

SUMMARY OF CONCLUSIONS

Joint meeting of the Board of Supervisors and the Securities and Markets Stakeholder Group

Date: 24 March 2021
Time: 10.00 – 12.30
Location: Phone conference system
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1. Opening remarks

The ESMA Chair and the SMSG Chair opened the meeting by recalling the previous day's ESMA Ten Year Conference. The ESMA Chair thanked those SMSG members who had taken part in panels and recalled the importance of stakeholder contacts for ESMA.

2. Exchange of views on Gamestop

ESMA Board Member, Rodrigo Buenaventura Canino, provided an introduction to the Gamestop case describing the different areas where it might require regulatory attention from an EU perspective. These included the short selling regime, execution of retail orders, market microstructure, market abuse, the role of social networks and connected trading by retail investors, and post trading considerations.

SMSG Vice-Chairs Christiane Hölz and Rainer Riess then provided their views on the case, in particular in the areas of clearing and settlement, payment for order flow, short selling and retail trading. For each area they also indicated some potential lessons for the EU.



The Board of Supervisors and SMSG members shared their views on the issue, in particular with regards to market trust, financial literacy and the protection of retail investors, payment for order flow, and a potential consolidated tape.

The ESMA Chair concluded by thanking everyone for the interesting debate and noting that the topic would continue to be part of the agenda.

3. European Single Access Point

For the Board of Supervisors, Annemie Rombots and Benoît de Juvigny presented ESMA's position on the European Single Access Point (ESAP), as well as its importance in the context of the Capital Markets Union. They highlighted issues around the scope of information, information quality, and governance, as well as the need for machine-readability, a balance between costs and benefits, and a technology neutral approach.

SMSG member, Alexander Schindler, described the interest of ESAP from the perspective of an asset manager both as user of information and as information provider. He noted that the current disclosed information from companies was fragmented and often not machine readable. In this regard, ESAP should help particularly SMEs' visibility. He made several observations on the scope, as well as the governance and funding of the platform.

The Group discussed the issues raised in the presentations noting the need for ESAP to include a violation tracker, to have high quality data, and to be accessible to all investors.

The ESMA Chair concluded by thanking the speakers and noting the broad support and consensus on the topic. He emphasised that the planned phased approach stemmed from a willingness to ensure successful delivery, rather than a lack of ambition. He also noted there remained difficult issues to solve, such as funding.

4. Wirecard

SMSG member, Henning Bergmann, presented the SMSG's own initiative advice on Wirecard. He explained aspects of the report related to supervision and enforcement at national and EU levels, market abuse, short selling, auditing, general banking supervision, and corporate governance and collective redress.

European Commission representative, Ugo Bassi, explained that the Commission had been asked to look into whether the case showed deficiencies in supervision, audit and governance but were looking broadly at the question. He noted that the SMSG's advice would contribute to their reflections.

ESMA staff member, Evert van Walsum, described ESMA's letter to the European Commission on the Transparency Directive. He noted that there were four main points, all in line with the SMSG's advice; they related to cooperation between competent authorities, coordination of enforcement of financial information at national level, the independence of competent authorities in charge of the enforcement of financial information, and the strengthening of harmonised supervision of information across the EU.



Members of the Board of Supervisors and SMSG members discussed the issues raised in the presentations, including the need to legislate to protect retail investors who invest directly and the need for greater harmonisation at level 1 in some areas but without leading to a race to the bottom for harmonised standards.

The ESMA Chair concluded by thanking the speakers and noting that the case had raised important issues for the reputation of, and trust in, capital markets.

5. Concluding remarks

The ESMA Chair thanked all the speakers and attendees for an interesting meeting. He took the opportunity of his final meeting to emphasise the value of the joint Board of Supervisors and SMSG meetings, as they allow ESMA to know the real-life impact of its decisions.

The SMSG Chair thanked the ESMA Chair for the emphasis he had placed on stakeholders and for the well prepared meetings. She thanked all speakers and the ESMA Chair and Executive Director for the good cooperation.