Monthly Members’ Briefing – MiFID
Wednesday January 19, 2011 15:00 – 16:00 (GMT)
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Hosted by;
Simon Lewis, Chief Executive, The AFME
Mark Austen, Chief Operating Officer, The AFME
Mark Hart, Managing Director, The AFME
15:00 – 16:00 (GMT)

1. Introduction (Simon Lewis)
2. Overview of the process so far (Mark Austen)
3. Review of core issues (Mark Hart)
4. Next steps (Mark Austen)
5. Questions from audience (Mark Austen, Mark Hart)
6. Closing comments (Simon Lewis)
MiFID Legislative Process

- Consultation paper 8 December
- Response deadline 2 February
- Draft legislative proposals May (expected) - Co-decision process (Parliament – Council) starts
- EU Parliament Committee (Econ) votes and Council General Approach Nov/Dec 2011 (estimate)
- Trilogues Q1 2012 (estimate)
- Political agreement & text voted on Q2 2012 (estimate)
- Implementation Member States (2013) (rough estimate depending on regulation vs. directive)
• **Member Feedback:**
  - Relevant AFME Product/Policy committees (e.g. equity, credit, compliance, etc.) have inputted into draft response and provided draft answers

• **Trade Associations:**
  - Agreed division of drafting work (e.g. BBA, ICMA, ISDA, JAC and FOA) to share burden and improve consistency of response
  - Agreed to share work with European Financial Securities Association (e.g. French, Italians, Germans, Nordics, etc.) to improve consistency of response

• **MiFID Steering Committee:**
  - Established to ensure a coherent and coordinated response to MiFID II across the different AFME committees involved; and to prioritise issues for advocacy going forward
**AFME Response to Consultation**

**European Commission Meetings:**
- The AFME met with European Commission (Maria Velentza; deputy Maria Fabregas Fernandez, policy advisors Salvatore Gnoni and Jasper Jorritsma) on 13 January to discuss main points of the consultation paper at this stage
- The AFME European Public Policy Committee will meet with MiFID policy officer Laurent Degabriel on 21 January in Brussels

**AFME Response:**
- First draft response circulated on 13 January to relevant product/policy committees for feedback
- Second final draft response to be circulated to product/policy committees on 21 January (tentative) for sign off
- Distributed to all members for information purposes and open to comment for manifest error or omission
- Final sign off from MiFID Steering Committee week of 24 January
• **Six key themes;**
  
  • Market structure
  • Pre and post-trade transparency
  • Data consolidation
  • Transaction reporting
  • Investor protection
  • Supervisory practices
Review of Core Issues

- **Market structure**
  - Scope
  - One size fits all
  - OTC regime
  - Thresholds

- **Pre and post-trade transparency**
  - Liquidity arguments
  - Calibration

- **Data Consolidation**
  - Preferences
Review of Core Issues

• Transaction reporting
  • Key concerns

• Investor protection
  • Execution only
  • Investment advice
  • Information to clients

• Supervisory practices
  • Prohibitions
Next Steps

- Final draft response ready by the end of this week (21 January)
- The AFME will produce a draft position table covering the main points across various products by end of the month
- The MiFID Steering Committee will next week be deciding which positions take priority in our advocacy efforts
- The EPPC’s MiFID Core Group will lead the work on deciding on an advocacy strategy for the coming 6 months. The strategy plan will be discussed next week at the next MiFID Core Group meeting. It will include plans to meet with member states, regulators, financial attaches, MEPs and EU officials
  - Crowded space – whole financial community is responding – need to build coalitions across trade associations (regional and national); sell-side, buy-side; treasurers, corporates
  - Anti-capitalist NGO “Finance Watch” established in July 2011
  - G20 and French agenda (eg. transparency, commodities)
  - Dodd-Frank impact from US (MiFID elements agreed 2011)
- We are considering initiating trading floor educational days for interested MEPs and EU officials [to be agreed at EPPC]
To receive a copy of the near-final MiFID submission or to suggest topics for future calls please email briefings@afme.eu