



Summary of conclusions

Securities and Markets Stakeholder Group

Date: 26-27 May 2016
Time: 13.30 - 17:00 on 26 May and 9.00 – 12.00 on 27 May
Location: ESMA, 103 rue de Grenelle, 75007 Paris
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No Item

1. Recent Market Developments and Supervisory Convergence

Elizabeth Corley updated the group of the activities of the FICC (Fixed Income, Currencies and Commodities) Market Standards Board.

2. SMSG reaction to CMU first status report

SMSG Vice-Chair Judith Hardt provided an assessment of the CMU from the perspective of the SMSG's own initiative report published in 2015, in reaction to the European Commission first status report on the Capital Markets Union.

She noted that the progress on many of the items noted in the SMSG's own initiative report on CMU had been rather limited: financing for start-ups and non-listed companies, conditions for access to capital markets, (such as the development of private placement and the promotion of SME markets), investing for the long-term, infrastructure sustainable investment as well as retail investor initiatives (like the improvement of information on product types and fee/return ratios).

Peter De Proft noted a similar situation of limited progress with regard to non-bank lending (EU securitisation markets and a pan-EU covered bond framework) and the facilitating of cross-border fund raising and investing (removal of national barriers and removing tax-barriers).

Conclusion: The SMSG Chair thanked for the presentation and noted that it is a topic the SMSG will come back to in the future.

3. Feedback and decision on End of Term Report

The SMSG discussed the next steps as regards the work to be done on the end of term report.

SMSG members discussed the benefits of the diverse composition of the SMSG, the usefulness of having the Chair and two Vice-Chairs all working together and the continued ambition to meet with the stakeholder groups of EBA and EIOPA, as well as other similar stakeholder groups active on a European level. Some members mentioned the great importance of Q&A documents for the industry and how they are prepared including the possibility for some consultation with the industry.

Ideas from the meeting participants included as a possible solution that a briefer form of consultation could be arranged without the requirement to provide a full feedback statement, or that Q&A documents are evaluated after a certain time of application.

The debate also covered the pros and cons of allowing direct contact from outside parties with the SMSG on matters regarding supervisory convergence and other matters relevant to it. However, it was generally accepted that it would not be appropriate to conclude on such a far-reaching proposal so close to the end of the present term but rather leave the decision to the incoming SMSG. The arguments pro & con will thus be stated in the End of Term Report for the next SMSG to consider.

Following a presentation of the survey by Marina Brogi, it was decided to add the main findings of the survey as an appendix to the Report with a short introduction to be drafted by Marina.

The Chair invited any further comments on the Report to be submitted in writing and notably encouraged all rapporteurs to scrutinize the text in part III of the Report. In particular, it was noted that the text will be aligned with that of Supervisory convergence task force as regards the interaction of the SMSG with the general public to avoid inconsistencies.

Conclusion: A new draft will be circulated around 10 June. Formal adoption and publication will await the end of June 2016, where the present term expires.

4. Indirect clients under MiFID and EMIR

ESMA presented its RTS on indirect clients under MIFID and EMIR, which will define the requirements regarding long chains and indirect clearing arrangements. This topic will become particularly relevant when clearing obligations become applicable to non-financial companies.

Conclusion: The SMSG Chair thanked for the presentation

5. ESMA Delegated projects

Rodrigo Buenaventura and Nicolas Vasse presented the two delegated projects of ESMA, being the Financial Instruments Reference Data Project and secondly the Trade Repositories Project. These projects will lead to gains in efficiency and data quality, consistency and increased usability. The presentation high-lighted the various levels of delegation that the NCAs have chosen to apply. It was noted that these projects represent a proportionally very large part of ESMA's budget.

Conclusion: The SMSG Chair thanked for the presentation.

6. Supervisory Convergence Working Group

Rüdiger Veil presented the next steps as regards the Supervisory convergence paper following feedback from the joint meeting. A new draft, including the changes to the text regarding stakeholder interaction with the SMSG, will be circulated to the Group for written approval. The text should, as previously discussed, be aligned with the End of Term Report.

Conclusion: The SMSG Chair noted that the paper was in principle approved by the group but would be sent for final approval and sign-off to the group.

7. Distributed Ledger Technology

ESMA presented its discussion paper on distributed ledger technology. The paper presents in an open manner the various possible areas of application for distributed ledger technology in areas like settlement and clearing, trading etc.

SMSG members expressed support for ESMA working on these issues as being strategically important and also reminded of the Digital agenda of the European Commission.

Conclusion: The SMSG Chair thanked for the presentation.

8. Benchmarks Regulation

ESMA staff presented its consultation paper on technical advice on the Benchmarks regulation.

The draft technical advice deals both with what is seen as making available to the public for the purposes of the definition of an index, and what constitutes administering the arrangements for determining a benchmark taking into account different existing business practices. The advice also deals with what constitutes the issuance of a financial instrument for the purposes of defining use of a benchmark.

Conclusion: The SMSG Chair thanked for the presentation.

9. CRA

The European Ratings Platform will soon be launched. ESMA staff presented and demonstrated the system where all ratings of credit rating agencies will be collected and available for searches for the general public. The presentation led to a few proposals from the SMSG.

Conclusion: The SMSG Chair thanked for the presentation.

10. ESMA work programme 2017

Verna Ross informed the group of the ESMA 2017 work programme against the background of ESMA's strategic orientation for 2016-2020. She noted as being the ESMA priorities for next year: the MiFID/MiFIR implementation, Data quality, IT-projects including delegated projects, Benchmarks, Direct supervision of CRAs and TRs as well as Supervisory Convergence.



Conclusion: The SMSG Chair thanked for the presentation of the work programme.

11. AOB

Verena Ross thanked the group, also on behalf of Steven Maijoor, very much for all the hard and useful work over the last two and a half years.

The SMSG chair thanked the staff of ESMA, his vice-chairs and the members of the Group for their invaluable contribution to ESMA's work to ensure safe, fair and efficient securities markets in the EU.

SMSG members attending the meeting on 26 and 27 June 2016

	Last Name and First Name	Authority/Organisation/ Department (if internal)	Present
1.	Angel Berges Lobera	Professor of Finance, Universidad Autonoma de Madrid	Present
2.	Salvatore Bragantini	Advisor to Borsa Italiana (LSE Group)	Present
3.	Thomas Book	Eurex Clearing AG	Present
4.	Marina Brogi	Professor of Capital Markets, La Sapienza University, Rome	Present
5.	Lubomir Christov	Advisor to Bulgarian Association "Active Consumers"	Present
6.	Pierre-Henri Conac	Professor of Commercial and Company Law, University of Luxembourg	Present
7.	Elizabeth Corley	CEO, Allianz Global Investors	Present
8.	Peter De Proft	Director General EFAMA	Present
9.	Jaroslaw Dominiak	President of the Management Board of the Association of Individual Investors	Present
10.	Krzysztof Grabowski	Financial Market Participant, Corporate Governance Advisor	Present

11.	Judith Hardt	Managing Director Swiss Finance Council	Present
12.	Mark Helmsley	CEO BATS Chi-X	Present
13.	Fernando Herrero	Member of Board ADICAE, Spanish Banking users association	Absent
14.	Anne Holm Rannaleet	Senior adviser, IK Investment Partners Ltd.	Present
15.	Christiane Hölz	DSW	Present
16.	René Karsenti	President and Board Member, ICMA	Present
17.	Jesper Lau Hansen	Professor of Law, University of Copenhagen	Present
18.	Sari Lounasmeri	CEO, Finnish Foundation for Share Pro- motion	Present
19.	Antonio Mele	Professor of Finance, University of Lu- gano	Present
20.	Niamh Moloney	Professor of Law, London School of Economics and Politi-	Present
21.	Zsolt Nagygyörgy	Chief Compliance Officer MFB Hungar- ian Development Bank Private Ltd	Present

22.	Guillaume Prache	Managing Director Better Finance for All	Present
23.	Jean-Pierre Pinatton	Chairman of the Supervisory Board of Oddo & Cie Group	Present
24.	Chrystelle Richard	Associate Professor Accounting and management Control Dept., ESSEC Business School	Present
25.	Lindsey Rogerson		Present
26.	Giedrius Steponkus	Chairman, Lithuanian Shareholders Association	Present
27.	Rüdiger Veil	Professor and Managing Director, Institute for Corporate and Capital Markets Law, Bucerius Law School, Hamburg	Present
28.	Chris Vervliet	Senior Risk Manager, KBC Asset Management	Present
29.	Gabriele Zgubic-Engleder	Chair of the Board VKI, Head of the Austrian Federal Chamber of labour	Present