

## SUMMARY OF CONCLUSIONS

### Securities and Markets Stakeholder Group

---

**Date:** 21 September 2016  
**Time:** 9:30-17:00  
**Location:** ESMA, 103 rue de Grenelle, 75007 Paris  
**Contact:** [jacob.lonnqvist@esma.europa.eu](mailto:jacob.lonnqvist@esma.europa.eu) T: +33 1 58 36 43 39

---

#### 1. Introductory remarks from the ESMA Chair Steven Maijor

The ESMA Chair welcomed all members to the new third edition of the Securities and Markets Stakeholder Group (SMSG). He emphasised that the SMSG is set up according to the ESMA Regulation as an important element of ESMA's governance and that the advice of the group is important to ESMA. The composition of the Group is a result of strict rules laid down in the ESMA Regulation. The ESMA Chair further emphasised the importance attached to the personal contribution of every member and the necessity to preserve the confidentiality of documents.

#### 2. Adoption of agenda

The ESMA Chair went through the agenda and accounted for the usual composition of an SMSG agenda. The agenda was approved.

#### 3. Introduction from each member of the SMSG

All members of the SMSG presented themselves, their professional background and explained briefly their main motivation for joining the SMSG.

#### 4. Approval of the Rules of Procedures

The Group discussed the rules of procedures and decided to change to following articles:

- article 2(1) by adding a statement that the SMSG may have up to three Vice-Chairs if it is considered useful in order to ensure continuity of the steering committee;
- article 4(1) was amended to say that items not taken up at the agenda shall be mentioned by the Chair;
- article 4(2) was changed to say that the agenda and other meeting documents shall be distributed 10 calendar days before a meeting;
- article 12 regarding a possible special case of conflict of interest was amended; and,
- article 16 was amended to state that the ESMA Annual report should usefully contain one page regarding the activities of the SMSG of the previous year.

## 5. Election of SMSG Chair and Vice Chair(s)

The Candidates to the posts as Chair and Vice-Chairs presented themselves to the full group. Candidates were Rüdiger Veil for the post as Chair of the group, and Christiane Hölz (presented by Jean Berthon in her absence), Antonio Mele, René Karsenti and Jarkko Syyrilä for the posts as Vice-Chairs.

**Decision:** The group elected Rüdiger Veil as Chair of the group by confirmation. The group subsequently elected, in two voting rounds with a secret ballot, firstly Christiane Hölz, and thereafter, Jarkko Syyrilä as Vice-Chairs.

The ESMA Chair noted that the two Vice-Chairs have the same position in the SMSG.

The SMSG Chair thus elected, Rüdiger Veil, took over the chairmanship of the meeting.

## 6. Recent Market Developments

ESMA team leader Christian Winkler in the Risk Analysis and Economics Department, presented ESMA's report on Trends, Risks and Vulnerabilities, (TRV), emphasizing that the report covered the first six months of 2016.

The remarks from the SMSG included comments regarding the low interest rate environment as a key factor, also affecting pensions. Brexit was mentioned as a new risk

factor, as the outcome of the UK referendum caused turbulences especially in equity, bond and currency markets. It was noted that overall risk levels prevail and remain high and the outlook for market, liquidity and contagion risk has deteriorated. SMSG members asked questions

The SMSG Chair thanked ESMA for the presentation.

## **7. Supervisory Convergence issues**

Sophie Vuarlot-Dignac, Head of the Legal Convergence and Enforcement Department presented ESMA's planned Annual Supervisory Convergence Work Programme (SCWP) for 2016. It was highlighted that supervisory convergence has been recognized as one of the main priorities of ESMA. Sophie Vuarlot-Dignac presented ESMA's supervisory convergence tools and the four priorities of the 2016 SCWP.

SMSG members commented on convergence aspects including ESMA's powers, a perceived lack of trust between NCAs, and the importance of follow-up peer reviews.

The ESMA Chair concluded stating that ESMA as of recent also has used the supervisory tool of binding mediation and also a form of mediation by setting up a group of supervisors cooperating on cross-border issues related to products like CfDs. He noted that the input from the SMSG would be valuable on home-host related issues, where surprisingly few issues emerge, compared to the large number of such relations that exist.

The SMSG Chair asked members to take note of the SMSG paper from early 2016 on convergence and to consider topics for the ESMA 2017 Supervisory Convergence Work Programme.

The Executive Director mentioned that the SMSG will be able to comment on topics to the SCWP at its next meeting. The ESMA Chair noted that work on CFDs that ESMA has undertaken in the past had been proposed from the SMSG.

## **8. Consultation on benchmarks**

ESMA staff presented a Consultation Paper on ESMA draft technical standards on Benchmarks Regulation that have to be submitted to the Commission by 1 April 2017. In line with this, it was also mentioned that ESMA was asked to provide the Commission with Technical Advice by the end of October 2016. Further detailed presentation on the draft TA and the draft Technical Standards was made by ESMA's staff.

The SMSG had no comments on the discussion paper.

The SMSG Chair thanked ESMA for the presentation and concluded the Group should decide on the possible contribution to the consultation once it had received Consultation paper after publication.

## **9. SMSG meeting calendar 2017**

The SMSG approved the meeting calendar (SMSG/2016/018) as presented.

## **10. SMSG End of Term Report**

The SMSG Chair briefly presented the paper, which the former SMSG had produced at the end of their mandate, summarising the work of the second SMSG as well as presenting some thoughts for how the SMSG could function in the future based on the experienced that former Group had gathered.

The SMSG Chair also mentioned the possibility that the Group produces a so called “own initiative report” on a topic not under consultation.

He also mentioned the debate that the former SMSG had had as regards two topics in particular: ESMA’s Q&As and the visibility and contacts of the Group to the outside world. The SMSG Chair mentioned that the Group had put in its advice that it stands ready to be consulted on Q/As but would not expect it, and secondly that he would be hesitant to open the Group to a system of contacts from the general public. He also mentioned that he believed that the contacts with the stakeholder groups of EBA and EIOPA could be intensified and that he did not see a need to develop contacts with the Consultative Working Groups of ESMA.

Some members of the SMSG expressed the view that Q&A’s are very important to the public and de facto followed by the industry and public. It was also mentioned that the Q&As might create civil law obligations. Members also expressed a need for more dialogue between CWGs and SMSG.

The ESMA Chair noted that ESMA will need to keep the Q&A tool in order to provide the market with a quick response to technical questions on implementation, but that various ways for possible input could be considered. He mentioned that he would be



careful to open a questions in-box for the SMSG. The Executive Director mentioned that ESMA aims at avoiding a situation where CWGs don't share information transversally.

The SMSG Chair concluded that the group would come back to the matter of Q&As and he asked the Group to consider suitable topics for an own initiative report.

## **11. SMSG work programme**

The ESMA Chair presented the ESMA strategic orientation for 2016-2020 outlining ESMA's three objectives of investor protection, orderly markets and financial stability and four activities of promoting supervisory convergence, assessing risks, completing a single rulebook and direct supervision.

The Executive Director mentioned that ESMA shortly would be publishing its work programme for 2017, which will be complemented with specific work programmes on Supervisory Convergence, Regulatory matters and Supervision.

Important topics in the work programme will under the heading of Supervisory convergence be MiFID II and IT related matters, Data collection and quality and some first work on stress testing of investment funds. ESMA will, however also still have important single rulebook topics. ESMA will furthermore in the area of Direct supervision work on the enhancement of the risk-based supervision, expand the contacts with users of CRAs and Trading Repositories given the combination of ancillary and core services and will likely start to receive applications for Securities Financing Transactions.

## **12. AOB**

There was no other business.