

## Summary of Conclusions

### Securities and Markets Stakeholder Group

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**Date:** 8 November 2017  
**Time:** 13.30 - 17:00  
**Location:** ESMA, 103 rue de Grenelle, 75007 Paris  
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#### 1. Opening statements from the Chair

The SMSG Chair opened the meeting recalling the fruitful discussions from the morning meeting with the ESMA Board of Supervisors and the need to agree on next steps.

#### 2. Follow-up on the ESAs review

The Group decided that the working group under the leadership of Jennifer Payne would draft a SMSG advice paper to ESMA on the role of the stakeholder groups under the COM proposal and will present it to the February meeting. The Group will then decide whether it distributes its advice paper also to the Commission and/or representatives of the EU Parliament.

#### 3. Pensions

Jean Berthon presented the latest 2017 edition of the Better Finance's pensions and long-term savings report. One main message of the report is that unless long-term net returns are significantly positive, saving early and significantly will not provide a decent replacement income through retirement.



The ESMA Chair noted that ESMA publishes regularly information relevant to retail investors, including in its TRVs information on the performance of retail investment products.

SMSG members commented that pension's funds poor performance is not surprising given the macro-economic environment.

Verena Ross concluded also high-lighting the work that ESMA has done on closet indexing.

#### **4. MiFID implementation**

The SMSG held a discussion on a wide ranging number of various aspects of the MiFID implementation that had not been mentioned in the discussion with the Board of Supervisors relating i.a.:

Reference data - not all issues can be ironed out now but there needs to be in place internal contingency planning.

Tick-sizes - there will be a consultation regarding a change to RTS nr 1.

LEIs - ESMA work focuses on communication and monitoring LEI uptake. Verena Ross also emphasised that ESMA is in close contact with third country supervisors on this and other related issues.

It was noted that there are no known providers of a consolidated tape.

ESMA announced that several further Q&As should be expected in the near future in order to guide market participants.

#### **5. Benchmarks**

The SMSG rapporteur Rainer Riess presented the consultation response that had been provided by the working group. The rapporteur mentioned the importance of proportionality, given the wide scope of the Benchmark Regulation. He noted that the SMSG supports the option to include external representatives as members of the oversight function as an option, and also mentioned from the advice that methodology needs to be traceable and verifiable.

The SMSG Chair thanked the rapporteur for the work done and concluded that the SMSG advice paper was adopted.

## **6. MiFID II suitability requirements**

The rapporteur Veerle Colaert presented the main content of the SMSG advice paper finding the guidelines are sound and beneficial to the protection of the investor. The SMSG supports the approach by ESMA to thoroughly re-examine all guidelines and add new guidance where necessary. She noted the implementation time and costs that will be involved. Further the SMSG expressed that some of the specific guidelines in respect of robo-advice are important for all types of investment. Given the guidelines require investment firms to provide additional information to clients, it will be important that investors do not perceive questions as irrelevant.

The SMSG Chair concluded that the paper was approved including a minority opinion.

## **7. SME**

The rapporteur Giovanni Petrella presented the paper and the Group discussed elements of the discussions in the morning with the ESMA Board of Supervisors.

Discussions focused on the scope of the work, the SME definition, which could cover a very wide range of entities, and the access to bank lending. The Group decided to include some precisions with regard to the scope in the report, with references to corporate bonds and private placements.

The ESMA Chair mentioned that ESMA had advocated a harmonised SME definition. It was noted that the SME definition is clear in level 1 in relation to MiFID II.

The SMSG Chair concluded that the paper was approved with minor additions.

## **11. AOB**

The SMSG Chair closed the meeting by saying that the SMSG will discuss its 2018 Work Programme at the February meeting, including whether it wants to pursue further own initiative work in 2018.

## 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	Vice-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	Present
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	Excused
16.	Eric Litvack	Managing Director, Societe Generale	Present
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		Excused
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	Present
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