

Supporting Europe's post-pandemic economic recovery

Annual Review 2021



The Association for Financial Markets in Europe advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefitting society.

AFME Board						
Fixed Income	Equities	Prudential	CCA	Technology & Operations	Cross cutting	Global
Credit	Equities Capital Markets	Regulation	Accounting	Technology & Operations	CMU & Growth	Foreign Exchange
High Yield	Equities Trading	Resolution	Compliance		MIFID	Commodities
Primary Dealers	Post Trade				Sustainable Finance	
Securitisation						

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Message from the CEO: Supporting Europe's post- pandemic economic recovery

Adam Farkas
Chief Executive Officer, AFME



When the pandemic hit Europe last year it brought about a new reality for both society and financial markets. Even though businesses appear to have weathered the storm with strong support from governments, this is still only the beginning of Europe's journey on its path to full recovery which will also need to lead to a more sustainable economy.

Over the past year AFME's focus has centred on how financial markets can play a key role in Europe's post-pandemic economic recovery. While the pandemic has upended many industries and business models, it has also provided an opportunity. Europe has the chance to rebuild sustainably supported by vibrant capital markets.

A key focus of our work this year has been to help provide solutions to markets and policy makers in assessing and then filling Europe's funding gap. It is estimated that Europe needs to bridge a gap of €450-600bn in equity financing to prevent widespread business defaults and job losses as Covid-19 state support measures are gradually reduced. Among our suggestions, we proposed a new EU-wide hybrid instrument designed specifically for the corporate sector. Our work has gained widespread attention and directly resulted in conversations at national level on the use of hybrid instruments and alternative sources of funding for corporates.

Our efforts on supporting Europe's recovery is interconnected with the overall health of capital markets. Our policy positions around the MiFID II review and advancing the Capital Markets Union aim to improve the competitiveness of Europe's capital markets and ensure the continent does not fall behind the recovery of other global markets. Similarly, AFME has worked hard to support that authorities calibrate prudential requirements by considering the realities facing the banking sector during this unprecedented period. Crucially, our research has helped ensure that evidence/data lead input from the industry is considered by authorities and the intricacies underpinning the health of Europe's capital markets are recognised.

Recognising the need for a transition to a sustainable economy during the recovery, AFME has also been setting out proposals so that the new frameworks developed by the European Commission allow for the acceleration of Europe's progress to becoming net-carbon neutral. A particular area of focus has been disclosure requirements and their appropriate sequencing between financial institutions and non-financial corporates.



Regarding Europe's digital agenda, AFME has continued to focus on facilitating greater innovation and efficiency within European financial services. Key to this work has been ensuring Europe adopts a harmonised approach to regulating new technologies that reduce fragmentation while also ensuring markets remain safe and operationally resilient.

Looking forward, it is clear that Europe has a defining year ahead. Through the collaboration and efforts of policy makers and industry, the foundations of Europe's post-pandemic recovery are in place. It is now a matter of ensuring they are calibrated and implemented as effectively as possible.

“Through the collaboration and efforts of policy makers and industry, the foundations of Europe’s post-pandemic recovery are in place”

Message from the Chair

Thalia Chryssikou
Head of Global Sales Strats & Structuring
at Goldman Sachs, Chair of AFME Board



It was a huge privilege to be appointed as Chair of the AFME Board in June this year. The important work of AFME, acting as a bridge between wholesale financial markets and regulators, continues to be key, particularly at a time when Europe is on the road to recovery from the economic effects of the pandemic and as we adapt to the new world post-Brexit.

I would like to thank my predecessor, Michael Cole-Fontayn, for his dedicated leadership of the AFME Board over the past 6 years. Under Michael's guidance, AFME has continued to cement its reputation as an evidence-based and reputable voice for Europe's wholesale financial markets and I look forward to continuing to maintain these high standards.

Over the past year, European wholesale financial markets have faced a number of challenges. The

pandemic has meant that many of our members have had to adapt to new ways of working, with existing processes also being tested. But I am happy to say that as an industry, we have shown great resilience and played a pivotal role in supporting businesses and the real economy during this unprecedented period.

However, despite the great resilience shown over the past year, there is still a lot of room for progress. Europe's economy has huge potential for transformation through digitisation and decarbonisation that will need to be facilitated through unprecedented levels of investment from capital markets. Through greater depth and integration Europe's capital markets can be a force of positive change and fulfil the needs of companies and investors.

I look forward to acting on behalf of all our members to enable our financial markets to rise to this challenge.

“Despite the great resilience shown over the past year, there is still a lot of room for progress. Europe’s economy has huge potential for transformation through digitisation and decarbonisation”

Key issues

MiFID



Sustainable Finance →

Technology and Operations

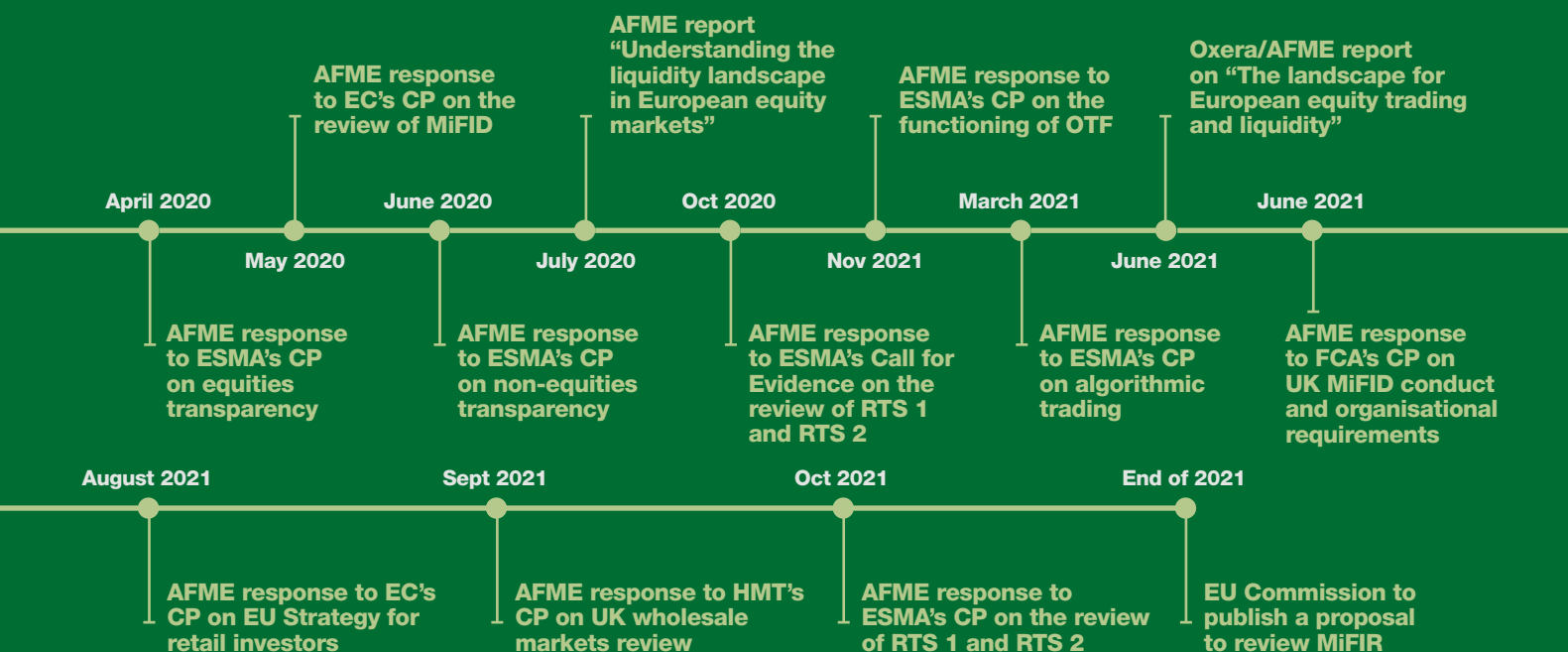
Capital Markets Union →

Brexit



Key issues: **MiFID**

Find out more



AFME Members continued to support European authorities on streamlining the existing regulatory frameworks to facilitate the recapitalisation of European companies and the recovery from the crisis.

In this context, AFME constructively engaged with the EU Commission and the Co-legislators on the **2020 EU “MiFID Quick Fix”** to help to identify and remove administrative burdens that were not strictly necessary to protect investors. This helped to strike the right balance between a sufficient level of transparency towards clients, the highest standards of protection and acceptable compliance costs for firms.

As part of the wider **review of MiFID/R**, AFME extensively contributed to the EU Commission 2020 Consultation on the **regulatory framework for investment firms and market operators**, where the Commission gathered evidence from stakeholders on areas that would merit targeted adjustments to MiFID, and, in 2021, to the Commission consultation on an **EU strategy for retail investors**, where the Commission sought stakeholders’ assurance that the existing framework for retail investments is suitably adapted to the profile and needs of consumers and enhances their participation in capital markets.

AFME also responded to **key ESMA consultations in 2020/2021**, informing ESMA’s advice to the EU Commission ahead of the report to the Parliament and Council on the overall functioning of the new MiFID II regime after 3 years of application. Amongst the most important, we note AFME’s submissions to ESMA’s consultations on (i) **the transparency requirements for equity markets, the double volume cap mechanism and the trading obligation for shares**, (ii) **the transparency regime for non-equity instruments**, (iii) **the functioning of the Organised Trading Facility** and (iv) **on algorithmic trading**.

More specifically in the context of the **UK reforms to its capital markets framework** to ensure that it is still fit for purpose after the withdrawal from the EU, AFME contributed to the **FCA consultation on conduct and organisational rules in UK MiFID, covering research and best execution reporting**, and, more importantly, to the HM Treasury consultation on the UK wholesale markets review, where Treasury aims to ensure that secondary markets regulation meets the highest standards, whilst remaining proportionate.

As part of AFME’s contribution to evidence-based **analysis** and to help improve the quality of the existing data, we set out AFME’s vision and suggestions on our 2020 report on **“Understanding the liquidity landscape in European equity markets”**, which we complemented by commissioning a report from Oxera Consulting on **“The landscape for European equity trading and liquidity”** in 2021. We also **responded to ESMA’s call for evidence** and consultation on the review of the reporting requirements and transparency obligations for equity and non-equity instruments.

AFME organised two **webinars** in 2021 covering equity markets (“A closer look at the MIFIR review - Achieving competitive equity markets in the EU”) and the consolidated tape (“A CMU that works for all investors: The role of the consolidated tape”).



Key issues:

Sustainable Finance

[Find out more](#)



“Enabling banks’ central role in making the EU’s economy sustainable remains a key priority for AFME and 2021”



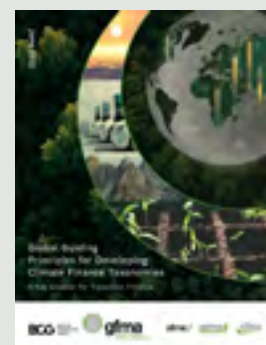
Enabling banks' central role in making the EU's economy sustainable remains a key priority for AFME and 2021 has been another eventful year for AFME's very active sustainable finance agenda. As the continent and UK recover from the impact of the Covid-19 pandemic and makes progress towards the 2050 climate-neutrality objective, both regulators and market participant strengthened their efforts to speed up the green transition. With this objective in mind, our advocacy contributed to the development of European sustainable finance policy on a number of topics such as prudential, compliance and post-trade, and wholesale capital markets asset classes such as IG corporates, high yield, ECM and securitisation.

Just after the launch of AFME and Latham & Watkins' "European ESG Disclosure Landscape for Banks and Capital Markets" report in April, the Commission presented a package of measures which included the long-awaited proposal for a Corporate Sustainability Reporting Directive amending NFRD, an essential piece of the Sustainable Finance rulebook intended at closing down the gaps in the quality and availability of ESG information. The proposal features some notable achievements for our advocacy, such as a broader scope and a change in the sequencing of reporting requirements consistent with those imposed on financial institutions. In our feedback to the draft transparency requirements included in the Taxonomy Regulation, we also provided our recommendations on how to improve the sequencing of meaningful disclosures, and we welcomed the Commission's decision to follow these recommendations. We will continue cooperating on the development of EU and international sustainability reporting standards and promoting global convergence.

“We will continue developing sustainability reporting standards and promoting global convergence”

In July, we welcomed the milestone publication by the European Commission of the EU Renewed Sustainable Finance strategy. As in AFME's recommendations, the strategy foresees the creation of a robust transition framework that recognises investments contributing to the transition towards a sustainable economy. We also welcomed the commitment for the EU to continue to cooperate with its partners in international fora to agree on common objectives and principles for the development of mutually compatible standards and frameworks.

Since many sustainable finance initiatives are at the global level, we continued to actively support GFMA on thought leadership in this area. In December, GFMA together with the Boston Consulting Group (BCG) published a report "Climate Finance Markets and the Real Economy" which provided significant data on the amounts and types of funding required to meet Paris 2050 goals in various regions, sectors and asset classes. In July, GFMA and BCG published "Global Guiding Principles for Developing Climate Finance Taxonomies – A Key Enabler for transition Finance", which provides five high-level principles to guide future enhancements and the development of new taxonomies. And GFMA member work has commenced on carbon markets, for completion later in the year.



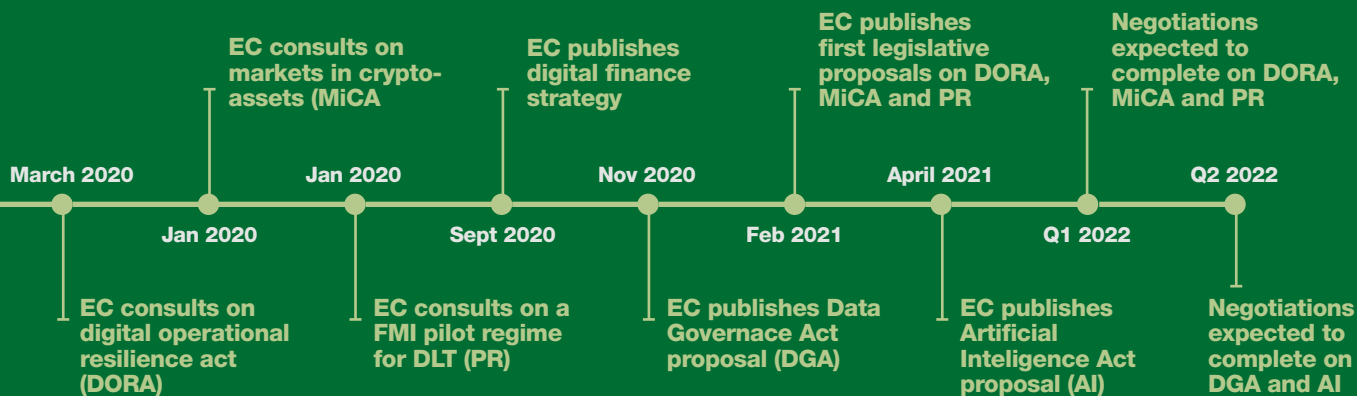
Key issues:

Technology and Operations

Find out more



- Operational resilience
- New technologies
- Data



The Technology and Operations Committee has continued its delivery against three strategic themes: operational resilience, new technologies, and data. The Committee focuses on how these themes can bring value to members, including creating opportunities for new products and services, enabling operational efficiency gains, and identifying new ways of working.

Throughout 2021 we actively participated in the flagship EU digital strategy (launched in February 2019), specifically developing detailed positions and deploying these during the negotiations for a digital operational resilience act (DORA), markets in crypto-assets (MiCA), and a pilot regime for market infrastructures based on distributed ledger technology (DLT). Further, we submitted responses to new EU horizontal proposals for a Data Governance Act, Data Act, and Artificial Intelligence Act.

Our positions reinforce the importance of competition in the digital space, the need to prioritise investments in a challenging cost environment, the benefits of promoting collaboration and a culture of innovation, and the requirement to develop new skills and capabilities for the future.

“Our positions reinforce the importance of competition in the digital space”

In November 2020, we published a [second report on technology and innovation in Europe's capital markets](#). In collaboration with PwC and building on our 2018 report, we assessed the progress and adoption of new technology within banks and the barriers that remain. The report received significant media coverage and successfully recommended the benefits of supervisory support to promote innovation whilst balancing any new risks as adopting new technologies and data-driven innovation gain in importance.

In September 2020, we published an industry-first report on [Agile ways of working at scale](#). The report successfully informed a wide-range of industry participants on the benefits of new ways of working that can bring efficiencies, increased quality, and new talent and skills to technology and operations functions in capital markets.

We also led several initiatives across the year focused on increasing the visibility and broader engagement of the Committee across the region. These included leading several public and private sector initiatives on our key topics and a virtual conference in November 2020 that reinforced our strategic agenda and acted as a platform to promote the work of AFME.



Key issues:

Capital Markets Union

Find out more



“Our work has focused on providing input on key workstreams for wholesale markets and seeking to maintain political ambition and momentum towards the delivery of the CMU priorities”



AFME has continued to engage comprehensively on the development of the Capital Markets Union (CMU) project. Following the 2020 CMU Action Plan adopted by the European Commission, our work has focused on providing input on key workstreams for wholesale markets and seeking to maintain political ambition and momentum towards the delivery of the CMU priorities.

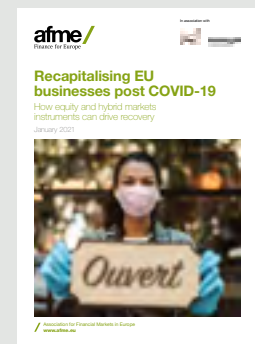
In October 2020 we published the third edition of of AFME's CMU Key Performance Indicators report "[Capital Markets Union – Measuring progress and planning for success](#)", with support from other European and international associations. The publication featured detailed analysis and country-by-country data tracking process on the advancement of the CMU objectives.

In response to the Covid-19 crisis, we have explored alternative types and sources of funding to support European businesses in their recovery. In January 2021 we published the report "[Recapitalising EU businesses post COVID-19: How equity and hybrid markets instruments can drive recovery](#)" in partnership with PwC. The report warned that Europe needs to bridge a gap of €450-600bn in equity and hybrid capital as Covid-19 state support measures are gradually reduced. Following the positive feedback on this analysis, a further publication is under preparation to examine specific features of a recapitalisation instrument model that could be referenced across Europe.

We have engaged extensively on a number of areas as part of the CMU work programme including MiFID II/R, securitisation, post-trading issues, the European Single Access Point (ESAP) and the evolution of the European Supervisory Authorities (ESAs) and capital markets supervision. Our work has remained focused on the objectives to expand the size, capacity, efficiency, liquidity, competitiveness and level of integration of the EU's capital markets.

We have maintained constructive dialogue with the European Commission and authorities across Europe, and have hosted, or participated in, multiple discussions with authorities on the evolution of Europe's capital markets.

Much remains to be done to fulfil the long-term objectives of the CMU. AFME will continue to provide fact-based analysis and support a robust agenda that delivers tangible progress on the CMU.



“AFME has continued to engage comprehensively on the development of the Capital Markets Union project”

Key issues: **Brexit**

Find out more



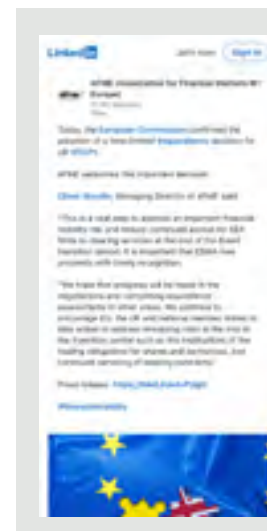
“In light of the very late agreement of the EU–UK Trade and Cooperation Agreement and the limited equivalence decisions put in place, we continued to support members’ preparations for the end of the transition period”



Our key focus in the lead up to the end of the transition period was to continue to support members throughout the political negotiations and in their preparations for the end of the transition period. In light of the very late agreement of the EU-UK Trade and Cooperation Agreement and the limited equivalence decisions put in place, we continued to support members' preparations for the end of the transition period. This included highlighting priorities for financial services, supporting members navigate EU, UK and EU member state developments, and addressing supervisory and regulatory requirements for firms operating in both jurisdictions. We were pleased that the extensive preparations by firms and supervisors avoided significant unexpected market disruption despite the limited provisions for financial services in the trade agreement.

“The extensive preparations by firms and supervisors avoided significant unexpected market disruption despite the limited provisions for financial services in the trade agreement”

Since the end of the transition period, we have continued to highlight the importance of enhancing cooperation in financial services including inputting into the MoU on regulatory cooperation and outstanding equivalence assessments. We were pleased to see progress on the technical agreement of the MoU, but progress has been held up by broader political discussions. We are also assisting members in tracking and navigating the evolution of regulation in the EU and UK following the end of the transition period and continuing our engagement with stakeholders in the EU and UK.



AFME in numbers

Our members



84 Full members
96 Associate members



Over **3,500**
members from
180 firms

Engagement



11,700
LinkedIn followers



3,800
Twitter followers



47,000
average unique page
views per month



142,900
Total EU
website visitors

Impact



90
Consultations
responded to



16
Expert publications
produced




29
Data reports
each year



+21%
Press articles




+30%
Coverage in
European media




Equities




Equity Capital Markets



Fixed Income Trading



High Yield




Post Trade



Prudential




CCA



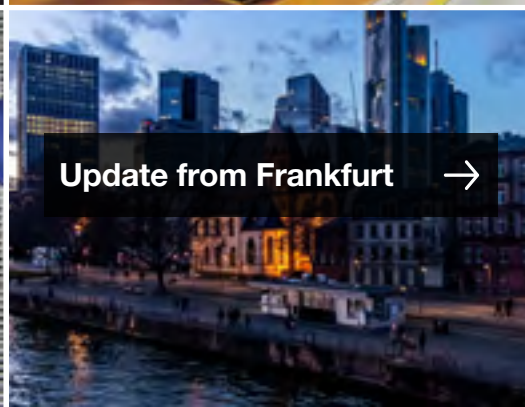
Securitisation



Division updates



Advocacy in Brussels



Update from Frankfurt



Equities

April Day
Managing Director, Equities Trading

Find out more



“Our report analysed market share across different execution platforms and emphasised the importance of using accurate data when assessing equities market structure”

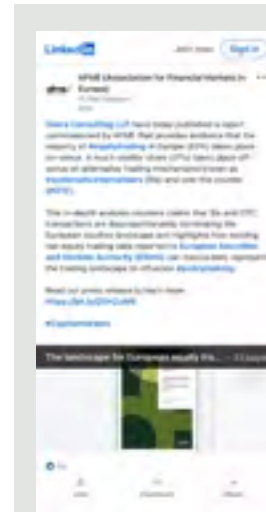
- Helping to drive the future of equities market structure
- Driving thought leadership on consolidated tape
- Engaging with stakeholders on market outages

AFME's Equities Division has continued its engagement on key topics impacting wholesale market participants in European equities markets. In June, AFME commissioned a report titled *"The landscape for European equity trading and liquidity"* which analysed market share across different execution platforms and emphasised the importance of using accurate data when assessing equities market structure. The findings of the report showed that market share data presented by ESMA was over-stating the size of systematic internaliser and OTC trading, a problem which is now being addressed in ESMA's CP on RTS 1 and RTS 2.

The analysis from AFME's report has been used to support advocacy relating to the future of European equities market structure and in AFME's response to ESMA's consultation and call for evidence on equities post trade transparency. Separately, AFME responded to ESMA's CP on algorithmic trading which raised a number of key topics including the definition of high frequency trading, direct electronic access and testing requirements for algorithmic trading strategies.

Looking forward, AFME will be responding to the HMT consultation on the Wholesale Markets Review which raises important issues regarding UK equity market structure. We also continue to engage with the Commission ahead of its legislative proposal which is due in Q4 2021 and is expected to be centred around the consolidated tape – an area where AFME has been a thought leader.

Finally, AFME has continued to engage with regulators and industry stakeholders on the topic of market outages with the aim of developing a mechanism that allows for trading to move to alternative trading venues in the event of a primary market outage.



“AFME’s analysis has been used to support advocacy relating to the future of European equities market structure”

Equity Capital Markets

Gary Simmons
Managing Director, High Yield and
Equity Capital Markets

[Find out more](#)



“We have engaged with members to address a number of important regulatory initiatives, including PRIIPs, Product Governance, the Prospectus regime, SPACs and non-Pre-emptive equity offerings”

- Responding to regulatory consultations on PRIIPs and the Prospectus regime.
- Responded to UK-related policy initiatives related to primary and wholesale market reviews
- Contributed to the AFME response to the Commissions consultation on a retail investment strategy

During 2021, the AFME High Yield division continued its work on the most relevant regulatory initiatives affecting European equity capital markets. These initiatives include PRIIPS, where in addition to responding to the Commission's consultation on a retail investment strategy and our general engagement with the Commission and other European policy makers, we are responding to the FCA's consultation on UK PRIIPS implementation.

The ECM Division has also continued its work on the Prospectus regime, including advocating for reforms to that framework and responding to relevant consultations and proposal. This work includes engaging with the Commission and other European authorities, as well as with UK authorities regarding UK implementation of prospectus rules post-Brexit. In this respect, we are responding to the UK HMT's consultation on the UK Prospectus regime.

The division engaged in extensive work related to the UK's review of its listing regime under Lord Hill, and several of our proposals were reflected in the final report. We are currently engaging with relevant policy makers regarding implementation of those proposals.

In addition to the UK-related matters mentioned above, the ECM division is also responding to the FCA's UK Primary Markets Review and HMT's Wholesale Markets Review.

We are drafting a comprehensive paper on special purpose acquisition companies ("SPACs"), which will include European jurisdictional considerations related to SPACs (and De-SPAC) transactions, as well as SPACs-related considerations under relevant regulations, including MIFID, MAR, AIFMD, and PRIIPs.

The ECM division has also formed a Sustainable finance committee that will conduct the division's work on sustainable finance matters. The committee has already hosted one well received seminar on relevant ESG matters, and will continue to monitor and provide advocacy as this market continues to develop.

***“Our sustainable
finance
committee will
monitor and
provide advocacy
as this market
continues to
develop”***

Fixed Income

Victoria Webster
Director, Fixed Income

Find out more



- Engaging with regulators on key issues such as bond consolidated tape, non-equity transparency regime, market data and pre-hedging
- Monitor and formulate responses to developments in regulation, policy and market structure affecting the government, corporate and covered bonds markets
- Responding to multiple consultation papers, including the European Commission's ongoing consultations on MiFID II review and ESMA's separate papers on non-equity Transparency and more technical RTS2 aspects, also trading and market data.
- Publication of valuable reference works such as the AFME Primary Dealer Handbook and Harmonised Reporting Framework table which assists members with their DMO reporting requirements.

The fixed income trading division continues to monitor and formulate industry-wide responses to developments in regulation, policy and market structure that affect the government, corporate and covered bond markets.

AFME maintains a high level of active engagement with European regulators in relation to the ongoing MiFID II Review on key issues such as the development of a bond consolidated tape, non-equity transparency regime (with a particular focus around post-trade deferrals), market data and pre-hedging, which have a significant impact on the functioning of fixed income markets.

Over the past year AFME's Fixed Income MiFID Policy and Market structure Workstreams submitted responses to:

- ESMA's CP on MiFID II/R market data obligation
- ESMA Call for Evidence on RTS2
- ESMA's final report on MiFID II/MiFIR review
- ESMA CP on functioning of OTFs

And are currently responding to:

- HMT Wholesale Markets review
- ESMA CP on review of RTS2

“AFME maintains a high level of active engagement with European regulators”

Key themes focus around AFMEs support for a well-calibrated transparency framework for bond markets that protects investors and does not put committed liquidity providers at any undue risk.

AFME has been engaged in the work of the ECB's Debt Issuance Market Contact Group (DIMCG). Which is identifying and formulating recommendations to address the obstacles to debt issuance and distribution (covering the full transaction chain from pre-issuance to post trade) through greater efficiency and integration. The groups work will result in a publication of the findings and recommendations expected October 2021.

Although the Primary Dealer handbook update will commence later this year the HRF table provides a valuable resource for members to assist with their monthly reporting to DMOs, this also feeds into the AFME quarterly government bond data report providing information around the number and changes of primary dealers within a jurisdiction. However, since Brexit the reporting format has become less harmonised and work is currently ongoing to address this.

Planning is underway for the 16th Annual European Government Bond conference which, will again be held virtually, on 17th November and focuses around sustainability/Sovereign green bond market, NGEU infrastructure and the outlook post pandemic.

The Credit Board noted with interest the recent European Commission Central Securities Deposit Regulation (CSDR) regime review where they are considering proposing amendment to the framework regarding mandatory buy-ins, subject to an impact assessment. The board will continue to feed into the post trade division's advocacy efforts

The Covered Bond trading group continues to track developments towards the EU-wide covered bonds framework and any unforeseen impacts on trading or secondary markets that may materialise either generally or as a result of MiFID II review proposals.

High Yield

Gary Simmons
Managing Director, High Yield and
Equity Capital Markets

Find out more



“We have continued to advocate for robust effective European high yield and leveraged finance markets, including producing industry recommendations, guidelines and standards”

- Increased its coverage of Sustainable Finance matters, including updating its HY ESG Recommendations and providing advocacy on issues related to ESG ratings and data
- Continued to facilitate discussion and engagement amongst the market through investor discussion forums, joint initiatives and industry events
- Continued to advocate for insolvency reform, including submitting a response to the European Commission’s consultation on discrepancies in national substantive insolvency laws

During 2021, the AFME High Yield division increased its work related to Sustainable Finance matters. This included discussing and analysing relevant regulatory developments, as well as updating our High Yield ESG Recommendations, and responding to IOSCO's consultation on ESG Ratings and Data Providers. We also intend to host an event related to HY ESG matters early next year.

In connection with the FMSB's proposed standard for sharing of investor allocation information, the AFME High Yield Division wrote a letter to, and continues to engage with, the FMSB to discuss concerns with the standard's application to the high yield market.

We have continued to engage with the investor community, both internally and through engagement with the European Leveraged Finance Association (ELFA). We expect this engagement to continue through further bi-lateral discussions, as well as joint initiatives and events where appropriate.

We are also increasing our work on leveraged loans, including a paper on proposals for reducing settlement times for such loans, and will continue to consider relevant loan-related issues.

In addition to these major workstreams, the high yield division also considered items such as (a) IBOR transition, (b) Brexit implications, and (c) the proposed European Single Access Point.



“We have continued to engage with the investor community, both internally and through engagement with the European Leveraged Finance Association”

Post Trade

Pete Tomlinson
Director, Post Trade and Prime Services

[Find out more](#)



“Regulation, in particular CSDR Settlement Discipline, dominated the work of the AFME Post Trade Division throughout 2020 and 2021”

- Led industry engagement on CSDR mandatory buy-in rules
- Produced model terms and market guidelines to assist with CSDR compliance
- Helped members with key implementation projects including SRDII and Irish securities migration

Regulation, in particular CSDR Settlement Discipline, dominated the work of the AFME Post Trade Division throughout 2020 and 2021.

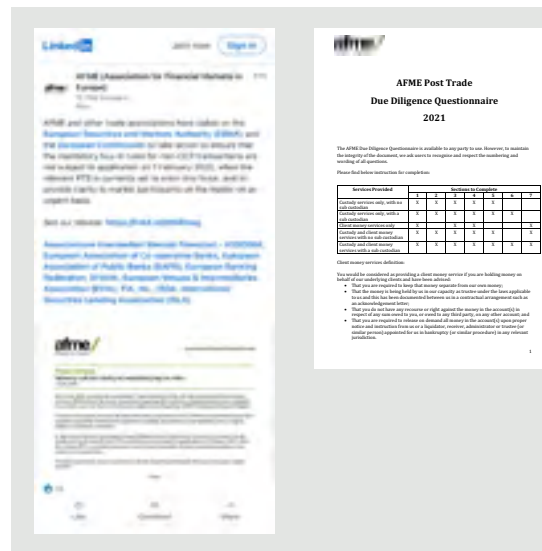
The Settlement Discipline regime was originally intended to enter into force in February 2021. Following extensive advocacy from AFME, in close coordination with other trade bodies, the implementation date was delayed by 12 months, and the topic was included by the Commission as part of their consultation on CSDR.

AFME provided detailed, evidence-based responses to the consultation, calling for changes to the mandatory buy-in rules. This has been followed by a total of 19 advocacy meetings with European regulators and policy makers to ensure members' voices are heard.

It is encouraging that the Commission has concluded that "it is appropriate for the Commission to consider proposing certain amendments, subject to an impact assessment, to the settlement discipline framework, in particular the mandatory buy-in rules"

In preparation for potential implementation, we have developed model contractual provisions designed to help ensure consistent contractual incorporation of Article 25 requirements. We have also submitted multiple Q&As, essential to members' better understanding of the regulation, and engaged closely with the CSDs to review, and where necessary challenge, their implementation plans, advocating for a harmonised approach.

AFME provided a forum for members to navigate the implementation of another key piece of post-trade legislation, the Shareholders Rights Directive II, in September 2020. We engaged external counsel to obtain legal opinions on the transposition of the directive in 29 jurisdictions, capturing differences in national implementations. Post go-live, we continue to collaborate with other associations in advocacy to the European Commission and ESMA.



The AFME Post Trade Legal Committee also recently responded to the European Commission's consultations on the Settlement Finality Directive and Financial Collateral Directive, two key files underpinning the legal framework for securities settlement in Europe.

In March 2021, Irish securities migrated from the UK CSD to Euroclear Bank. AFME facilitated a forum to support members with the new model, arranging multiple meetings with Euroclear Bank pre- and post-migration.

Outside of the regulatory sphere, AFME continued to update the AFME Due Diligence Questionnaire. This year's iteration features the addition of pandemic related questions and a new Operational Resilience section.

Finally, AFME successfully held its 13th annual Post Trade Conference in a virtual setting for the first time. In addition, this was followed up with a joint AFME-DTCC educational event on CSDR. These events were attended by a combined total of over 750 delegates.

From 1st August 2021, Pete Tomlinson will assume leadership of the Post Trade Division.

Prudential

Michael Lever
Managing Director, Head of Prudential
Regulation

Find out more



- Continuing to prepare and advocate on members' CRR3 priorities in advance of the proposal's publication
- Responding to regulatory consultations in emerging areas of policy such as crypto assets and ESG risks
- Reflecting on the ongoing impact of Covid-19 in the regulatory space
- Representing members evolving interests in EU and UK prudential policy developments, including Level 2 and implementation topics
- Engagement with policy makers on proposed changes to the treatment of third country branches and on the classification of third country investment firms.
- Participating and providing input in key international workstreams that can have an impact on bank capital requirements, structures and trading businesses.
- Continuing our engagement with the ECB on prudential supervision

European prudential work

AFME's prudential team has focused on preparation for the publication of CRR3 implementing the final Basel III standards. This was delayed by one year in light of the Covid-19 pandemic. Work has included the development of [nine position papers](#) covering our key priorities and recommendations for the package, the proposal for which is now expected in October 2021. We expect these priorities, including the calculation methodology of the Output Floor, to be duly considered in the proposals.

Aside from this, we have used the additional time to undertake a QIS to establish the true cost and impacts of implementing Basel III which should demonstrate the additional capital banks will be required to hold beyond the minimum regulatory requirements. We have also set out to the Commission some other areas which the CRR3 package should address in addition to Basel III, our highest priority being the review of the SA CCR framework and impact this will have on commercial end users, as well as a review of the treatment of NPLs.

Ongoing impact of Covid-19

The Covid-19-linked decision to suspend dividend and other distributions is now well recognised as being closely related to the framework for capital buffers. While we worked hard to encourage the

earliest possible resumption of dividend and other distributions, it will be important to establish ways to avoid such a situation arising in future by looking at options to improve the usability of buffers. To this end we are developing a position paper to provide thought leadership on this topic.

We have also continued work on aspects of procyclicality. After the Covid-19 related market risk QIS in 2020, we have continued to advocate for efficient supervisory levers to reduce potential procyclicality in the new market risk framework. Additionally, we continue to address procyclicality (continue with existing sentence inherent in the supervisory liquidity management framework including the historical look back approach for collateral outflows under the LCR and the consideration of the treatment of equities as HQLA. This is in addition to our continued engagement with policymakers on the usability of liquidity buffers.

UK work

In light of Brexit, AFME is now starting to engage more directly with UK specific work and has responded to PRA consultations on the UK's approach to investment firms, Basel III, branch and subsidiary supervision and implementation of the UK leverage ratio to a broader set of financial firms operating in the UK.

“We have focused on preparation for the publication of CRR3 implementing the final Basel III standards”



Other European work

Aside from Basel III, the prudential division has responded to over 19 consultations relating to banking and investment firm regulation. Notably these are expanding to new areas of regulatory focus such as the treatment of crypto assets and the incorporation of ESG risks into Pillar 3 reporting and risk management and supervision. We expect these topics to grow in regulatory importance in 2021.

Following the re-organisation of the ECB's Banking Supervision function from 1 October 2020 onwards, AFME continued its close engagement with the ECB. We wrote to the ECB to extend the 'exceptional circumstances' that facilitate exempting central bank deposits from the leverage ratio measure. This was granted by the ECB and member banks can benefit from a significant additional headroom under the EU leverage rules until March 2022. This is a significant achievement, considering that other jurisdictions have opposed similar extensions.

Earlier this year, we secured an industry-wide dialogue with the ECB to discuss supervisory priorities and planning for 2021 to continue industry/ECB exchange in a virtual format and assist members' internal planning with respect to supervisory activities throughout the ongoing pandemic. We also continued our engagement with the ECB on its supervisory expectations for banks on Brexit and participated in roundtables on key risks and challenges to the SSM banking sector.

With regards to stress testing, we wrote to the SSM, the EBA, and the ESRB asking for careful consideration of how the results of the stress test will be communicated to the market given the severity of the adverse scenario due to Covid-19, and how they will interact with Pillar 2 guidance. Furthermore, the updated EBA guidelines suggested that on balance sheet synthetic securitisations should be allocated to Risk Bucket 3, with significant impact on capital outcomes. AFME wrote to the EBA, highlighting

the low-risk nature of such securitisations and that previously they have been allocated to Risk Bucket 1. The EBA provided a FAQ to confirm that such instruments can still be allocated to Risk Bucket 1, qualifying for much lower stress test impact.

There is continued and on-going high levels of detailed implementation work with member firms and policy makers in relation to reporting and other Level 2 matters, including complex on-going work on treasury and liquidity related topics.

We have prepared a position paper with members on the supervisory treatment of third country branches, and we are in contact with interlocutors on this topic following the publication of the EBA's report with wide ranging recommendations for change. While we support some of the EBA's proposals we have strong reservations on others, including in particular the risk of automatic requirements for subsidiarisation. This would have detrimental effects on the financing of European companies and consumers and the proposal considerably exceeds the policy approaches in the UK and US.

Global prudential work

AFME and the GFMA have worked on several prudential topics over the past year. We provided feedback to the Basel Committee's consultation on updated operational risk management guidelines, FSB's too-big-to-fail (TBTF) agenda and treatment of crypto assets discussion paper. With regards to outcomes, we achieved significant changes to the operational risk management guidelines, aligning the guidelines better with the updated capital standards and associated reduction in operational burden. In terms of the TBTF agenda, the international standard setters broadly agreed with our comment letter, avoiding further bank structural measures and instead focusing on improving resolvability from a supervisory perspective and supervisory cross-border coordination.

Recovery & Resolution

- Continuing to advocate for member priorities across recovery and resolution policy and its implementation
- Highlighting priorities for the upcoming review of the crisis management framework within the European Union
- Representing members both regionally and globally in ongoing policy initiatives in the resolution space

Over the past twelve months the focus of AFME's Recovery and Resolution Committee has been on the continued implementation of the Risk Reduction Measures (RRM) package, as well as preparatory work for the upcoming Crisis Management and Deposit Insurance (CMDI) review in the European Union and ongoing work in the UK.

Key elements of secondary legislation in the form of regulatory and implementing technical standards (RTS/ITS) have been consulted on by the European Banking Authority (EBA) to further progress the implementation of the RRM package. AFME has responded to many of these to highlight our members' concerns and set out alternative policy solutions. In many places these have been acknowledged and taken on board by the EBA, and we now look ahead to the adoption of several outstanding RTS and ITS in the coming months. Pending these being finalised AFME has also engaged with evolving interim policies stemming from the Single Resolution Board in a number of key areas.

AFME has also looked ahead to the anticipated CMDI review that is due to be conducted by the European Commission later this year/early next year. We responded to the consultation on this topic in early 2021, and have begun to produce and prepare materials for advocacy on our members' priorities. The CMDI review has the potential to further change the landscape of resolution policy in the European Union for all banks, and AFME has ensured that its members' views are heard in this ongoing policy debate.

Elsewhere we have continued to remain active in the UK. This has included regular engagement with relevant officials, including on the UK's approach to transposing BRRD2, as well as responding to the Bank of England's MREL Review consultation. AFME has also engaged in work at the international level through GFMA, most notably through providing members' views to the FSB on their initiative to assess better ways of gathering information to support firms' preparations to maintain continuity of access to their critical FMI intermediaries.

Looking ahead, we expect a very active year with the upcoming CMDI review, as well as continued work to finalise and implement level 2 technical standards.

“We expect a very active year with the upcoming CMDI review, as well as continued work to finalise and implement level 2 technical standards”

Compliance, Control & Accounting

Richard Middleton
Managing Director,
Head of CCA

[Find out more](#)



- Market Regulation and Supervision
- Financial Crime
- Corporate Governance
- Financial Accounting and Reporting
- Independent Valuation Controls
- Tax

The Compliance, Control and Accounting (CCA) division focuses on European and UK Compliance, Financial Reporting, Independent Valuation Controls, and European Tax.

Our Compliance work programme focuses on supporting Members with practical compliance challenges, engaging with regulators, and influencing the European and UK regulatory environment to promote a culture of integrity and effective conduct regulation. We set priorities in key areas of market regulation and supervision, financial crime and corporate governance.

During this year, we have supported our members in adjusting to the post-Brexit environment and in dealing with the practical challenges of remote working. As workplace models developed, Members continued to focus on maintaining a robust control framework. We published a report with EY on *'The Future of the Compliance Control Environment'*, which sets out considerations for firms in ensuring that their control environment continues to meet supervisory expectations, and to evolve to address new and developing risks. We hosted a webinar on Post-Pandemic Compliance with the participation of the Central Bank of Ireland, covering the changing roles and responsibilities of compliance following the pandemic and considered how firms can prepare for what will happen next. We hosted a roundtable discussion with Clifford Chance and Members on Covid-19, data protection and return to the office considerations.

On **market regulation and supervision**, we responded to the PRA consultation paper on their supervisory approach to branches and subsidiaries of international banks. In our response we called for an outcomes-based approach and invited the PRA to provide further information concerning its cooperation arrangements with home state supervisors. On the forthcoming review of the Market Abuse Regulation, we engaged early with ESMA and the European Commission to highlight specific aspects for their consideration. We worked with EY to publish our new thought leadership paper on *'Governance of Market Abuse Surveillance Controls – An industry perspective'*. The paper will support firms in developing their strategic roadmaps.

On **financial crime**, AFME engaged constructively with the European Commission, EU and UK regulators, and EU member states. We responded to the EBA's consultations on risk-based AML supervision, and on a central AML database. In particular, we emphasised how transparent and coherent rules on risk-based supervision allow AFME members to have a clear understanding of the EBA's expectations. We responded to highly technical consultations such as the FATF consultation on its guidance on virtual assets and virtual asset service providers. We commented on the BaFin's new Guidance for Credit Institutions, advocating a risk-based approach. We approached the FCA and HMT to assess issues related to the Treasury list of High Risk Third Countries.

“We have supported our members in adjusting to the post–Brexit environment and in dealing with the practical challenges of remote working”

On **corporate governance**, our SMCR Working Group coordinated industry feedback to the FCA on the new Directory of Certified Persons, including forming a Working Group with the FCA to test its revised implementation. We engaged in the EBA and ESMA consultations on Internal Governance and Suitability Assessments, as well as the ECB consultation on its revised Guide to Fit & Proper Assessments. On remuneration, we responded to the EBA Guidelines on Sound Remuneration Policies and the UK consultation on Material Risk Takers. The FCA and PRA released their final rules on the application of CRD 5 remuneration provisions. The rules clarified a number of the points we had asked for and produced a more streamlined set of Material Risk Taker categories between the two regulators.

On **financial accounting and reporting**, AFME and Members engaged with the standard setters on key accounting policy issues. We met with the IASB and EFRAG to discuss the post implementation review of IFRS9. We advocated for early consideration of the application of IFRS9 to instruments with ESG features. On IBOR reform, we continued to support Members in the transition to risk-free rates, facilitating regular industry discussions and workshops.



“We continued to support Members in the transition to risk-free rates, facilitating regular industry discussions and workshops”

On **independent valuation controls**, we continued to provide Members with a helpful platform for discussion of technical standards, for example those governing the classification of financial instruments into Level 1, Level 2 and Level 3 of the Fair Value Hierarchy.

On **tax**, we worked with our European Tax Forum to address the new Spanish Financial Transaction Tax (FTT), which went live in January 2021. AFME worked with Freshfields to develop a standardised protocol for all market participants to minimise the need for complex and inefficient bilateral agreements. Over 290 market participants have so far signed up to the AFME Spanish FTT Protocol.

Events are an important part of our work. This year, AFME hosted its annual European Compliance & Legal conference in a virtual format, including sessions on key topics such as the MiFID review, sustainable finance, conduct regulation and supervision, market abuse and financial crime. Over 250 delegates from across the sector participated. Robert Ophèle and Verena Ross delivered keynote speeches.



5th Annual European Compliance & Legal Conference
Left: Robert Ophèle)
Right: Verena Ross

Securitisation

Richard Hopkin
Managing Director, Head of Fixed Income

Find out more



“AFME’s advocacy bore fruit with the publication by the European Commission of a wide-ranging consultation for the upcoming review of the Securitisation Regulation.”

- Improved the outcome of the Capital Markets Recovery Package for securitisation (CMRP), mitigating some of the proposed restrictions on synthetic and NPL securitisation
- Improved the Basel Committee’s proposals for NPLs
- Prevented EU lenders and investors being shut out of the Australian securitisation market
- Published Europe’s first Paper on for green securitisation and a Discussion Paper on ESG Diligence and Disclosure Practices

We welcomed the Securitisation Capital Markets Recovery Package (“CMRP”) which extended the “simple transparent and standardised” or “STS” label to “synthetic” or “on balance sheet” securitisations, and which also eased conditions for the securitisation of non-performing loans. Both these developments were important for the market, although their full benefit was somewhat constrained by amendments made during the legislative process. While the European Commission acknowledged the importance of securitisation as a key pillar of Capital Markets Union, some co-legislators remained sceptical.

Another specific achievement was correcting an unintended prohibition (deep in the detailed wording of the CMRP) on EU investors and lenders from participating in Australian securitisations. Despite the very late stage in the legislative process at which this became apparent, we worked closely with members and colleagues in Australia to resolve the issue.

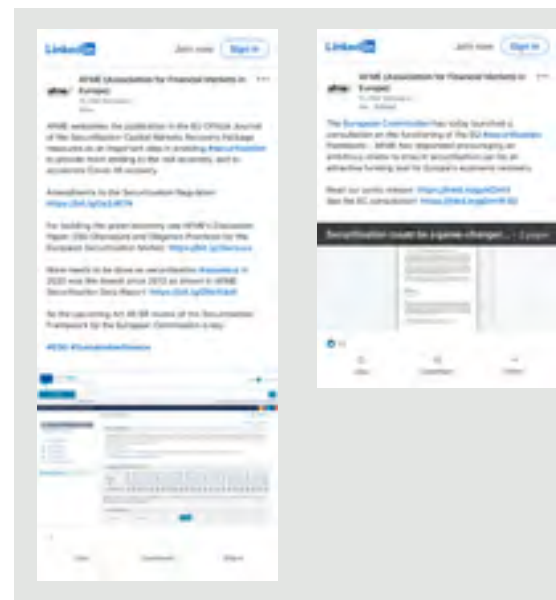
Other important work included improving the Basel Committee’s Technical Amendment for the capital treatment of securitisations of non-performing loans, now implemented as part of the CMRP in the EU, and expected shortly to be implemented also in the UK.

“While the European Commission acknowledged the importance of securitisation as a key pillar of Capital Markets Union, some co-legislators remained sceptical”

While the market is still small, green and ESG securitisation increases in importance each year and we were pleased to publish Europe’s first principles for green securitisation and a Discussion Paper on ESG Diligence and Disclosure Practices.

Our focus now turns to the European Commission’s consultation ahead of its review of the EU Securitisation Framework. Throughout the last 12 months AFME has been advocating strongly for a wide and ambitious review of the EU Securitisation Framework which, while in effect since January 2019, has not led to meaningful market growth or wider use of securitisation by new issuers and investors.

We are pleased that the consultation is wide-ranging and seeks feedback not just on the Securitisation Regulation itself but also the associated capital and liquidity rules. Adjustments to these are key for the securitisation market to recover and play a major role not only in recovery from the Covid-19 pandemic, but also the transition to a more sustainable economy.



Advocacy in Europe

Jacqueline Mills
Head of Advocacy

[Find out more](#)



“We have also implemented a new, structured approach to our coverage of national authorities and markets”

- Work has stressed the importance of market-based financing post-pandemic
- Successful virtual outreach programmes
- Expanded, structured approach to engaging with interlocutors

Working closely with AFME's policy teams, the advocacy function aims to formulate and deliver well-articulated, fact-based positions to European policy makers, ensuring members' views are taken into account in the development of regulatory frameworks. Our work this year has been focused on stressing the ongoing importance of market-based financing to ensure that post-pandemic corporate recapitalization needs as well as the significant investment requirements driven by sustainable and digital economic transformation can be met.

Outreach programmes have continued successfully in the virtual environment. We carried out several hundred advocacy meetings with the regulatory community this year, covering AFME's policy priorities across the banking, markets, digital and sustainable finance agendas and preparing the ground for the major upcoming reviews which lie at core of members' interests (MiFIR 2, CRR 3, Securitisation Regulation, Wholesale Markets Review, etc.).

Engagement has spanned a wide range of interlocutors, including the EU institutions, regulatory and supervisory bodies and finance ministries. Since the end of the transition period, we have increased targeted engagement with UK authorities as they seek to build a regulatory framework for financial services outside of the EU and strive to ensure that our positions are consistent and appropriately contextualised for both our EU and UK counterparts. We have also implemented a new, structured approach to our coverage of national authorities and markets, prioritising closer connections with the domestic financial services ecosystems of Germany and France and refreshing the Frankfurt and Paris member advisory groups for this purpose. In the UK, we have dedicated specific resource to leveraging our existing policy maker contacts and upscaling our involvement in various industry bodies.

The European Public Policy Committee continues to provide strategic guidance on the association's advocacy priorities and activities and offers a valuable forum for in depth, regular dialogue with senior public sector interlocutors. Additionally, the official sector remains well engaged with AFME via our conferences, both as speakers and delegates, and our events programme has been complemented with an increasing number of webinars featuring decision makers and technical experts on core, as well as emerging, policy issues. Finally, we have worked closely with our communications and research team to deliver impactful media campaigns, report launches and to continue to ensure members' businesses and the broader role of primary and secondary markets are well understood and reflected in financial services public policy debates.

“We aim to formulate and deliver well-articulated, fact-based positions to European policy makers, ensuring members' views are taken into account in the development of regulatory frameworks”

Update from Frankfurt

Richard Middleton
Managing Director



“During the year, we consolidated our office in Frankfurt with the appointment of two staff members, and we renewed the Frankfurt Forum”

- Consolidated office with two new appointments
- Extensive advocacy outreach in Germany
- Hosted European Financial Integration conference

During the year, we consolidated our office in Frankfurt with the appointment of two staff members, and we renewed the Frankfurt Forum, a member group to provide strategic guidance on our future activities in Germany.

As part of our overall country coverage plan, we carried out extensive advocacy outreach in Germany and had constructive engagement with the official sector, in particular with the BMF and the BaFin, focusing on key regulatory files such as MIFID, CSDR, securitisation, digital, and AML.

We are keen to work together with other associations in Germany, and are developing strong links with a number of organisations, including the VAB (Association of Foreign Banks) and with Frankfurt Main Finance, as well as with the buy-side and corporate sector.

We recently hosted our European Financial Integration conference which we are committed to running in Frankfurt and where we will bring together the European financial services policy making community on annual basis.

We plan to extend our engagement with policy makers further following the German elections in September.



“We carried out extensive advocacy outreach in Germany and had constructive engagement with the official sector”



James Kemp
Managing
Director, Gfma
- Global FX
Division, AFME
- Technology &
Operations and
Policy Divisions

Find out more

GFMA's Global FX Division is committed to promoting an efficient, robust, and well-functioning global FX market. The Division currently has 23 member firms, representing over 75% of the FX inter-dealer market.

Throughout 2021, the GFXD has been active on a number of regulatory fronts. We have collaborated with UK and EU institutions on several regulations such as MAR, focusing on pre-hedging to recommend international coordination with developments in the Global Code. On BMR we worked closely with supervisors to ensure that third-country FX benchmarks for restricted currencies remain available for use in the EU and UK and secured a further two-year extension to the third-country transition period. Also, GFXD continues to engage on the developments of MiFID and EMIR both in the UK and EU.

From a global perspective, GFXD continues to work to facilitate global coordination on key FX topics, including to reduce FX settlement risk. We engaged with CLS to discuss their initial analysis on settlement risk post the 2019 BIS report on the topic and responded to the CPMI's request for industry views on "Pushing the Frontier of Payments" in February 2021. We also worked with members on Emerging Markets developments. This included opportunities to mitigate the basis risk on cleared and bilateral NDF transactions in the event of a price disruption requiring Calculation Agent determination and promoting bilateral discussions to resolve outstanding interest claims caused by certain high volatility episodes. To help drive better optimization of credit limit management in FX prime brokered transactions, we have run a working group to understand the challenges and make recommendations for addressing them. We have also explored and socialised FX considerations in any move to T+1 securities settlement in the US. Finally, we managed a quantitative impact study to understand the impact of clearing and optimisation on both the capital and funding requirements for FX markets under SA-CCR.

Looking to the future of FX markets, we have begun a refresh of our original 2018 "Future of FX" project, again in partnership with EY, consisting of an analysis of evolving market trends and a new industry survey to gain perspectives on some key FX themes. This will provide GFXD members with a deep understanding of the ongoing evolution of FX markets. We have also continued to engage with FSB and CPMI on their project to enhance cross-border payments, including developments with respect to Central Bank Digital Currencies, 'PvP' capabilities, and other technologies that could contribute to efforts to reduce settlement risk. Additionally, we are assessing the tie-ins between ESG and FX markets, noting in particular the clear linkage between Governance considerations under ESG and adherence to the FX Global Code.

The Commodities Working Group (CWG) has continued to advocate for robust, competitive and efficient commodities markets. This has included a continued focus on the review of MiFID II which has involved responding to the Commission's consultation on the review of MiFID II/MiFIR and ESMA's consultation on the MiFID II/MiFIR review report on the transparency regime for non-equity.

GFMA continues to track developments relating to the MiFID in both the EU and UK which currently includes an ESMA CP on the technical standards for commodity derivatives as well as the HMT consultation on the Wholesale Markets Review which covers the definition of commodity derivative, position limits, position reporting, hedging exemptions and the ancillary activities test all of which are significant issues for industry participants. Members are also reviewing the ESMA CP on RTS 1 and RTS 2 with a view to reviewing proposed changes to the transparency regime for commodity derivatives. GFMA remains in dialogue with relevant authorities in both the EU and UK on these important topics.

We continue to track changes to emissions trading, including the new UK emissions trading system (ETS), and how this operates alongside the EU ETS. This fits alongside GFMA's broader work on Sustainable Finance where the CWG remains focused on evaluating any developments and any impacts to commodities as a business line.

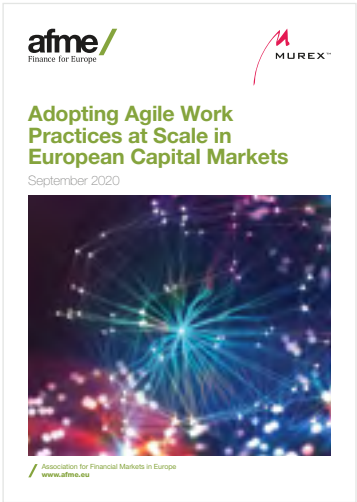


Sean Barwick
Associate
Director,
Commodities

[Find out more](#)

“GFMD continues to work to facilitate global coordination on key FX topics, including to reduce FX settlement risk”

Publications





Membership

Join us

AFME membership is open to all wholesale financial market participants. Membership is on a corporate, not individual, basis and all applications are reviewed and approved by the AFME Board.

Find out more: www.afme.eu/membership

3,500 participants from 180 firms:

84 full members

96 associate members

Full members

Global, regional and national banks, corporate finance advisors and brokers with access to all divisions.

Associate members

Law firms, accounting firms, rating agencies, service and data providers, trustees, stock exchanges, issuers and investors with access to the High Yield and Securitisation divisions plus Sustainable Finance workstreams

Premium associate members

Technology firms and consultancies with selected access to the Technology & Operations division plus the High Yield and Securitisation divisions



Media Profile

This year, AFME has continued to grow its EU media profile, leveraging its evidence-based advocacy and thought leadership across online and print media, as well as digital media channels, such as video and social media.

AFME's media coverage in EU media grew 30% from last year. This can be attributed to extensive coverage of priority policy topics, including Capital Markets Union (CMU), MiFID II, and sustainable finance issues, among others.

Increased media coverage is also thanks to AFME's thought leadership and fact-based reports and data. Last year we produced over 16 expert publications as well as 29 data reports which all received significant media coverage. For example, AFME's Recapitalisation report in January, which called for measures to bolster Europe's equity and hybrid markets and to expand funding avenues for businesses post-Covid 19, was covered by the majority of European media, and non-financial publications. And in June, AFME's report with Oxera on the need for better data to help regulatory decision making in equities also received widespread media coverage. On this topic we also placed an op-ed in Les Echos and Boersen-Zeitung.

We also increased our thought leadership delivered through digital channels such as video and social media to further engage with our audiences. Examples include an animated video on the problems of the rising cost of market data. This approach has resulted in AFME's LinkedIn account growing by 30% since September of last year to reach over 11,700 followers. Over the same period our Twitter account grew 7% to reach over 3800 followers. This work has helped AFME cement its image as an evidence-based organisation.

Overall results

- 21% Increase in number of articles
- 30% Increase in coverage across the EU

Key areas – increase in number of articles

- 37% Equities campaign
- 40% FT coverage
- 59% CMU KPIs report
- 322% Sustainable Finance

Top countries for coverage

Spain, France, Belgium



Conferences and Events

This past year has been one of unprecedented change for Europe and its capital markets; and one of significant challenge globally, as the whole world contended with the impact Covid-19. When we planned our events calendar for 2020/21 in the summer of 2020, we were optimistic that we would be back to running live events by Spring 2021, but the ongoing pandemic has required us to continue to deliver our comprehensive events programme in a mostly virtual environment.

In November we ran a series of webinars in place of our annual Capital Markets Technology and Innovation Conference. The series brought together over 200+ market professionals from Europe's leading financial institutions and covered topics such as artificial intelligence, cloud, digital assets, data, and resilience and cybersecurity.

“The ongoing pandemic has required us to continue to deliver our comprehensive events programme in a mostly virtual environment”

In the same month we also ran AFME's European Government Bond Virtual Conference. The programme included input from European DMOs, investors in sovereign bonds, primary dealers, fixed income traders and regulators, including topics such as the impact of the Covid-19 crisis on the European sovereign debt market, and new approaches to government debt. In December, we again actively supported the FEBAF Rome Investment Forum, hosted by Bloomberg, which included the most senior Italian officials in the EU institutions as well as the Italian official sector.

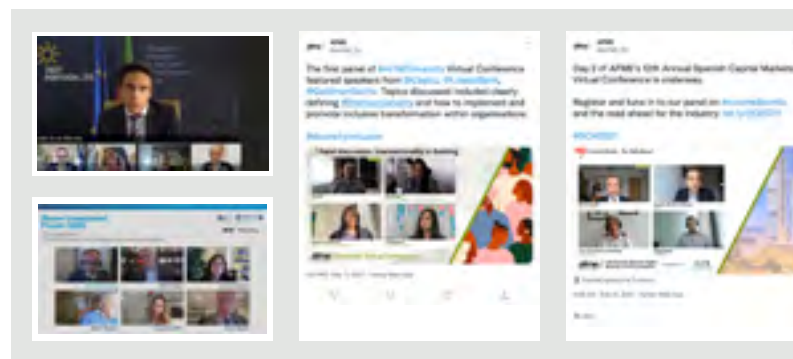
In February 2020 we ran our 12th annual Spanish Capital Markets Conference, in collaboration with AEB, and it was one of the most successful editions of the event to date, attracting senior leaders from the Spanish capital markets who discussed key topics such as securitisation during the pandemic, non-performing and re-performing loans, ESG finance and covered bonds. We were delighted to hear from Luis Garicano MEP, who joined to address the SME insolvency crisis, as well as other senior speakers from the Spanish Treasury, the Spanish Ministry of Economy and Business Affairs, ICO, ECB and EIF.

Our first ever event on Diversity – Intersectionality in Banking took place in March. Our objective was to encourage discussion on the definition, meaning and significance of intersectionality. To understand the importance of looking at the issues of discrimination based on race, ethnicity, sexual orientation, gender, disability to name but a few, through an intersectional lens and try to understand where exclusion exists and how it manifests itself, particularly in the workplace. The event was supported by Hogan Lovells and BNY Mellon|Pershing and endorsed by InterLaw Diversity Forum, Diversity Pride, Women in Banking & Finance and Out Leadership.

June saw AFME, in conjunction with OMFIF, launch its inaugural European Financial Integration Conference, which featured some of Europe's most influential policy makers and opinion-formers, as well as key members of the regulatory community and business leaders from global financial institutions. Conference themes included the health-turned economic crisis on European financial integration, along with prospects for future economic development and financial structures of the EU. The programme featured keynote addresses from Andrea Enria, Chair of the Supervisory Board at the European Central Bank, Christian Sewing, CEO of Deutsche Bank and Jean Lemierre, Chairman of BNP Paribas.



After running virtually in 2020, we are delighted that this year's Global ABS Conference, in partnership with IMN, will take place in London rather than its usual destination of Barcelona and will run as a hybrid event in September. And AFME's 16th Annual European Leveraged Finance Conference will also run as an in-person event in September in London. In the autumn, we will continue to deliver the rest of our events for this year on our virtual platform, including our annual Post Trade, Compliance and Legal Conferences, European Capital Markets Technology and Innovation Virtual Conference and our Government Bond Conference.



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