

SUMMARY OF CONCLUSIONS

Board of Supervisors

Date: 18 March 2020
Time: 14h00 – 15h30
Location: Conference call
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1. Adoption of agenda Decision

Decision: The Board adopted the agenda. The Chair informed the meeting that the Head of the UK Financial Conduct Authority was invited to attend the meeting in line with the UK withdrawal agreement, in the interest of the Union and with the objective to ensure financial stability.

2. Confirmation of absence of conflict of interests Decision

Decision: The Board endorsed the Chair's statement not to have received any indication by a Board Member of any interest which might be considered prejudicial to her/his independence in relation to any items on the agenda.

3. Market Assessment: exchange of views Information

The Head of Risk Assessment and Economics presented the financial market impact.

The Board discussed the financial market situation, in particular:

- The developments in the asset management industry, including fund suspensions and the use of cash collaterals received by UCITS for meeting redemptions; and
- The adequate functioning of financial market infrastructures.

Conclusion: The Board discussed ESMA's assessment of the COVID19-related impact on financial markets. It was agreed that the Investment Management Standing Committee (IMSC) should convene by conference call to discuss (i) fund suspensions and (ii) the use of cash collaterals received by UCITS in the context of Efficient Portfolio Management (EPM) transactions for meeting redemptions, and the applicable provisions of the UCITS ETF guidelines.

4. SFTR reporting regime

- 1) Issues Note Decision
- 2) Public Statement Decision

The Head of Markets Department presented the note and the proposed public statement.

The Board discussed the public statement on the SFTR reporting statement, in particular:

- The delay of the reporting; and
- Whether the transactions concluded between 13 April and 13 July should be reported ex-post.

Decision: The Board adopted the Statement endorsing the suggested reporting delay (to July 2020) and clarifying that no ex-post reporting will be required.

5. Other impacted areas

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| 1) Cover Note | Discussion |
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The Head of Corporate Affairs Department presented the note.

The Board discussed the note, in particular:

- The application by firms of the MiFID II requirements on the recording of telephone conversations;
- Whether the deadlines for ESMA's ongoing public consultations should be delayed and the impact on the European Commission's activities this might cause;
- Whether the scope and timetable for ESMA's ongoing Commons Supervisory Actions (CSAs) should be reconsidered;

Conclusion: The Board discussed the note. It was agreed that the Investor Protection Standing and Intermediaries Standing Committee (IPISC) should meet by conference call to discuss whether further guidance on the MIFID II requirements on the recording of telephone conversations was needed. The Board agreed to delay the deadlines for ESMA's ongoing public consultations and to issue a statement along those lines. The Board agreed to delay the CSAs and instructed the relevant standing committees to propose revised timelines. Regarding the ongoing CSA on liquidity in the asset management industry, it was agreed to also cover experience obtained in the current COVID19-related crisis.

6. Possible other policy responses Oral Discussion

The Board then discussed the request received from certain stakeholders to issue a statement confirming that financial markets will remain open at any time.

The Board discussed the option of issuing a statement, in particular:

- The fact that markets have been functioning orderly so far; and
- Whether there might be scenarios where markets could be closed for a certain period.

Conclusion: It was agreed not to publish a statement but to react to media requests on the topic along similar lines confirming that "open markets allow the process of adjusting of prices to new information to continue, and they provide liquidity to the benefit of investors allowing them to rebalance portfolios and meet contractual obligations. ESMA, in coordination with NCAs, continues to monitor developments in financial markets as a result of the COVID-19 situation and is prepared to use its powers to ensure the orderly functioning of EU markets to the benefit of investors and stability."

7. A.O.B.

- The Head of Risk Assessment and Economics Department presented a first analysis of the data obtained on net short positions through the Market Integrity Standing Committee

(MISC). The Chair pointed to a letter from MEP Markus Ferber, which was shared with the Board, advocating for an EU-wide ban on net short positions.

Conclusion: The Board discussed the option of introducing an EU-wide ban on short-selling and confirmed its decision (as taken during the 16 March 2020 Board of Supervisors conference call) not to introduce such an EU-wide ban at this moment. A minority of Board members would be in favour of an EU-wide ban. It was agreed that the draft response to MEP Ferber will be shared with the Board.

- Sebastian Albella (ES) asked whether ESMA could provide an update on its direct supervisory activities in relation to credit rating agencies. It was agreed that such an update will be provided at the next Board of Supervisors meeting.

Participants list

Voting members

Member State	Representative	Accompanying Person
Belgium	Jean-Paul Servais	
Bulgaria	Dimitar Koychev (alternate)	
Croatia	Jurica Jednacak (alternate)	
Czech Republic	Karel Juras (alternate)	
Denmark	Karen Dorteab Abelskov	
Germany	Elisabeth Roegele	
Estonia	Andre Nomm	
Ireland	Kian Colm (alternate)	
Greece	Vasiliki Lazarakou	
Spain	Sebastian Albella	
France	Robert Ophèle	
Italy	Carmine Di Noia (alternate)	
Cyprus	Liana Ioannidou (alternate)	
Latvia	Ieva Ose (alternate)	
Lithuania	Vaidas Cibas (alternate)	

Luxembourg	Claude Marx	
Hungary	Krisztian Csaky (alternate)	
Malta	Christopher Buttigieg	
Netherlands	Jos Heuvelman	
Austria	Birgit Puck (alternate)	
Poland	Magdalena Łapsa-Parczewska	
Portugal	Gabriela Figueiredo Dias	João Gião
Romania	Florentina Boboc (alternate)	
Slovenia	Sabina Bešter (alternate)	
Slovakia	Peter Tkáč	Tomas Ambra
Finland	Anneli Tuominen	
Sweden	Malin Omberg (alternate)	
ESMA Chair	Steven Maijoor	

Non-voting members

European Commission	Ugo Bassi	
EBA		

EIOPA	Patrick Hoedjes	
ESRB	Francesco Mazzaferro	
Iceland	Páll Friðriksson (alternate)	
Liechtenstein	Marcel Lötscher	
Norway	Anne Merethe Bellamy	
EFTA Surveillance Authority	Franck Buchel	

ESMA

Executive Director	Verena Ross
Summary of Conclusions	Frederiek Vermeulen
Head of Governance and External Affairs	Roxana De Carvalho
Head of Markets and Data Reporting Department	Fabrizio Planta
Head of Risk Analysis and Economics	Steffen Kern
Head of Trading Unit	Carsten Osterman

Observer

United Kingdom	Edwin Schooling Latter (alternate)
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Done at Paris on 9 April 2020



Steven Maijor

For the Board of Supervisors