

SUMMARY OF CONCLUSIONS

Securities and Markets Stakeholder Group

Date: 6-7 July 2017
Time: 13.30 - 17:00 on 6 July and 9.00 – 12.00 on 7 July
Location: ESMA, 103 rue de Grenelle, 75007 Paris
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1. Report from the Steering Committee

The SMSG Chair welcomed the new member Rainer Lenz to the Group. Professor Lenz is the Chair of the Board of Finance Watch and Professor in finance at the University of Applied Sciences in Bielefeld, Germany.

The Group also welcomed Christiane Hölz to a second mandate in the group. The Group confirmed her as one of the two Vice-Chairs of the group for the same period of time as the Chair has left on his mandate.

The Group raised the point made in the recent SMSG/Joint Board of Supervisors meeting related to the interaction between the SMSG and the CWGs. They find that they could receive agendas and other documentation and on occasion attend some meetings of the CWG.

The ESMA Chair concluded that ESMA agrees to share the agendas of CWG meetings with the SMSG. This would already allow the SMSG a better understanding of current issues discussed within those groups.

2. Criteria for assessing the competence of natural persons



Lubomir Christov gave a presentation on criteria for assessing the competence of persons providing investment advice and advocated oversight of financial planning, independent non-profit professional bodies to assess knowledge and competence.

SMSG members and ESMA staff (supervisory convergence team) exchanged views on this topic, in particular with regard to the existing guidelines and current practices.

The SMSG Chair thanked for the presentation concluding that the Group could come back to the topic at a future point in time.

3. SME

SMSG members Giovanni Petrella and Tim Ward gave a detailed update of the status of the work in the SME working group with a focus on SME Growth Markets and mini-bonds. The working group will present a paper to the group for the September meeting.

The SMSG Chair thanked the working group for the presentation and welcomed a paper for the next meeting.

4. Thematic study on CRA and TR fees

ESMA gave a presentation of its ongoing work on a thematic study on CRAs and TRs specifically in relation to the transparency and costs charged by these entities to their clients. ESMA will finalise the work by the end of the year and would welcome input from the SMSG.

The SMSG Chair thanked ESMA staff for the presentation.

5. Prospectuses

ESMA presented its ongoing consultation regarding both the technical advice it will provide to the European Commission on level 2-measures under the new Prospectus Regulation, and the regulatory technical standards it will provide. Several SMSG members indicated that they are interested in participating in the development of an SMSG advice paper on the topic.



The SMSG Chair thanked ESMA for the presentation and concluded that the SMSG will set up a working group on the topic.

6. Supervisory Convergence Work

ESMA presented the results of a peer review on the enforcement in relation to financial information, which presented a number of findings that the level of convergence was lacking in some areas for NCAs regarding enforcement of financial information.

The SMSG Chair thanked ESMA staff for their presentation.

7. ESMA MMF Consultation

ESMA presented its consultation paper on draft technical advice, implementing technical standards and guidelines under the Money Market Funds Regulation.

The SMSG Chair thanked ESMA for the consultation and stated that SMSG would consider whether to set up a working group.

8. Securities lending

SMSG member Jean Berthon presented the SMSG paper on securities lending earlier approved in written form.

ESMA thanked the SMSG for their useful views on the topic and stated that the peer review on the UCITS guidelines will be launched in the second half of 2017.

9. CCP Conflicts of Interest management guidelines

ESMA presented its consultation on Guidelines that lay down requirements on the handling of conflicts of interest within CCPs.

The SMSG Chair thanked ESMA for the presentation and stated the SMSG would consider if it wished to set up a working group.



10. ESMA work programme 2018

ESMA presented the main elements of its 2018 work programme, including the planning process, and the main activities of assessing risks to investors, markets and financial stability, promoting supervisory convergence, completing a single rulebook and directly supervising specific financial entities. ESMA noted the following four main uncertainties – EMIR review package, Brexit, ESA review and CMU mid-term review. ESMA also accounted for the annual budget and staff resources. ESMA also presented its supervisory convergence work programme.

One SMSG member raised a need to work on aspects of rules on valuation /impairment in light of a new economic environment.

SMSG members raised questions on the ESMA input to the CMU.

The ESMA Chair highlighted the need for further work on home/host issues.

The SMSG Chair thanked ESMA for the presentation.

11. Trading obligations for derivatives

ESMA presented its consultation paper on trading obligations for derivatives. ESMA noted i.a. the new challenges in this area in view of the exit of the UK from the European Union as of March 2019.

SMSG members complemented ESMA on the work done in the area.

12. SMSG own initiative work

The SMSG discussed two proposals for own initiative work, being firstly a study on “supervisory architecture in the EU” and secondly financial reporting challenges resulting from disruptive markets in a digitalized world.

The SMSG chair concluded that the proposals would be further discussed within the steering committee and with those initiating the ideas.

12. AOB

There was no other business.

PARTICIPANT LIST

1.	Christos Alexakis	Associate Professor in Finance, ESC - Rennes Business School	Present
2.	Georg Baur	Member of Management Board, VOEB, Association of German Public Banks	Present
3.	Harald Benink	Professor of Banking and Finance, Tilburg University	Present
4.	Jean Berthon	Chair, Better Finance	Present
5.	Lubomir Christov	Advisor, Bulgarian National Association Active Consumers	Present
6.	Veerle Colaert	Professor of Financial Law, University of Leuven	Present
7.	Elizabeth Corley	CEO, Allianz Global Investors	Excused
8.	Bartosz Dziemaszkiewicz	Vice-President, Polish Individual Investors Association	Present
9.	Francisco Javier Echarri	CEO, LDS Partners and Advisor on SME related matters	Excused
10.	Mark Hemsley	CEO of BATS Chi-X Europe	Present
11.	Kerstin Hermansson	Managing Director, Swedish Securities Dealers Association	Present
12.	Christiane Hölz	Lawyer, DSW	Present
13.	René Karsenti	President, ICMA	Present
14.	Paul Koster	Chair, European Investors Association	Present
15.	Bostjan Krisper	Head of Financial Services Department, Slovenian Consumer Research Institute	Present
16.	Eric Litvack	Managing Director, Societe Generale	Excused
17.	Rainer Lenz	Chairman of the Board of Directors, Finance Watch	Present
18.	Antonio Mele	Professor of Finance, Lugano	Present
19.	Jennifer Payne	Professor of Corporate Finance Law, University of Oxford	Present
20.	Giovanni Petrella	Professor of Banking, Universita Cattolica, Milano	Present

21.	Rainer Riess	Director General, FESE	Present
22.	Lindsey Rogerson		Present
23.	Anna Maria Romano	Accounting expert, FISAC CGIL	Present
24.	Ignacio Santillan	CEO, FOGAIN, Spanish Investor Compensation Scheme	Present
25.	Jean-Marc Servat	Chair, EACT	Excused
26.	Jarkko Syyrilä	Head of Compliance, Nordea Asset Management	Present
27.	Greg Van Elsen	Financial Services Officer, BEUC	Present
28.	Chris Vervliet	Senior Risk Advisor, KBC Asset Management	Present
29.	Rüdiger Veil	Professor of Law, Bucerius Law School, Hamburg	Present
30.	Tim Ward	CEO, Quoted Companies Alliance	Present