EVIA European Venues & Intermediaries Association

LEBA London Energy Brokers' Association

EVIA & LEBA Monthly Compliance Zoom Meeting;

0830 Wednesday 06th January 2021

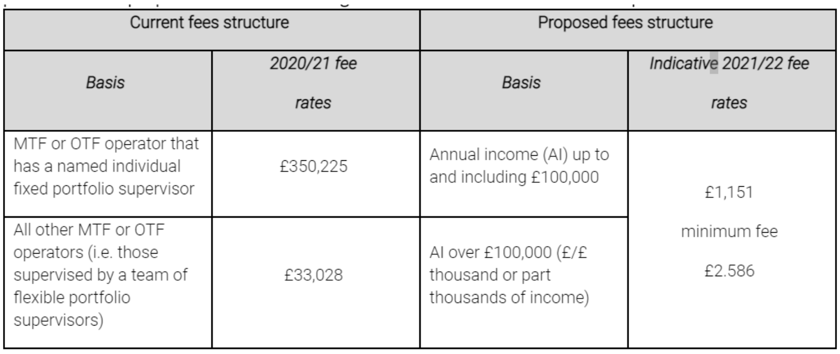
Virtual Meeting via ZOOM

Meeting ID: 85030396280

- i. Matters arising
  - a. Latest FCA Policy Development updates:
    - i. Brexit
      1. FCA “Stay” post Xmas on behalf of EU NCAs
      2. FCA Guidance Note; Reporting-derivatives-under-uk-emir-after-transition-period; 02Dec2020.pdf
      3. DTO Contextuals.pdf // Statement on use of the Temporary Transitional Power to modify the UK’s derivatives trading obligation
      4. Summary of FCA Trade Association Brexit roundtable on 11th December 2020.pdf
      5. Brexit countdown for UK financial services sector
      6. Cutover plan for firms migrating to FCA FIRDS and FITRS after the Brexit transition period
      7. Regulatory change for firms as Brexit transition period ends
      8. FCA publishes final Brexit instruments and Temporary Transitional Power (TTP) directions
      9. MoUs with European authorities in the areas of securities, insurance and pensions, and banking
    - ii. 201117. TA TACC Roundtable notes of meeting.pdf
    - iii. FCA publishes first consultation on new prudential regime for UK investment firms
    - iv. SM&CR and coronavirus: our expectations for solo-regulated firms - December 2020 update
    - v. FCA introduces rule to enhance climate-related disclosures
    - vi. New executive appointments at Financial Conduct Authority; The FCA has appointed Sheldon Mills as the new Executive Director, Consumers and Competition, and Siobhán Sheridan as Chief People Officer.
    - vii. FCA establishes Temporary Registration Regime for cryptoasset businesses
    - viii. No MarketWatch since #65
    - ix. CP20/22: Regulatory fees and levies: policy proposals for 2021/22
      1. *Q7: Do you have any comments on our proposed basis for calculating fees for firms operating MTFs and OTFs from 2021/22?*
      2. This third stage consultation provides indicative fee rates to enable firms to assess the impact of introducing income for calculating their individual MTF and OTF fees. Under the proposed fee structure, they now overall expect:
      3. 40 firms will pay lower fees ranging from £1,151 to £30,245 compared to currently £33,028
      4. 9 firms will be higher fees ranging from £41,184 to £339,877 compared to currently £33,028
      5. The CP on page 2 sets out details for how to respond. As you may recall we did not get any member views to the prior policy related proposals in Policy Statement PS19/19 chapter 3 (July 2019), which

included moving to the concept of worldwide revenues, we think largely because they did not involve any quantum data.

6. This consultation closes 22 January 2021.
7. Depending on the responses to this third-stage consultation, the FCA may consult on the actual fee rates to recover our 2021/22 annual funding requirement allocated to the MTF/OTF sub-set of the B fee-block in our April 2021 fees' rates consultation paper.
8. Those variable fee-rates will be based on the income data reported by firms operating MTFs and OTFs for their financial year ending in calendar year ending 31 December 2020 and therefore will also contribute to producing a different fee-rate to the indicative fee-rate in table 4.1.



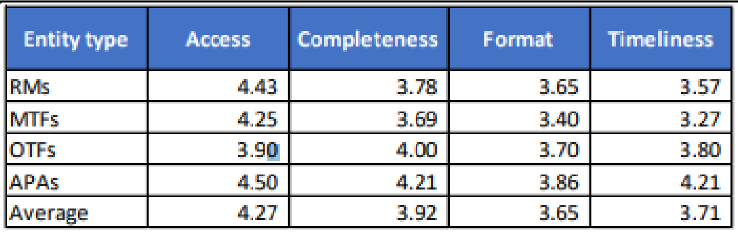
Current fees structure		Proposed fees structure	
Basis	*2020/21 fee rates*	*Basis*	*Indicative 2021/22 fee rates*
MTF or OTF operator that has a named individual fixed portfolio supervisor	£350,225	Annual income (AI) up to and including £100,000	£1,151 minimum fee £2.586
All other MTF or OTF operators (i.e. those supervised by a team of flexible portfolio supervisors)	£33,028	AI over £100,000 (£/£ thousand or part thousands of income)	

b. KPMG; financial-services-regulating-the-new-reality; 13Dec2020.pdf

   i. This paper is the first in a series looking at how financial regulators and regulation are changing, to assist with recovery and to reflect the new reality.
   ii. The financial services industry is being called upon to support the recovery. Regulators are seeking to encourage growth and innovation but are still focused on resilience and good conduct. And all parties need to embrace the evolving new reality, including accelerated use of technology, longer-term changes in working practices and demands for sustainable finance.

c. Guidelines on the MiFID II/ MiFIR obligations on market data & FCA extends deadline for call for input on accessing and using wholesale data;

   i. EVIA Response to FCA CfE on Accessing & using wholesale data; 04January2021.docx
   ii. *ESMA; Making data available free of charge 15 minutes after publication*

<table>
<tr><th>#</th><th>Question</th><th>Context</th><th>Response</th></tr>
<tr><td>23</td><td><i>Which elements for post- and pre-trade data publication should be required?</i></td><td>
<table>
<tr><th>Entity type</th><th>Access</th><th>Completeness</th><th>Format</th><th>Timeliness</th></tr>
<tr><td>RMs</td><td>4.43</td><td>3.78</td><td>3.65</td><td>3.57</td></tr>
<tr><td>MTFs</td><td>4.25</td><td>3.69</td><td>3.40</td><td>3.27</td></tr>
<tr><td>OTFs</td><td>3.90</td><td>4.00</td><td>3.70</td><td>3.80</td></tr>
<tr><td>APAs</td><td>4.50</td><td>4.21</td><td>3.86</td><td>4.21</td></tr>
<tr><td>Average</td><td>4.27</td><td>3.92</td><td>3.65</td><td>3.71</td></tr>
</table>
There seems to be a gap between the regulatory expectations and the publication practices with respect to completeness of data. <i>Therefore, ESMA considers it</i></td><td>Pre-Trade should only be published where there is a CLOB for liquid instruments.</td></tr>
</table>

In particular, are flags a useful element of the publication?	*useful to clarify in Guideline 14 that in case of post-trade data all elements included in the Level 1 and 2 texts, including flags, should be subject to the publication. ESMA would be interested to receive feedback from data users whether flags are indispensable.*	Yes, flags a very useful element of the post trade publication
Should there be any differences between the different types of trading systems? *Is the first best bid and offer sufficient for the purpose of delayed pre-trade data publication?*	**107.In terms of pre-trade data, given the technical challenges of the publication, which result from high volume of data at the order level, and also limited value added for data users,** *ESMA suggests in Guideline 14 to discharge the reporting entities from publishing more than one current best bid and offer in the delayed data publication. ESMA is seeking further feedback from data users whether they agree with this proposal, and whether any differentiation should be made depending on the type of trading system.*	Yes, Pre-Trade data should only be published where there is a CLOB system. Even then the notion of delayed pre-trade data becomes counter intuitive if the consequent trades are already available.
	In light of complaints re delayed data, ESMA considered it useful to better explain and expand the content of the abovementioned Q&As into the proposed Guidelines. *Furthermore, guidelines are a stronger Level 3 instrument available to ESMA and are translated into all EU languages. As the Guidelines will replace the Q&A, for clarity, ESMA plans to withdraw the Q&As immediately after the publication of the Guidelines.* **Q&A 9a clarified that the market data provided free of charge 15 minutes after publication** should replicate the information published on an RCB and be made available directly to end users. **Q&A 9b specified that trading venues, APAs and CTP may not impose redistribution fees on redistributors or third parties,** unless where redistributors/third parties charge for the distribution of data and or commercialise value-added services created from such data. **Q&A 10 clarified which types of practices of trading venues and APAs are not considered as compliant with the regulatory requirements.** Furthermore, the Q&A explained that APAs and trading venues should adapt the format in which the data is provided to the needs of users. When the data is accessed in large amounts and on a regular basis, the information has to be provided on a machine-readable basis to ensure that it can be	

		accessed through robust channels allowing for automatic access. **There have been some concerns raised about the clarity of the current guidance which requires data to be published for at least 24 hours**. ESMA therefore suggests clarifying in the guidance that the data of the given trading day should be available until the end of the following trading day in case of post-trade data. In case of pre-trade delayed data, ESMA proposes that the data should be published until more recent data is available, i.e. without the need to maintain historical information.	
24	*Which use cases of post- and pre-trade delayed data are relevant to you as a data user?* *What format of data provision is necessary for these use cases, and especially for pre-trade delayed data?*	Delayed data: There was agreement between roundtable participants that currently there are only limited use cases for delayed pre-trade data and that this should therefore not be the focus for ESMA's work. Concerning post-trade delayed data, representatives of trading venues and data users expressed opposing views. Trading venue representatives pointed to the very few users accessing data made available via websites and defended the practice of charging for delayed data when users distribute it for a charge or when it is used for commercial purposes ('value-added'). Data users complained about trading venues and APAs making the data available for only a limited period of time and considered that trading venues were excessively charging for delayed data that used to be free of charge under MiFID I. Furthermore, data users considered that website data is only of very limited use since it is not aggregated and checking every trading venue's website would be very burdensome. Therefore, data is generally accessed via data vendors. Another aspect of the delayed data publication is data format. This area also leaves some space for improvement, as 29 entities (38%) do not publish post-trade data in a machine-readable format while 42 trading venues do not publish pre-trade data in a machine-readable format. For 39 entities (51%) there is no	Pre-trade delayed data are relevant to those conducting TCA analysis and other studies of market liquidity. Everyone else would view the venue trading screen for live pricing. Post-trade delayed data is clearly relevant to everyone. The standard formats currently specified are adequate.

		possibility to automatize the data extraction. Moreover, data is not always provided for all financial instruments (or classes of financial instruments), but as ISIN by ISIN search. This is the case of 23 entities (30%) for post-trade data and 42 entities (55%) for pre-trade data.	
25	*Do you agree with the definitions of data-distribution and value-added services provided in Guideline 16?* *Please explain.*	Guideline 16 sets out certain situations where it appears justified that data providers should be paid for their data provision. Should this to further define the concepts of “value-added services” and “data distribution”. This was considered necessary since in practice certain data providers considered any use of delayed data by commercial users as a “value added service” for their business, and therefore subject to a fee. ESMA disagrees with this broad interpretation and suggest limiting the definition of “value-added services” to those activities where a product created on a basis of delayed data is sold for a fee.	Makes little clarity
26:	*Do you have any further comment or suggestion on the draft Guidelines? Please explain.*		Focus needs to remain on the low latency post trade data.
27:	*What level of resources (financial and other) would be required to implement and comply with the Guidelines and for which related cost (please distinguish between one off and ongoing costs)?* *When responding to this question, please provide information on the size, internal set-up and the nature, scale and complexity of the activities of your organisation, where relevant.*	In order to comply with the set of guidelines, total costs are the sum of: • revenues given up • costs borne to set up systems • Costs borne to carry on systems • Costs to run separate processes and compliance in EU and in UK	

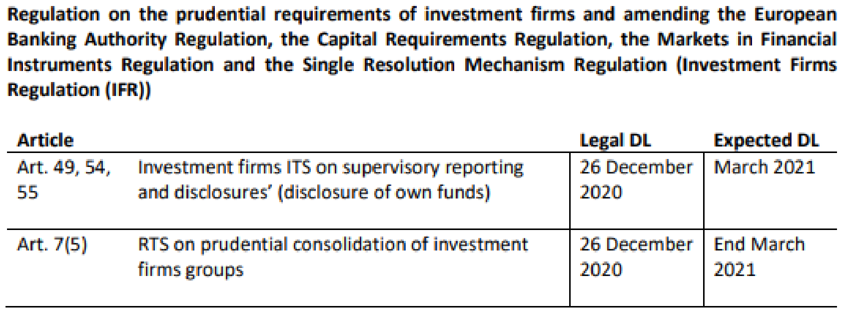
d. UK Government

- i. APPG FMS - role of parliament in FS reg framework - consultation report - Dec 20 - draft.pdf
- ii. HMT; Overseas_Framework_CfE_FINAL.pdf
- iii. 201127 Final Interim report UK regime for overseas firms.pdf
- iv. The Brexit trade deal – what it really means for financial services.pdf
- v. UK debt office pushes back after MP scrutiny of government bond sales; DMO defends 'syndication' process after questions over whether it delivers taxpayer value.pdf
- vi. UK Carbon Emissions Scheme; *BEIS has confirmed that a new UK emissions trading scheme (ETS) will run from the start of 2021 until 2030.*
- vii. *The confirmation, which follows a consultation on the future of UK carbon pricing once the EU ETS ceases to apply, is significant news for the over 1,000 UK participants in the EU ETS. These businesses will now need to put in place appropriate systems to achieve compliance with the UK ETS, including new trading arrangements and documentation.*

e. ESMA / EBA

- i. ESMA published yesterday its first set of Financial Instruments Reference Data System (FIRDS) files following the end of the Brexit transition period.
    1. The FIRDS delta files (DLTINS) published by ESMA contain information about:
    2. Termination of all UK financial instruments: (ISIN, MIC) records for MICs in the UK and which were still active have been terminated and their termination date has been set to 31 December 2020 at 22:59:59 UTC;
    3. Updated Relevant Competent Authority (RCA) for all financial instruments which previously had GB as RCA and which will continue to be traded in the EU.
    4. The FIRDS full files (FULINS) published by ESMA contain information on all financial instruments which are active on EU trading venues, along with their latest descriptions and RCA information.
- ii. ESMA Updates Guidance On Waivers From Pre-Trade Transparency
- iii. ESMA Publishes Cloud Outsourcing Guidelines; intended to help firms identify, address and ... monitor the risks arising from cloud outsourcing arrangements. They provide guidance to firms on: The risk ... their cloud outsourcing arrangements without undue disruption to their business;
- iv. *Consultation paper on Algorithmic trading under MIFID II* (here) – The relevant part of MIIFD II applies to any firm that carries out "algorithmic trading" in Financial Instruments, whether or not they use the Ancillary Activity Exemption. Those carrying out "High frequency" trading in Financial Instruments may not use the exemption at all.
    1. Consultation Paper MiFID II/MiFIR review report on Algorithmic Trading
- v. *The annual report on sanctions under MAR* (here) – Which summarises penalties imposed. The accompanying press release (here) reports on an increase in fines compared to last year.
    1. ESMA Issues 2020 Report On Accepted Market Practices Under MAR

        2. ESMA Sees Significant Increase In Eu Market Abuse Sanctions To €88 Million In 2019
    vi. ESMA Publishes Draft Technical Standards Under EMIR REFIT
    vii. Steven Maijoor Speaks At The Third Roundtable On Euro Risk-Free Rates
    viii. ESMA To Recognise Euroclear Uk & Ireland Limited (Eui) After Brexit Transition Period
    ix. esma_wp_4_2020_hft_and_ghost_liquidity.pdf
    x. ESMA Consults on MIFID II/ MIFIR Obligations on Market Data
    xi. Public Consultation on Procedural rules for penalties imposed on Benchmark Administrators
    xii. Public Consultation on fees for data reporting service providers (DRSP)
    xiii. Letter to Mr J Berrigan requesting revised deadlines of regulatory mandates



Regulation on the prudential requirements of investment firms and amending the European Banking Authority Regulation, the Capital Requirements Regulation, the Markets in Financial Instruments Regulation and the Single Resolution Mechanism Regulation (Investment Firms Regulation (IFR))

Article		Legal DL	Expected DL
Art. 49, 54, 55	Investment firms ITS on supervisory reporting and disclosures' (disclosure of own funds)	26 December 2020	March 2021
Art. 7(5)	RTS on prudential consolidation of investment firms groups	26 December 2020	End March 2021

    xiv. Consultation on Guidelines on internal governance for investment firms (EBA/CP/2020/27)
    xv. Consultation on Guidelines on remuneration policies for investment firms (EBA/CP/2020/26)

f. Consultation Responses
    i. APPG FMS - role of parliament in FS reg framework - consultation report - Dec 20 - draft.pdf
    ii. Associations send letter to Commission on DTO equivalence
    iii. FIA submits response to FCA Consultation Paper on its approach to international firms (CP20-20)

g. IFPR – IFR
    i. FCA publishes first consultation on new prudential regime for UK investment firms IFPR: (Back to December 2021 now)
        1. EVIA Collected Responses to FCA IFPR Questionnaire.pdf
        2. FCA-IFPR-CBA-Survey FCA-IFPR-CBA-Survey@fca.org.uk - *We just wanted to follow up on our discussion regarding the deadline to submit responses to the survey. We have decided to extend this to the 18th of January, which should hopefully give firms more time.*

ii. EBA publish final draft technical standards on the prudential treatment of investment firms; 16 December 2020
    1. a package of seven final draft Regulatory Technical Standards (RTS) on the prudential treatment of investment firms. These final draft RTS, which are part of the phase 1 mandates of the EBA roadmap on investment firms, will ensure a proportionate implementation of the new prudential framework for investment firms taking into account the different activities, sizes and complexity of investments firms.
    2. With the entry into force of the Investment Firms Regulation (IFR) and Directive (IFD), most of the investment firms authorised under the Markets in Financial Instruments Directive (MiFID) will be subject to a new prudential regime, different and independent from the Capital Requirements Regulation (CRR) applicable today. With today's submission, the EBA is preparing for a smooth introduction of the IFR/IFD, which is due to be applicable by mid-2021.
    3. The technical standards included in this package set out the main aspects of the new prudential regime in relation to the calculation of the regulatory capital requirements. They provide further technical clarifications on the methodologies to be applied by all types of investment firms, including investment advisors, portfolio managers, execution brokers, firms trading on own account and commodity dealers.
    4. In addition, certain specific investment firms may be required to apply the banking rules also after the entry into force of the IFR. Therefore, one of the mandates delivered today includes the criteria for the identification of these investment firms on the basis of their systemic importance.
    5. Finally, under the new framework, large investment firms trading on their own account or underwriting on a firm committed basis may be required to apply for a credit institution authorisation. To support this requirement, the package includes a specification of the information required for such authorisation, consisting of simplified and reduced requirements as to what is expected from a bank holding deposits or providing loans.

h. PTNGU: *US Rule Finalisation started in October and ClarusFT study on volumes*
    i. Ongoing: FCA and FISMA Discussions
    ii. ClarusFT; Anonymous Trading on SEFs; Chris Barnes; November 24, 2020.pdf

i. AML / KYC
    i. JMLSG Update:

j. Market Conduct Fines
   i. CME multiple fines on IDBs for Block reporting transgressions
   ii.

k. Energy & ACER
   i. ACER - Updated Open Letter on Brexit - 18 Dec 2020.pdf
   ii. ACER has issued several updated documents relating to REMIT:
      1. An updated open letter on the **application of Brexit** with respect to the upcoming transition, which can be found here. The letter talks about the requirement for those who will continue to be within scope of EU REMIT, but with UK ACER codes, to change them for EU ACER codes.
      2. The letter also states that any trade with delivery in the UK will not be in the scope of EU REMIT reporting, despite the fact that in some cases the "REMIT carve out" may still apply as per a statement from ESMA in relation to energy "traded in the union" (see here).
   iii. ACER has also released an updated version of the **REMIT Q+A** which can be found here. There are new/updated answers:
      1. III.3.46 (page 72) – On the definition of "installed capacity".
      2. III.3.47 (page 73) – About transportation contracts in scope of EU REMIT.
      3. III.7.22 (page 87) reiterates information in a recent letter about Inside Information Platforms (see here)
      4. III.7.22 (page 87) states that TSOs may, for a temporary period, publish Inside Information on the ENTSO-E platform .
   iv. ACER also released a document here that provides Question and Answers on the **fees** that will soon be levied by them in relation to reporting.
   v. **Minutes** of round table meetings with OMPs and Associations of Energy Market Participants can be found here and here.
      1. Minutes_OMPs Roundtable meeting_24 November 2020_draft_v2.docx
   vi. 2021 – Another year of regulation begins
      1. *Continued focus on anti-abuse activity* – As last year, the focus on anti-abuse activity in the form of organisation, processes and technology is likely to continue, given the time since rules such as MAR and REMIT started and the continuation of enforcement cases. We saw several high-profile REMIT fines last year (for example see here) and also a large number of fines worldwide, especially in the US (for example see here). There is no reason to think that this trend will not continue.
      2. *Improvements to internal monitoring –* A growing proportion of the industry has been rolling out trade surveillance systems over the past years, driven by both regulations and enforcement cases. This is likely to not only continue in 2021, but also grow into different areas. These could include communications surveillance improvements (particularly in the light of COVID 19) and also in other ways. For

example, several of the cases in 2020 involved fines for breaches related to physical notifications (for example see here). Methods to monitor for such breaches will need to be considered.

3. *Major changes to existing rules* – The end of last year saw the publication of a report on the new EMIR reporting formats (see here), which, although they will not apply yet in 2021, will likely occupy a great deal of time. The "quick fix" package relating to MIFID II (see here) will also, when it applies, require some change, although the outcome of those changes will likely see a drop in burden. Changes to REMIT and the bedding down of Brexit will also lead to a great deal of regulatory activity.
4. *Continued change by precedent and announcement* – In additional to major changes, the stream of precedents via cases and enforcements and announcements via documents such as questions and answers, only seem to grow with time. Those who have not already done so will need to improve their framework for dealing with such changes, be they related to reporting, anti-abuse measures, organisation changes or other aspects of compliance.

vii. TRUM Annex II revision

1. Update and align the content with the last version of TRUM 4 0 (e g cardinality fields)
2. Discussion around 3.18 / 3.22 Sleeves was postponed - LEBA pre-letter to ACER noting that it was better as it was
3. Include new examples on SIDC and SDAC reporting
4. Include additional examples (*e g within day contracts, day after markets, sleeve trades, vertically implied orders, etc based on ACER analysis and on the interaction with NRAs and stakeholders)*
5. Provide the description of each example (*today provided only for Table 2 examples)*
6. Fix inconsistencies and typos in the existing examples
7. Provide more examples on lifecycle events
8. Inputs and feedback will be collected via the dedicated survey until the end of 2020
9. In case of specific issues, or need for additional clarifications, OMPs might be contacted bilaterally
10. The outcome of the consultation will be shared by the end of February 2021
11. TRUM Annex II 4 0 and TRUM 4 1 to be published by the end of March 2021

j. FSB / IOSCO

1. CR03/2020 Market Data In The Secondary Equity Markets; *Comments on the report should be submitted by 26 February 2021*
2. IOSCO Secretary General Paul Andrews to depart IOSCO in February 2021
3. Global Monitoring Report on Non-Bank Financial Intermediation 2020
4. OTC Derivatives Market Reforms: 2020 Note on Implementation Progress

5. IOSCO Issues Industry Survey on Exchange-Traded Funds
6. IOSCO responds to IFRS Consultation on Sustainability Reporting & FSB Response to the IFRS Foundation's Consultation Paper on Sustainability Reporting

ii. Brexit MA.

a. The Brexit trade deal – what it really means for financial services.pdf
b. Summary of temporary transitional measures for EU27 Member States; 31 Dec 2020.pdf
c. Note on the UK-EU Brexit Agreement.pdf
d. Madman Johnson gets his Hollywood ending, Tim Shipman, The Sunday Times; 27Dec2020.pdf
e. Brexit trade deal explained_ the key parts of the landmark agreement _ Financial Times.pdf

iii. MiFID2.2/ MiFIR

a. The EU Parliament has published a press release announcing that its Economic and Monetary Affairs Committee (ECON) and the Council of the EU have reached political agreement on the EU Commission's proposal for a directive amending MiFID2 as regards information requirements, product governance and position limits (MiFID2 Quick Fix).
    i. The amendments set out in MiFID2 Quick Fix, which forms part of the Capital Markets Recovery Package aimed at facilitating the EU's economic recovery from the COVID-19 pandemic, are intended to simplify information requirements and support the growth of euro-denominated derivatives markets. Among other things, the press release notes the following agreed changes:
        - professional clients will no longer receive information on costs and charges, although they will continue to receive information on investment advice and portfolio management;
        - ex-post information on costs and charge to be suppled without delay and capable of being given over the phone, with clients also given a breakdown of the costs before concluding a transaction;
        - providing retail clients with the option to receive information in digital format;
        - disapplying certain product governance requirements to corporate bonds with make-whole clauses and financial instruments distributed to eligible counterparties; and
        - a lighter position limits regime for certain commodity derivatives. A final text of MiFID2 Quick Fix is expected once technical trilogues on noncontroversial elements are complete.
    ii. The press release also notes that the EU Commission should present, if appropriate, a proposal for a review of both MiFID2 and MiFIR by 31 July 2021 at the latest
b. Update of position limits for certain commodity derivative contracts
c. EVIA Response to ESMA Consultation Paper on MiFID II_MiFIR review on the functioning of Organised Trading Facilities (OTF); 25 November 2020.pdf

d. EVIA response to the EU public consultation on the review of the MiFID II_MiFIR regulatory framework; 18May2020.pdf
e. Possible UK DTO for OIS

iv. Benchmarks and LiBOR Topics

a. FCA response to IBA's proposed consultation on intention to cease US$ LIBOR
b. FCA consults on new benchmarks powers
c. *... and noting that ECON finally passed the third countries extension yesterday (having inserted their firebreak end 2023) - so wrt the use of benchmarks and settlement prices to swaps, UK/EU both fungible to each other and 3rd Countries for the foreseeable*
    i. On 30 November 2020, the EU Parliament and Council reached agreement on Commission-proposed amendments to the BMR. In anticipation of LIBOR's end' 2021 demise, the amendments give the Commission to power to propose replacement for the benchmark categories:
    ii. "critical" benchmarks, which influence financial instruments and contracts with an average value of at least €500 billion and could thus affect the stability of financial markets across Europe;
    iii. benchmarks with no, or very few, appropriate substitutes whose cessation would have a significant and adverse impact on market stability;
    iv. third country benchmarks whose cessation would significantly disrupt the functioning of financial markets or pose a systemic risk for the financial system in the Union.
    v. Parliament and Council strike a deal on the orderly termination of benchmarks - ECON
    vi. Negotiators agreed on provisions to ensure EU financial market stability, ahead of the expected cessation of the London Interbank Offered Rate (LIBOR) in 2021.
    vii. Caroline Nagtegaal (Renew, NL), the lead MEP on behalf of the Economic and Monetary Affairs committee, said: "I am pleased that Parliament's negotiating team has today reached a deal with the Council on this very important file. All the institutions stepped up their efforts to come to a swift agreement to ensure that the phasing out of widely-used benchmarks does not threaten financial stability within the European Union."
    viii. Key elements of the deal - if necessary, the European Commission will be granted power to replace:
    ix. "critical" benchmarks, which influence financial instruments and contracts with an average value of at least €500 billion and could thus affect the stability of financial markets across Europe;
    x. benchmarks with no, or very few, appropriate substitutes whose cessation would have a significant and adverse impact on market stability;
    xi. third country benchmarks whose cessation would significantly disrupt the functioning of financial markets or pose a systemic risk for the financial system in the Union

      xii. EU market participants will be able to use benchmarks administered in a country outside the EU until the end of 2023. The Commission will be empowered to adopt a delegated act by 15.06.2023 to prolong this extension by maximum two years until 31/12/2025, but such an extension will have to be duly motivated. The Commission will also prepare the report on legislative review by 15.06.2023 (accompanied where appropriate and motivated, by a legislative proposal).
      xiii. Next steps; Technical work on the text is now being carried out by the services of the three institutions. Thereafter, the agreement must be approved by the Economic and Monetary Affairs Committee and the Parliament as a whole.
   d. ECB; Third roundtable on euro risk-free rates on 14 December 2020
      i. On this occasion, the focus of the event will be the fallbacks for EURIBOR, where working group on euro risk-free rates members will guide
      ii. the audience through the recently launched public consultations on EURIBOR fallback trigger events and €STR-based EURIBOR fallback rates.
   e. ISDA - BMR third country regime_20112020_FINAL.pdf

v. CSDR
   a. CSDR: EU Commission consults on review report The EU Commission has issued a targeted consultation to gather views on the implementation of the Central Securities Depositories Regulation (CSDR). The CSDR requires the EU Commission to prepare a review report for the Parliament and the Council on the implementation of the Regulation.
   b. The consultation seeks input from stakeholders for the Commission’s report. The Commission’s report will consider a range of specific areas where targeted action may be necessary to ensure the fulfilment of the objectives of the CSDR in a more proportionate, efficient and effective manner. Amongst other things, the consultation seeks feedback on:
      i. CSD authorisation and review, and evaluation processes;
      ii. cross-border provision of services in the EU; •
      iii. internalised settlement; •
      iv. settlement discipline; •
      v. third-country CSDs; and •
      vi. technological innovation.
   c. The consultation closes on 2 February 2021

vi. US, No-Action, Interpretative Letters, Other Written Communications, and Advisories
   a. Statement of Chairman Heath P. Tarbert Announcing His Future Plans
   b. Global Markets Advisory Committee Met on December 17; discussed presentations regarding the global clearing landscape. Specifically, presenters will discuss regulatory developments to advance global derivatives clearing and the impact of the coronavirus pandemic on global clearing.

c. Technology Advisory Committee Met on December 14th; discussed presentations from the Virtual Currencies subcommittee and Distributed Ledger and Market Infrastructure subcommittee.

vii. Compliance Horizon Topics: Table

Compliance Horizon Topics:	Topics
Venue Compliance	MiFID2/R Refit Process [ESMA / NCAs]
	MiFID2.2 Review [FISMA]
	Reference Data: FIRDs/ FITRs/
	ANNA-DSB
	Reporting/ Reference Data:
	EMIR, Margin and Post-Trade
	CSDR Implementation
	SFTR Implementation
	CFTC
	AML_KYC Subgroup
	ACER Topics
Off Venue Compliance	FX Spot:
	Money Markets: Code of Conduct 3 year Review
	Role of Agency
	Exchange Block Rules
	Benchmarks
	Commodities Topics
	CBDCs, Crypto-Assets and Stablecoins
Conduct / People	Work from Home Office Supervision
	Fines /investigations
	Broker Gifts and Entertainment
	FMSB
	Training / Apprenticeships
Operational Risk / Prudential	IFR Level 2
	Pillar 2 Add-ons
RegTech, FinTech & CyberCrime Topics	FCA Trade Assoc Cyber Round Table JMLSG ISDA CDM JWG Working Group
EVIA/LEBA Weekly Roundups for November 2020	1. Weekly update on Key Regulatory Topics (Week 51 and Week 52; 21st December 2020 to 31st December 2020).pdf 2. Weekly update on Key Regulatory Topics (Week 50; 14th December 2020 to 21st December 2020).pdf

	3. Weekly update on Key Regulatory Topics (Week 49; 07th December 2020 to 12th December 2020).pdf 4. Weekly update on Key Regulatory Topics; Week 48; 30th November 2020 to 05th December 2020.pdf

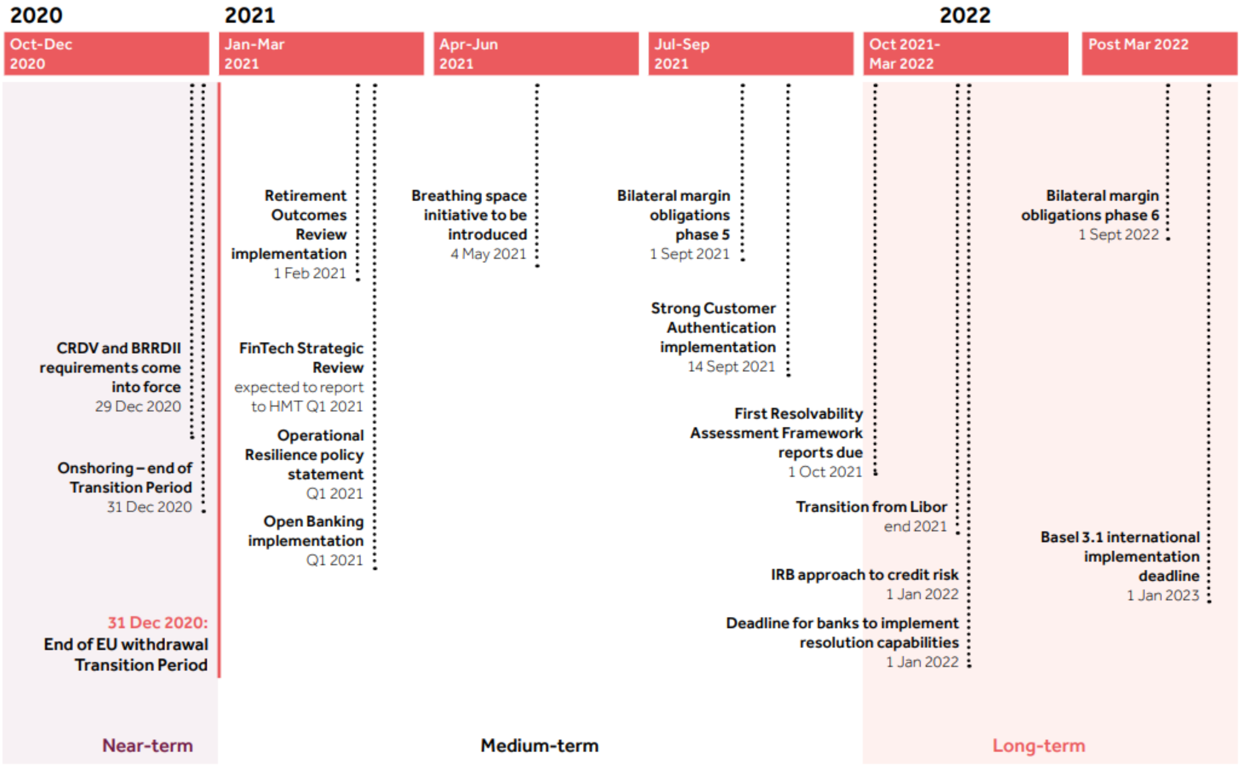
2. Regulatory Outlook and Diary

Q1 & Q2 2021	EU	As a result of the COVID-19 crisis, the European Commission will is now planning to publish its next banking legislative proposal (CRR III) in Q1 2021. The CRR III will transpose the market risk standards (FRTB) as a binding capital constraint, the output floor, the revised credit valuation adjustment framework, alongside operational and credit risk framework, amongst others. The proposal will also take into consideration the impact of the COVID-19 crisis on the EU banking sector
1H 2021	India	Basel III: Expected SA-CCR implementation.
1H 2021	India	Basel III: Expected implementation of standards for the capitalization of banks' exposures to CCPs.
1H 2021	Korea	Expected designation of critical benchmarks and administrators under the Financial Benchmarks Act.
January 1, 2021	US	Compliance date for FDIC, Fed, OCC, SEC, CFTC Final Rule on Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (See 84 Fed. Reg. 61974-62277 (November 14, 2019)).
January 1, 2021	EU	The European Commission shall adopt a delegated act, identifying sectors to be excluded from the methodology of Paris-aligned benchmarks under the European Benchmarks Regulation (BMR).
January 1, 2021	Australia	Expected commencement of revised Prudential Standard APS 111 Capital Adequacy: Measurement of Capital, which establishes the criteria for ADIs' regulatory capital requirements.
January 1, 2021	HK	Effective date of the revised Financial Services Providers (FSP) List under the clearing obligation.

January 1, 2021	EU	In the context of EMIR 2.2, ESMA shall submit a draft RTS specifying the conditions under which the Union currencies that are considered as the most relevant (driving representation of central banks in the college) and the details of the written agreement between college members (EMIR article 18 (6)).
January 2, 2021	EU	In the context of EMIR 2.2, ESMA shall submit a draft RTS develop draft regulatory technical standards specifying the conditions under which changes to a CCP's models and parameters are significant (EMIR article 49 (5)).
January 2, 2021	EU	The three-year derogation from margin rules in respect of non-centrally cleared over-the-counter derivatives which are single-stock equity options or index option where no EMIR Article 13(2) equivalence determination is in place is extended until January 4, 2021. Following this date, in the absence of an extension, equity option transactions will be in scope of the non-cleared margin rules in compliance with the Margin RTS (Commission Delegated Regulation (EU) 2016/2251).
January 2, 2021	EU	In the context of EMIR 2.2, ESMA has to provide a draft RTS on conditions under which additional services of a CCP require a new authorization and also specifying the procedure for consulting the college established in accordance with Article 18 on whether or not those conditions are met (EMIR 2.2 article 1 (2)).
January 15, 2021	US	Expiry of relief for certain members of DCMs and SEFs from time stamp requirements to facilitate separation of personnel in response to the COVID-19 pandemic (See CFTC Letter No. 20-02) Expiry of relief for FCMs and Introducing Brokers to facilitate physical separation of personnel in response to the COVID-19 pandemic (See CFTC Letter No. 20-03) Expiry of relief for Floor Brokers to facilitate physical separation of personnel in response to the COVID 19 pandemic (See CFTC Letter No. 20-04) Expiry of relief for RFEDs from recording, time stamp requirements due to COVID 19 pandemic (See CFTC letter No. 20-05) Expiry of relief for Swap Dealers from recording, time stamp, requirements due to COVID-19 pandemic (See CFTC Letter No. 20-06) Expiry of relief for SEFs from recording of oral communications, audit trail, and recordkeeping requirements due to COVID-19 pandemic (See

		CFTC Letter No. 20-07, 20-08) Expiry of relief for DCMs from audit trail and related requirements due to COVID-19 pandemic (See CFTC Letter No. 20-09) Expiry of relief for Insured Depository Institutions from the requirement to include certain swaps when calculating if it exceeds the registration threshold for MSPs, due to COVID-19 pandemic (See CFTC Letter No. 20-10) For extension of this relief see CFTC NAL 20-26
January 25, 2021	US	Effective date for CFTC Reporting Rules: Part 43, Real-Time Public Reporting Requirements; Part 45, Swap Data Recordkeeping and Reporting Requirements; and Part 49, Certain Swap Data Repository and Data Reporting Requirements.
January 31, 2021	Hong Kong	Date by which AIs should be in a position to offer products referencing alternative reference rates to LIBOR, and by which adequate fallback provisions should be included in all newly issued LIBOR-linked contracts that will mature after 2021.
January 31, 2021	US	Compliance date for NFA Swaps Proficiency Requirements, where APs must have completed the requirements (See NFA Notice to Members I19-09).
January 31, 2021	Malaysia	Commencement of HLA requirements for D-SIBs.

February 19, 2021	US	Expiration of an extension of relief to market participants, DCMs and SEFs from certain Part 45 reporting obligations in connection with the execution of swap transactions accepted for clearing by DCOs exempted from DCO registration or operating pursuant to no-action relief. Relief was also granted pertaining to certain data field reporting requirements in Parts 43 and 45 (CFTC Letter No. 18-03).
March 1, 2021	US; EU; Switzerland; Japan; Canada; Singapore; HK; Australia; Korea; Brazil; RSA	Three-month calculation period begins to determine whether the average aggregate notional amount of derivatives for an entity and its affiliates exceeds relevant threshold for initial margin requirements as of September 1, 2021.
March 10, 2021	EU	Requirements under EU Regulation 2019/2088 on sustainability-related disclosures in the financial sector (SFDR), in addition to those applicable from December 29, 2019, shall apply from March 10, 2021.


2020
2021
2022
Oct-Dec 2020
Jan-Mar 2021
Apr-Jun 2021
Jul-Sep 2021
Oct 2021-Mar 2022
Post Mar 2022
CRDV and BRRDII requirements come into force 29 Dec 2020
Onshoring – end of Transition Period 31 Dec 2020
31 Dec 2020: End of EU withdrawal Transition Period
Retirement Outcomes Review implementation 1 Feb 2021
FinTech Strategic Review expected to report to HMT Q1 2021
Operational Resilience policy statement Q1 2021
Open Banking implementation Q1 2021
Breathing space initiative to be introduced 4 May 2021
Bilateral margin obligations phase 5 1 Sept 2021
Strong Customer Authentication implementation 14 Sept 2021
First Resolvability Assessment Framework reports due 1 Oct 2021
Transition from Libor end 2021
IRB approach to credit risk 1 Jan 2022
Deadline for banks to implement resolution capabilities 1 Jan 2022
Bilateral margin obligations phase 6 1 Sept 2022
Basel 3.1 international implementation deadline 1 Jan 2023
Near-term
Medium-term
Long-term