

SUMMARY OF CONCLUSIONS

Board of Supervisors – conference call

Date: 15 April 2020
Time: 15h00 – 16h30
Location: Conference call
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1. Adoption of agenda Decision

Decision: The Board adopted the agenda. The Chair informed the meeting that the Head of the UK Financial Conduct Authority was invited to attend the meeting in line with the UK withdrawal agreement, in the interest of the Union and with the objective to ensure financial stability.

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. Market Developments

1) Presentation Discussion

The Head of Risk Analysis and Economics presented on the financial market impact of the COVID19 crisis.

The Board discussed the financial market situation, in particular the:

- Uncertainty surrounding the long-term development of the gross domestic product (GDP) and its impact on the financial markets;
- Adequate functioning of central securities depositories (CSDs) and the development of the number of settlements fails;
- Development of the market for Collateralized Loan Obligations (CLO); and
- Increased retail investor activity in some EU Member States and the fact that some national competent authorities are warning retail investors for potential fraudulent behaviour.

Conclusion: The Board discussed ESMA's assessment of ongoing developments in financial markets. It was agreed that a more detailed discussion on the development of the CLO market, including the role of asset managers and credit rating agencies, should take place at a future Board meeting.

4. Oral Report by the relevant Standing Committee Chairs

Oral

Discussion

- Gabriela Figueiredo Dias updated the Board on the activities of the Investment Management Standing Committee (IMSC) including the delay of the Common Supervisory Action (CSA) with three months and the discussions on issues such as the use of liquidity management tools, valuation and the developments in money market funds and property funds.
- Ana Martinez-Pina updated the Board on the activities of the Corporate Reporting Standing Committee (CRSC) including the discussions the Committee is having on the development of a Q&A on the use of Alternative Performance Measures to report on the impact of COVID19 and on the ongoing discussions within the European Enforcers Co-ordination Sessions (EECS).
- Benoit de Juvigny updated the Board on the activities of the Corporate Finance Standing Committee (CFSC) including the ongoing discussions concerning input from NCAs on potential COVID-19-related issues in the areas of prospectus, notifications of shareholdings and corporate governance.

The Board discussed the oral reports, in particular the:

- Different liquidity management tools available within EU Member States and whether their use should be further specified in the bylaws of asset management companies;
- Introduction of measures by national governments to report or to pre-approve the acquisition of a significant amount of shares of EU listed companies by non-EU entities;
- Guidance provided by the European Banking Authority (EBA) and prudential authorities to credit institutions on remuneration policies and refraining from dividend payments; and
- Treatment of goodwill in line with International Financial Reporting Standards (IFRS).

Conclusion: The Board took note of the oral report. The Board instructed (i) the CRSC to discuss the accounting treatment of goodwill in line with IFRS and (ii) the CFSC to exchange initiatives on the acquisition of significant amounts of shares of EU listed companies by non-EU entities. Finally, it was agreed that no further initiative was needed by ESMA for entities in its remit regarding remuneration policies or dividend pay outs.

5. Oral Report by the Chair

Oral

Discussion

The Chair reported on the ongoing written procedure to adopt ESMA opinions on the extension of short selling bans introduced by certain national competent authorities and the fact that a discussion will take place at a future Board of Supervisors meeting regarding the determination of the relevant competent authority in relation to certain financial instruments.

Conclusion: The Board took note of the oral report.

6. A.O.B.

- Elisabeth Roegele (DE) updated the Board on technical issues experienced by a trading platform affecting various EU trading venues using the same technology; and
- The Board was informed on the EU implementation of the agreement of the Basel Committee on Banking Supervision (BCBS) and International Organization for Securities Commissions (IOSCO) to defer the two remaining phases of the implementation of the initial margin requirements by one year.

Participants list

Voting members

Member State	Representative	Accompanying Person
Belgium	Jean-Paul Servais	
Bulgaria	Mariya Filipova	
Croatia	Jurica Jednacak (alternate)	
Czech Republic	Vojtech Belling	
Denmark	Karen Dorte Abelskov	
Germany	Elisabeth Roegele	
Estonia	Andre Nõmm	
Ireland	Derville Rowland	
Greece	Nikolaos Kontaroudis (alternate)	
Spain	Sebastian Albella	Ana Martinez-Pina
France	Robert Ophèle	Benoit de Juvigny
Italy	Carmine Di Noia (alternate)	
Cyprus	Christiana Vovidou (alternate)	
Latvia	Ieva Ose (alternate)	
Lithuania	Vaidas Cibas (alternate)	

Luxembourg	Claude Marx	
Hungary	Krisztian Csaky (alternate)	
Malta	Christopher Buttigieg	
Netherlands	Gerben Everts	Jos Heuvelman (alternate)
Austria	Eduard Muller	
Poland	Magdalena Łapsa-Parczewska	
Portugal	Gabriela Figueiredo Dias	
Romania	Florentina Boboc (alternate)	
Slovenia	Milos Čas	
Slovakia	Peter Tkáč	
Finland	Anneli Tuominen	
Sweden	Malin Omberg (alternate)	
ESMA Chair	Steven Maijoor	

Non-voting members

European Commission	Ugo Bassi	
EBA	Anne Tiedemann	

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

ESMA

Executive Director	Verena Ross
Summary of Conclusions	Frederiek Vermeulen
Head of Risk Analysis and Economics	Steffen Kern

Observer

United Kingdom	Edwin Schooling Latter (alternate)
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Done at Paris on 11 May 2020

Steven Maijor

For the Board of Supervisors