loewe

Non-voting members

ESMA Chair	Steven Maijoor	
European Commission	Martin Merlin	Peter Ohrlander
ESRB	Francesco Mazzaferro	
EIOPA	Katja Wuertz	
EBA	Jana Kovalcikova	

Observers

Iceland	Unnur Gunnarsdottir	
Liechtenstein	Marcel Loetscher	

Norway	Kristin Lund	
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ESMA

Executive Director	Verena Ross
Summary of Conclusions	Max Simonis
Head of Markets Division	Rodrigo Buenaventura
Markets Division	Fabrizio Planta
Head of Operations Division	Nicolas Vasse
Operations Division	Alexandru Dincov
Head of Investment and Reporting Division	Laurent Degabriel
Investment and Reporting Division	Richard Stobo Vicki Erfurt Larsen
Head of Credit Rating Agencies Unit	Felix Flinterman
Head of Legal, Cooperation and Convergence Unit	Sophie Vuarlot-Dignac
Legal, Cooperation and Convergence Unit	Jonathan Foster Frederiek Vermeulen

Done at Paris on 7 November 2014

Steven Maijoor
Chair
For the Board of Supervisors