EVIA & LEBA Monthly Compliance Zoom Meeting;

0830 Wednesday 03rd March 2021

Virtual Meeting via ZOOM

Meeting ID: 861 6922 2592

i. Matters arising

a. BOE MMC Revised Code and Guidance; 5 Circulating market rates; *Broker circulates a list of rates not in the public domain that certain banks will pay for short-term wholesale deposits. Related Guidance on PreTrade Runs and Axes*
   i. Poor Practice: The broker does not have consent from a specific bank to circulate the list to its clients but still does so and amends the specified prices and rates to try to promote business. The broker subsequently reveals to its clients the level where transactions have been completed. This breaches confidentiality and the ethical standards of the Code.
   ii. Good Practice: The broker has consent from a bank to circulate its paying rates to the broker's clients. The bank is aware as to which clients of the broker the information will be sent. The broker circulates the indicative rates to those clients, noting that the sharing of this information has been consented to by the paying bank. The broker has appropriate controls in place covering to whom the information is sent, how it should be handled by the recipient and ensuring such information is not sent to clients who do not wish to receive it (unsolicited information). The broker does not amend the suggested prices, and it does not share any information about trades concluded with the bank.

b. Latest FCA Policy Development updates:
   i. FCA makes senior appointments to drive its transformation; *Four New Exec Appointments*
      1. Stephanie Cohen will be the FCA's COO;
      2. Jessica Rusu will join the FCA's as its first Chief Data, Information and Intelligence Officer;
      3. Sarah Pritchard will become Executive Director, Markets; and
      4. Emily Shepperd will take up the newly created role of Executive Director, Authorisations.
   ii. FCA Review; Implementing Technology Change; 06 Feb 2021
      1. contributing practices to change success and change failure
      2. the impact of incidents caused by technology change
      3. how firms govern and manage technology change
      4. how firms build and deploy technology change
      5. how infrastructure impacts technology change
      6. *The aim of operational resilience remains to prevent, respond to, recover and learn from operational disruptions.*
      7. *Note on, Scope of DORA*
   iii. FCA MiFID II_ product governance review; 01March2021
      1. *how asset management firms consider MiFID II's product governance regime (PROD [1]) when manufacturing and*

providing products and how far they consider the interests of end clients throughout the product lifecycle.

iv. PRA and FCA statements on the definition of 'higher paid material risk taker'
   1. *Leg 1 33% Variable Rem*
   2. *Leg 2 £500k*

v. Update on Bank of England and FCA Memorandum of Understanding on the supervision of market infrastructure and payment systems

vi. FCA published on their approach to international firms [*CP2/21 - International banks: The PRA's approach to branch and subsidiary supervision*] & [*FCA recent consultation on its approach to international firms*]
   1. PRA on booking models - "follow the sun model is fine - this is opposite to the ECB"
   2. Adequate pre-trade controls and sufficient risk management resource
   3. Reserves supervisory discretions
   4. Ringfencing in the UK - Flint Report

vii. Brexit
   1. No particular FCA updates in February
   2. BOE Governor Andrew Bailey Comments on EU CCP onshoring at TSC on 24th February 2021.pdf
   3. France Aims to Exploit Brexit to Grab More British Finance Jobs.pdf
   4. ICE to shift EU carbon trading from London to Amsterdam _ Financial Times

viii. Coronavirus
   1. Financial Resilience Surveys during February
   2. Market Watch 66 Recording telephone conversations and electronic communications
      a. Risk from reduced monitoring
      b. Communications that must be recorded
      c. What this means for firms
   3. Coronavirus (Covid-19): Information for firms | FCA – No substantive updates in February

ix. Enforcement
   1. FCA commences criminal proceedings against brothers for insider dealing and fraud
   2. FCA commences criminal proceedings against two for insider dealing
   3. FCA censures Premier FX for payment rule breaches

c. UK Government

i. Open Access- draft joint industry letter to UK Government

ii. EVIA Notes on Afore Chat: Katharine Braddick, Director General Financial Services, HM Treasury on 10th February
   1. Early days, MOU visibility by Mid-March but its only process alignment.
   2. All sides downplaying equivalence

3. UK will develop MOU with the US in March. External Focus on Switzerland and Singapore
4. Brazil and India the developmental focus. China Cooperation not dead, no mention of the Gulf
5. All sides playing up Sustainability cooperation and COP#27

iii. Gone quite quiet on the MOU. All parties seem very hesitant – IRSG and AFME outreach has not been taken up. Al Morraue in particular has been non-responsive and appears to take it personally .
   1. Notes no UK specific mentions of the EU aspects in the UK legislation.
   2. UK treatment of EU High Rep in London
   3. No HMT response back to the IRSG suggested paper sent across a month ago
   4. CityUK/Emma Reynolds at DG FISMA; No talks have begun on the MOU. She is meeting with Richard Knox next week on the MOU.

iv. HMT Financial Services **Future Regulatory Framework Review** – UK Regulatory Coordination call for evidence;
   1. EVIA response;
   2. APPGFMS Report;
   3. UKF Response

v. TSC call for evidence on the Future of Financial Services; EVIA response

vi. HMT **OPE/ROIE**; EVIA Draft Response to HM Treasury regarding the Call for Evidence on the Overseas Framework
   1. HMT; Overseas_Framework_CfE_FINAL.pdf
   2. 201127 Final Interim report UK regime for overseas firms.pdf

vii. HoL call for evidence on the **EU-UK Relations on Services**; Future of UK-EU Relations on Trade in Services; EVIA Response to the House of Lords EU Services Sub-Committee; Call-for-Evidence.pdf

viii. **The Kalifa Report** on the UK Fintech Sector
   1. KPMG & HoganLovells Webinar

d. ESMA / EBA

i. ESMA updates Q&As on MiFID II and MiFIR market structures topics; on: (i) the classification of direct electronic access (DEA) trades; and (ii) matched principal trading by investment firms.

ii. Non-Equities Waivers paper
1. esma70-156-3926_annual_report_2020_non-equity_waivers_and_deferrals
2. Note on ESMA's second annual report on waivers and deferrals for non-equity instruments; 24 February 2021

iii. ESMA Algo paper

iv. Consultation On Guidelines On Appropriateness And Execution Only by 29 APRIL 2021

v. Steven Maijoor Delivers Keynote Speech At Conference On Fintech And Regulation- MICA Discussion

vi. ESAS Issue Recommendations On The Application Of The Regulation On Sustainability-Related Disclosures 25 February 2021

vii. BaFin reforms must go further; OMFIF Comment; 23Feb2021
viii. MICA Summary and Work Sheet

e. IFPR – IFR
   i. Next FCA Consultation in April. UK implementation due in December
   ii. EBA launches public consultation on the draft technical standards on supervisory disclosure under the Investment Firms Directive
      1. *The draft ITS, which are part of the phase 2 mandates of the EBA Roadmap on investment firms, aim at ensuring that the disclosed information is comprehensive and comparable across all Member States. The consultation runs until 11 May 2021.*

f. PFOF (US and EU Versions)
   i. Effect of Gamestop on US version of PFOF
   ii. impact on European application of the ~MAR regime
   iii. Impact on Monitoring by market operators: Ramping and cessation of markets
   iv. Expert hearing on 23 February: *ECON Committee discusses lessons from GameStop*
   v. EVIA Note; ECON Hearing on GameStop and similar recent market events; Exchange of views with Ugo Bassi and Steven Majioor; ECON905390; 23Feb2021
   vi. How Tokenization Could Prevent a Future Gamestop Fiasco; 23February2021

g. AML / KYC
   i. JMLSG Update:
   ii. The Growing Importance of the Money Laundering Reporting Officer; 2021 Financial Crime Series NRF
      1. *It is abundantly clear that the MLRO role has become increasingly multi-faceted and complex, requiring the role-holder to be not only a skilled compliance practitioner, but also a tech-savvy and proactive individual who has the authority and temperament to protect the strategic direction of the firm.*
      2. *The MLRO cannot and must not take a back seat in terms of a firm's risk management strategy, but would be involved in key business decisions in relation to how the firm acts and interacts in the market and with customers from a financial crime perspective.*
   iii. Outcomes of the February 2021 FATF Plenary
   iv. EBA publishes final revised Guidelines on money laundering and terrorist financing risk factors
   v. Dechert LLP has published this report titled "*U.S. and UK Enforcement Priority: Spoofing*" covering 2020 highlights and 2021 priorities.

h. ESG Topics & Disclosures

i. Deloitte Note on TCFD Disclosures and Related Audit and Assurances
ii. Discussion on Green Money Markets / Green Repo
iii. Consultation on draft ITS on Pillar disclosures on ESG risk (EBA/CP/2021/06)

i. Energy & ACER

i. New ETS Phase: No more CERs / UK Tangential
   1. ICE publishes auction calendar for UK's new Emissions Trading Scheme; ICE UK Allowance (UKA) Futures and Daily Futures launching
   2. FT; Carbon bulls will not wait on the EU & UK energy market faces 'instability' over carbon trading delay
   3.
ii. Energy Market Volumes January
iii. Reporting Blocks to exchanges: *5/ 10/ 15 minutes; Fines and warnings*
iv. Update on REMIT Broker Reporting of Sleeves - *Note of LEBA Call with ACER TRUM Team; Wednesday 17th February 2021*
v. LME Restructuring Consultation, Webinar and Feedback
vi. Equias training event; today - *main services – eSM, eTM, eRR, eCM and our most recent partnership with CorregioNET*
vii. New EFET CEO
viii. Germany Gas VTPs Merging
ix. Reporting Partial Fills to OFGEM: Trayport SAAS Timestamping absences
x. The recent cold weather in Texas has led to power outages as well as spikes in wholesale energy prices (for example see here on the Reuters web site). FERC has announced an investigation into potential wrongdoing here. The CFTC is also monitoring the market including other commodities such as silver, as announced in a statement by acting chair Rostin Behnam in the opening statement before the Market Risk Advisory Committee here.
xi. The recent issues around "short squeezes" in various stocks such as Gamestop relating to activities in chat rooms have also attracted attention. The Hill reports here that the DOJ has opened an investigation into the matter. Steven Maijoor, chair of ESMA, has delivered this statement in relation to the matter. An attempt to short squeeze the silver price in a similar manner was not successful, as reported here on the FT web site.
xii. ICE Futures Europe has issued two fines related to position limits breaches. Both relate to crude futures with the first for £30,000 (see here) and the second for £36,666,67 (see here).
xiii. The EP adopted a series of changes to MIFID II as part of the "quick fix" package aimed at reducing the burden of the rules in some respects(see here). The press release can be found here and the provisional texts here. The amendments include changes to the way in which the Ancillary Activity Test is applied when using the Ancillary Activity Exemption, and also a streamlining of the position limits and reporting regime so that it focuses on "critical" contracts (other than for certain agricultural commodities underlyings). The changes will apply 12 months after they are published in the Official Journal of the European Union.

j. FSB / IOSCO
   i. [FSB Chair updates Finance Ministers and Central Bank Governors on the FSB's key priorities for 2021; P250221]
   ii. [FSB & IOSCO Priorities and 2021-2022 work program]

	FSB	IOSCO
1	Addressing COVID-19 Related Vulnerabilities	Financial stability and systemic risks of non-bank financial intermediation activities (NBFI)
2	Increasing the Resilience of Non-bank Financial Intermediation	Risks exacerbated by the COVID-19 pandemic – misconduct risks, fraud, and operational resilience.
3	Making Cross-border Payments Cheaper, Faster, and More Inclusive	Asset managers and greenwashing,
4	Bettering Our Understanding of Climate-related Risks	ESG ratings, and ESG data providers
5	Addressing the transition away from LiBOR	Corporate debt and leveraged finance
6	Joint CCP financial resources work; enhancing CCP resilience, recovery, & resolvability	Crypto assets,
7	enhancing the resilience of money market funds (MMFs)	Market fragmentation in securities and derivatives markets,
8	Cyber Risks and fragmentation in cyber incident reporting	Artificial intelligence and machine learning,
9	The regulatory, supervisory and oversight challenges raised by global 'stablecoins'.	Passive investing and index providers
10	Examining the frameworks & dynamics of margin calls in centrally cleared & uncleared markets, & liquidity management preparedness of market participants to meet margin calls.	Retail distribution and digitalization.

ii. Brexit MA.

a. Experiences with EU NCAs over the last month
b. DTO Product Migration
   i. Clarus Stats on UK - US Swaps and ITRAXX switch
   ii. IHSMarkitSERV; 2021; Brexit, no equivalence for pan European OTC Interest Rate Swaps markets, what the data shows so far; 10Feb2021.pdf
   iii. ClarusFT; US SEFS Now Have 20-40% Of European Derivatives; Chris Barnes February 9, 2021.pdf
   iv. ClarusFT; US SEFS Now Have 50% Share Of EUR ITRAXX; Amir Khwaja February 2, 2021.pdf

v. The case for an open financial system - speech by Andrew Bailey; Mansion House; 10 February 2021.pdf

iii. MiFID2.2/ MiFIR/ EMIR

a. EVIA Letter to the FCA on the Future on the OTF
   i. Note of EVIA Call with FCA regarding the ESMA OTF CP, the TV Perimeter and UK Transparency Proposals
b. EVIA Letter to EU DG_FISMA on MiFID 2.5 Priorities'
c. Keynote speech by Commissioner McGuinness at the European Parliamentary Financial Services Forum Winter Conference; 'What Vision for Europe'; 23 February 2021
   i. Equities – *are we nearing the end of open markets, alternatives and internalisers are on a march, can the tape safe the exchanges?*
   ii. Bonds – *nobody knows what going on in this market and the interest to explore is rather low, can the tape revitalise our bond markets?*
   iii. Derivatives – *out dependence on OTC dealers (almost all of them big international banks) and third party clearing infrastructure is enormous, can we develop exchange-listed alternatives?*
   iv. Transparent and liquid marketplaces v more opaque alternative venues
   v. different execution venues operate on a level playing field
   vi. fresh look at trading data and its quality
   vii. An EU consolidated tape
   viii. Digital Finance Package: two legislative proposals, a digital operational resilience act (DORA) and a Regulation on Markets in Crypto Assets (MiCA).
d. Delegated Broker Reporting to APAs between the UK and the EU
e. JTAG / ESMA: Venue of Execution_best practice_flow chart_Feb 2021
   i. EMIR Reporting Industry Best Practice matrix_Feb 2021_draft
   ii. Delegated Regulations further amending the EMIR Margin RTS and amending the three Clearing Obligation RTS have been published in the OJ
f. ANNA_DSB UPI Costs Paper:
g. FCA Outreach on three options for transparency thresholds
   i. The FCA said in its supervisory statement in December, the FCA does not have an engine to undertake the calculations. As part of the UK onshoring work, the FCA prioritised certain IT build, and this was not one of them (and there are no current plans to do so). Therefore, when it comes to what happens in May, the FCA are looking at the following options:
   ii. Option 1; is to say that the liquidity determinations and thresholds which currently apply and which ESMA published in June/July last year and which came into effect in September 2020 are simply rolled over.
   iii. Option 2; is to say that the liquidity determinations and thresholds which ESMA makes and publishes on 30 April 2021 which the FCA understands from previous ESMA communications will be based on UK and EU data from 2020 – that the FCA applies those ESMA 2021 thresholds from June this year.
   iv. Option 3; is that firms have a choice between Option 1, Option 2, whatever is the lower of the thresholds between the current 2020 calculations and the one ESMA produces for 2021 and if either of the two of the liquidity determinations say an instrument is illiquid then it is illiquid in the UK. This

would enable some venues to retain the existing 2020 calculations or, if they are operating between the UK and the EU, they could adopt the 2021 ESMA calculations for their venues both in the UK and in the EU Or, if they really wanted, venues could adopt whichever was the lower of the calculations for the UK venue. The FCA feels that this option provides some degree of flexibility to cover the different types of venues in the non-equity world and therefore possibly helps to minimise operational burdens and helps to keep (at least for the time being) the UK regime in step with the EU regime.

v. The FCA has to publish by the 10 May and there are also potentially operational implications for the FCA internally. If the UK went with the option of 2020/2021 thresholds then probably the FCA would continue to publish the 2020 thresholds through FITRS and people would have to get the 2021 data from ESMA because publishing two sets of data is potentially quite complex for the FCA, particularly at the ISIN level.

h. Possible UK DTO for OIS

i. MiFID2 Quick Fix; information requirements, product governance and position limits

i. *26 February 2021, the long-awaited MiFID II "Quick" Fix Directive was published in the OJ. The Quick Fix is in response to the CV-19 epidemic and associated disruptions, it is not intended to replace the ongoing full MiFID II review. First proposed as part of the 24 July 2020 Capital Markets Recovery Package, the Quick Fix is relatively speedy by EU standards, the note below briefly assesses whether it is likely to fix anything.*

ii. As a fundamental step to increasing participation in capital markets by retail investors, one of the main aims of MiFID II was to increase transparency to and protection of individual market participants. The landmark legislation, at least by page volume, has been widely criticised for subjecting dealers and brokers to bureaucratic overreach, while producing reports for investors which are of limited utility and are rarely consulted. The Quick Fix makes the following amendments to MiFID II and its Delegated Directive (EU) 2017/593 (Research for SMEs):

iii. Temporary suspension of Best Execution Reports. The Commission recognises that the Art. 27(3) MiFID II requirement to provide detailed Best Execution reports is failing to meaningfully differentiate between execution venues. The reports have been criticised as structurally inaccurate e.g. ISINs are unable to capture the whole range of trades, and the reports have largely been ignored with investors preferring to consult broker reviews. The requirement is effectively suspended for a little over one year and is likely to be extended. However, expensive reporting systems are already in place-removing the obligation is likely to prove more complex than continuing. Rather than addressing the many issues with Best Execution reporting, the suspension just kicks this can down what may prove to be a long road.

iv. Selectively re-bundling Research Unbundling. The amendment allows an investment firm to disapply the explicit charges for Research if the Research applies to firms with a market capitalisation of less than EUR1bn., or if the Research apples only to fixed income instruments. Once again, firms have already invested in systems and amended their documentation to comply in full, selective Regulatory tinkering is likely to result in more complexity not less. The Research Unbundling aspect of MiFID II was controversial at the time; post-implementation, it's not clear that it needs partially fixing.

v. Exemption of "make whole" corporate bonds from Product Governance rules. In the event of early redemption, a make-whole clause obliges an issuer to include the NPV of the coupon which would have been paid. It is a welcome adjustment, but its scope is Regulatory fine-tuning (nit-picking YMMV) – why bond coupons, but not equity dividends? Unsurprisingly, the Parliament Committee has already proposed a boarder exemption.
vi. Phase-out of paper-based communication as a default. Electronic communications as a default is obviously a reality, and its recognition should be welcomed. However, retail clients retain the option for paper. So- so what?
vii. Professional Client opt-out from switching cost/benefit analyses. However, they still retain the option- see above.
viii. Limitation of position limits to only apply to significant\critical and agricultural contracts. Art. 57 MiFID II has had a negative impact on liquidity in new('ish) commodity markets such as energy derivatives. The amendment redefines the position limit requirement to effectively exclude these markets.
ix. A roughly 1.3 million page Regulation is enacted, inevitably a "Curate's Egg"- some good and some bad[1]. Participants have to comply irrespective; during the compliance process they may find that some elements that looked a burden, once implemented, actually turn out to be an efficiency or an opportunity. Brexit has thrown up more problems for MiFID II than the CV-19 pandemic. This update fails to address fundamental issues such as liquidity calculation in the sudden absence of major exchanges- preferring to refine or postpone relatively minor elements. Markets evolve quickly, their Regulatory enablers should do so as well. This, admittedly interim, MiFID II update does very little for very few.
x. Member States are required to adopt implementing measures by 28 November 2021, application is expected by 28 February 2022. From the now third country UK, in August 2020 Treasury Economic Secretary to the Treasury John Glen indicated that the UK would be reviewing the new rules, initially ruling out the UK application of reforms to the Research rules. Another one to add to the divergence dashboard.
xi. *[1] We are aware that a "Curate's Egg" is traditionally a politely described- thoroughly bad egg*

iv. Benchmarks and LiBOR Topics

a. Conduct: CFTC charged a Tokyo-based swaps trader with manipulating US dollar-based interest rate swap spreads via SEF screens.
b. BOEWGRFR; Path to ending new use of GBP LIBOR-linked derivatives; 25Feb2021.pdf
c. BOWWGRFR; Minutes; 26january2021.pdf
d. ClarusFT; What is Happening Now with Negative Rates in the UK; Chris Barnes; February 24, 2021.pdf
e. BOEWGRFR; Path to ending new use of GBP LIBOR-linked derivatives; *published an update to its priorities and roadmap for the final year of transition. For the GBP LIBOR-linked derivatives market the recommended milestones established by the Working Group are: • By end-Q1 2021, cease initiation of new GBP LIBOR-linked linear derivatives* that expire after the end of 2021.*

i. By end-Q2 2021, cease initiation of new GBP LIBOR-linked non-linear derivatives* that expire after the end of 2021.
ii. During Q2/Q3 2021, cease initiation of new cross-currency derivatives with a LIBOR-linked sterling leg*, that expire after the end of 2021.
iii. Progress active conversion of all legacy GBP LIBOR contracts where viable through to completion by end-Q3 2021.
iv. Except for risk management of existing positions. As set out in their recent joint press release with the Working Group, the Bank of England and the FCA continue to work closely with firms to support a smooth transition. In particular, supervisors of regulated firms have said they will continue to expect transition plans to be executed in line with the recommended timelines. Senior managers with responsibility for the transition should expect close supervisory engagement on how they are ensuring their firm's progress relative to the recommended timelines.
v. The Working Group's key expectation for all market participants is that any new GBP derivatives that expire after the end of 2021, entered into after the recommended milestones, be based on SONIA.
vi. To support this and building on the 'SONIA first' initiative in October 2020, the Working Group proposes in particular that interdealer broker trades taking place after the relevant milestone solely reference SONIA2 , with the exception of single currency basis swaps to facilitate transition flows.
vii. The Working Group recognises that there will be limited circumstances when it may be appropriate to enter into new GBP LIBOR-linked derivative contracts that expire after the end of 2021, after the relevant milestone, for risk management of existing positions or exposure resulting from existing contracts, and to support active conversion.
viii. These are: (i) transactions that reduce or hedge the firm's, or any client of the firm's, GBP LIBOR exposure on contracts; (ii) market making in support of client activity related to existing GBP LIBOR contracts3 , including streaming of prices to support such activity and to support other benchmarks; (iii) novations of GBP LIBOR transactions; (iv) transactions executed for purposes of required participation in a central counterparty auction procedure in the case of a member default, including transactions to hedge the resulting GBP LIBOR exposure; and (v) transactions in GBP LIBOR-linked exchange traded futures and options executed before end-Q2 2021, or otherwise in line with the relevant exceptions set out above.
ix. The intention is for continued use of GBP LIBOR via risk management exceptions to be kept to a prudent minimum. Best practice for making use of these exceptions would likely include firms establishing clear internal governance and oversight, given the potential increased risks with managing these positions past the end of 2021.
x. Furthermore, to progress transition in the non-linear derivatives market and the exchange traded derivatives market, and support market participants in meeting the recommended milestones as soon as possible, the Working Group intends to work with the FCA to explore the potential to change market standard trading conventions to a SONIA basis in both of these markets at an appropriate point during Q2 2021.

f. Working Group on Sterling Risk-Free Reference Rates consults on successor rate to GBP LIBOR in legacy bonds; *The Working Group on Sterling Risk-Free Reference Rates has published a consultation paper on proposals to issue a recommendation* *on a successor rate to GBP LIBOR for bonds upon the occurrence of a permanent cessation event or a pre-cessation event.*

g. Working Group consultation on successor rate to GBP LIBOR in legacy bonds referencing GBP LIBOR; *The Working Group on Sterling Risk-Free Reference Rates has begun consulting on whether it would be helpful for the Working Group to make a recommendation on a successor rate to GBP LIBOR for bonds upon the occurrence of a permanent cessation event or a pre-cessation event, and to seek feedback on the successor rate to be recommended. The different successor rates considered are overnight SONIA, compounded in arrears, and term SONIA.*
   i. The Working Group highlights potential considerations which should be taken into account including: (i) the stages of development of each of the rates, and their current usage (in the case of overnight SONIA, compounded in arrears) and expected use cases (in the case of term SONIA) in the SONIA-linked bond market; (ii) alignment with the existing SONIA-linked bond market, the derivatives and loan markets; (iii) the economic, operational and contractual implications of each of the rates; and (iv) the implications for global consistency of approach for fallbacks across different IBORs. The deadline for comments is 16 March 2021. Read more

h. Benchmarks Regulation: EU Council adopts amending regulation on third country foreign exchange and replacement benchmarks; *The EU Council has adopted a regulation amending the Benchmarks Regulation ((EU) 2016/1011) regarding the exemption of certain third country foreign exchange benchmarks and the designation of replacement benchmarks for certain benchmarks in cessation (2020/0154(COD)).*
   i. The regulation will grant the EU Commission power to replace benchmarks if their termination would result in a significant disruption in the functioning of financial markets in the EU. The regulation also extends the transition period so that EU market participants will be able to use benchmarks administered in a country outside the EU until the end of 2023. The EU Commission will be empowered to adopt a delegated act by 15 June 2023 to prolong this extension by a maximum of two years until 31 December 2025.
   ii. The regulation is expected to be published in the Official Journal on 12 February and will enter into force on the day following that of its publication.

i. Benchmarks Regulation: ESMA publishes technical advice on supervisory fees for benchmarks administrators; *ESMA has published its final report on technical advice regarding supervisory fees for benchmarks administrators under the Benchmarks Regulation (BMR).*
   i. The aim of the final report is to advise the EU Commission on fees to be paid by benchmark administrators that will be supervised by ESMA starting in January 2022. The report specifies the type of fees, the services for which fees are due, the amount of the fees and the frequency of payment.
   ii. The main fee categories are:
   iii. one-off recognition fees to be paid by third country administrators applying for recognition;
   iv. one-off authorisation fees to be paid by critical benchmark administrators applying for authorisation;
   v. annual supervisory fees to be paid by third country administrators; and
   vi. annual supervisory fees to be paid by critical benchmark administrators.

v. US, No-Action, Interpretative Letters, Other Written Communications, and Advisories

a. The Market Risk Advisory Committee (MRAC) today released the agenda for its upcoming public meeting that will be held on February 23, 2021 at 9:30 a.m. EST. The meeting will be conducted via teleconference in accordance with the agency's implementation of social distancing due to the coronavirus (COVID-19) pandemic. Acting Chairman Rostin Behnam is the sponsor of the MRAC. /bit.ly/3dCIPlA

b. Opening Statement of Acting Chairman Rostin Behnam before the Market Risk Advisory Committee; Good morning and welcome to the first virtual meeting of the CFTC's Market Risk Advisory Committee (MRAC or Committee) of 2021. I want to thank Commissioners Quintenz, Stump, and Berkovitz for joining today's meeting. I also want to thank and acknowledge the MRAC members, the subcommittee chairs, and the speakers who will participate in today's panels. /bit.ly/2NTGuHY

   i. Similarly, I have had many years to explore the design and functioning of the MAT process. As I have previously stated, addressing the MAT process could increase liquidity on swap execution facilities (SEFs), and could do so in concert with increased pre-trade transparency, and without dismantling aspects of the SEF rules that work well.[11] I commend the Market Structure Subcommittee for working on key issues it believes may be impeding liquidity and diversity among liquidity providers trading on SEFs and designated contract markets (DCMs) and look forward to its presentations and submissions.

c. CFTC intensifies oversight of energy, silver markets CFTC is giving close attention to the commodity markets after the prices of natural gas and silver spiked, said Rostin Behnam, the regulator's acting chairman. The CFTC's monitoring includes social media and the Texas energy markets, he said. S&P Global Bloomberg Futures & Options World

d. Comment Letters 101: Effectively Responding to Agency Rulemakings; *How to Draft Effective Comments on Agency Proposals*

   i. A new presidential administration means federal agencies will soon seek public comment on a wave of proposed regulations and other agency actions. The US government also recently redesigned Regulations.gov, the portal through which the public can submit comments on agency rulemakings. Effective comments can impact how the government implements new laws, changes existing rules, and regulates industries, businesses, and individuals.

   ii. Join Steptoe's regulatory practitioners on Thursday, March 25, for practical tips on how to ensure your comments on proposed agency actions will be impactful, as well as common mistakes to avoid. For a preview, check out Steptoe's six tips on writing an effective comment letter.

vi. Weekly Roundups for February

EVIA European Venues & Intermediaries Association

LEBA London Energy Brokers' Association

a. Weekly update on Key Regulatory Topics (Week5; 01st February 2021 to 06th February 2021)
b. Weekly update on Key Regulatory Topics (Week 6; 08th February 2021 to 13th February 2021)
c. Weekly update on Key Regulatory Topics (Week 7;15th February 2021 to 20th February 2021)
d. Weekly update on Key Regulatory Topics (Week8; 22nd February 2021 to 27th February 2021)
e. **EVIA Compliance Advisory - Regulatory Roundup, Timetable, Activities & Initiatives; March 2021 Meeting**

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