

SUMMARY OF CONCLUSIONS

Board of Supervisors – conference call

Date: 5 May 2020
Time: 14h00 – 17h30
Location: Conference call
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1. Adoption of agenda Decision

Decision: The Board adopted the agenda.

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. Oral Report by the Chair and Executive Director Discussion

The Chair reported on:

- The letter received from the European Parliament's Committee on Economic and Monetary Affairs (ECON) on the Board of Supervisors decision to appoint an Acting Chair for the CCP Supervisory Committee and the planned exchange of views with Members of the European Parliament on the topic. He informed the Board of Supervisors that Robert Ophele has informed him that he resigned as Acting Chair of the CCP Supervisory Committee;
- The activities of the Joint Committee, in particular the letter sent to the European Commission on the delay of the delivery of the Joint draft RTS on the ESG disclosure and encouraging the Commission to provide sufficient time for proper implementation of the implementing acts; and
- The activities of the European Systemic Risk Board (ESRB), in particular the upcoming ESRB recommendation on investment funds that have significant exposures to less liquid assets.

The Executive Director reported on

- The impact of the COVID19-pandemic on ESMA's operations and ESMA's preparatory work to return to the office depending on the guidance to be provided by the relevant national and EU authorities; and
- The ESMA organogram in operation since January 2020 and some further internal organisational implementing steps underway.

The Board discussed the oral report, in particular expressing support for the upcoming ESRB recommendation on investment funds that have significant exposures to less liquid assets.

Conclusion: The Board took note of the report. It was agreed that ESMA should prepare a public communication on the upcoming ESRB recommendation.

4. Market-risk up-date and developments in CLOs and leveraged loans

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| 1) | Presentation | Discussion |
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Conclusion: The Board took note of the presentation on market-risk update and developments in CLOs and leveraged loans.

5. Thematic report on Collateralised Loan Obligations (CLO) credit ratings

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| 1) | Cover Note | Discussion |
| 2) | Thematic Report | Decision |

The Head of Ratings, Indices and Securitisation Department presented the thematic report on Collateralised Loan Obligations (CLO).

The Board discussed the thematic report, in particular the supervisory concerns identified in the report and how the credit rating agencies will respond to that.

Decision: The Board adopted the thematic report on Collateralised Loan Obligations (CLOs) credit ratings. It was agreed that the report will be shared for a short fatal flaw written procedure.

6. Oral report by the Standing Committee Chairs (on COVID19 related items) Discussion

Gabriele Figueredo Dias updated the Board on the recent discussions within the Investment Management Standing Committee (IMSC) and its interaction with its Consultative Working Group (CWG) in particular on the interaction between liquidity and valuation methods.

Conclusion: The Board took note of the report.

7. Short-selling – determination of the relevant competent authority

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| 1) | Issues Note | Discussion |
| 2) | Letter from CNMV (ES) | Information |
| 3) | Letter from CONSOB (IT) | Information |

The Head of Trading Unit presented the note on the determination of the relevant competent authority (RCA) under the Short-Selling Regulation.

The Board discussed the note, in particular whether

- The relevant competent authority is determined based on MiFID I or MiFID II requirements; and
- the relevant competent authority is determined per financial instrument or whether any “accessorised” instrument follows the share determination.

Conclusion: The Board decided that the relevant competent authority should be determined in line with MiFID II requirements but that the Board of Supervisors should further discuss at a future moment whether any “accessorised” instrument follows the RCA share determination.

8. SME Growth Markets Regime under MIFID II and MAR

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| 1) Cover Note | Discussion |
| 2) Consultation Paper | Decision |

Robert Ophèle and Elisabeth Roegele presented the consultation paper on the SME Growth Market Regime under MiFID II and MAR.

The Board discussed the consultation paper, in particular

- The benefits and risks for SME Growth Markets to have in place mandatory liquidity provision schemes; and
- The combined use of Accepted Market Practices and liquidity contracts under MAR.

Decision: The Board adopted the consultation paper on the SME Growth Market Regime under MiFID II and MAR, subject to two minor drafting comments.

9. Recruitment process Chair/ED

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| 1) Presentation | Discussion |
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The Senior Cooperation Officer introduced the presentation on the recruitment and appointment process for the next ESMA Chair and Executive Director.

The Board discussed the recruitment and appointment process, in particular:

- The timing and potential interaction of the selection processes of the ESMA Chair and ESMA Executive Director;
- The composition of the Selection Boards;
- The Vacancy Notices for the Chair and Executive Director; and
- At which grade the ESMA Chair and Executive Director should be recruited following the decision of the EU Institutions to allocate a higher grade to the Chair and Independent Members of the CCP Supervisory Committee.

Conclusion: The Board discussed the approach to the recruitment and appointment process and asked ESMA Staff to prepare a detailed process for discussion during the 28 May 2020 Board of Supervisors meeting.

10. A.O.B.

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Participants list

Voting members

Member State	Representative	Accompanying Person
Belgium	Jean-Paul Servais	
Bulgaria	Maria Filipova	
Croatia	Jurica Jednacak (alternate)	
Czech Republic	Vojtech Belling	
Denmark	Karen Dorte Abelskov	
Germany	Elisabeth Roegele	
Estonia	Andre Nõmm	
Ireland	Derville Rowland	
Greece	Vasiliki Lazarakou	
Spain	Sebastian Albella	
France	Robert Ophèle	
Italy	Carmine Di Noia (alternate)	
Cyprus	Demetra Kalogerou	
Latvia	Ieva Ose (alternate)	
Lithuania	Vaidas Cibas (alternate)	

Luxembourg	Claude Marx	
Hungary	Gergő Szeniczey	
Malta	Christopher Butigieg	
Netherlands	Jos Heuvelman (alternate)	
Austria	Eduard Mueller	
Poland	Magdalena Łapsa-Parczewska	
Portugal	Gabriela Figueiredo Dias	
Romania	Florentina Boboc (alternate)	
Slovenia	Sabina Bester (alternate)	
Slovakia	Tomas Ambra (alternate)	
Finland	Anneli Tuominen	
Sweden	Malin Omberg (alternate)	
ESMA Chair	Steven Maijoor	

Non-voting members

European Commission	Ugo Bassi	
EBA	Anne Tiedeman	

EIOPA	Kai Kosik	
ESRB	Francesco Mazzaferro	
Iceland	Páll Friðriksson (alternate)	
Liechtenstein	Reto Degen (alternate)	
Norway	Anne Merethe Bellamy	
EFTA Surveillance Authority	Marco Urcelli (alternate)	

ESMA

Executive Director	Verena Ross
Summary of Conclusions	Frederiek Vermeulen
Head of Ratings, Indices and Securitisation Department	Iliana Lani
Head of Trading Unit	Carsten Ostermann
Senior Cooperation Officer	Frederiek Vermeulen

Done at Paris on 25 May 2020

Steven Maijor

For the Board of Supervisors