

Reflections on the EFMLG

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Chairman 1999 - 2013**

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History: First year of the EFMLG



a) 1st meeting: 10.6.1999

- **Justification of EFMLG: € introduced 1.1.1999; Euribor/Eonia; wholesale markets re-denomination; single money market; Financial Services Action Plan(± 50 normative proposals)**
- **Listing of items for EFMLG's attention: cross-border use of collateral; diversity of master agreements; harmonising basic definitions (e.g. force majeure, business day, etc.), trading practices and market conventions; legal framework for netting agreements; diversity of securities' pledges, of dematerialisation regimes.**

b) 2nd meeting: 11.10.1999

- **Group networking: ISDA Collateral Law Reform Group; Giovannini Group; FMLG; Commission's Forum on Collateral.**
- **Substantive: Cross-border use of collateral: possessory & non-possessory pledges; types of debt instruments; dematerialisation techniques; force majeure definitions.**

History: Star topics 2000 - 2013



Successes

- **Cross-border collateralisation techniques in the EU; the 6/6/2002 Directive on Financial Collateral**
- **Short-Term European Paper (STEP initiative): EFMLG Report 2002, Information Memorandum 2004; STEP Market Convention 2004**

Not yet there...

- **Harmonisation of laws on securities held in book-entry form : EFMLG Report 2003; Giovannini 2 Report; Legal Certainty Group; Unidroit's Convention**
- **Harmonisation of definitions in standard market documentation: EFMLG Report 2003 on Force Majeure**
- **Harmonisation of Netting Provisions in the EU: EFMLG Reports 2004 and 2005 Joint EFMLG-ISDA Letter to Commission pleading for EU legislation**
- **Harmonisation of Securitisation Framework in the EU: EFMLG Report 2007, pleading for EU legislation**
- **Harmonisation of standard market documentation: EFMLG Report 2009; Industry Symposium in London.**

Personalia 1999 - 2013

EFMLG SECRETARIAT

Martin Thomas 1999

Klaus Löber 2000-2007

Stéphane Kerjean 2007- 2010

Otto Heinz – Iñigo Arruga 2011-2013



EFMLG Vice-chairs

Hubert de Vauplane 2009-2011

Holger Hartenfels 2011- 2013



EFMLG Chair

Antonio Sáinz de Vicuña 1999-2013

2014 ?



Current challenges

1. **Global regulatory reform:** extraterritoriality of **US** legislation (**DFA, FATCA**); **Volcker-Vickers-Liikanen**; benchmarks reliance; **CRD4-CRR; BRRD; Banking Union, SSM and SRM; FTT; short-selling; ratings.**
 - **EFMLG possible role: Contributing to public consultations of drafts and early detection of inconsistencies with other acts and with US legislation;**
2. **Fostering EU financial integration**, now deteriorated, and achieve what the **EFMLG** started:
 - **Legal certainty project: pending EU legislation**
 - **ABS and securitisation framework: EU legislation**
 - **Implementing Unidroit's global principles on netting**

Proposals for the future EFMLG

- **Neutralitas et auctoritas:**
Interim chairmanship to current Vice-Chair; once new ECB General Counsel is appointed, keep chair in ECB

***A dedicated Secretariat?
Sponsors “à la FMLC”?***

- **Divide et vince:**
 - Split financial laws into segments, and attribute fixed responsibilities among members.
 - Attribute industry groups for networking to reach synergies.

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- a. **EU Regulation**
 - a. Banking
 - b. Securities markets
 - b. **US Regulation**
 - c. **New SSM supervision**
 - d. **Market documentation**

 - i. **EBF**
 - ii. **ISDA**
 - iii. **ICMA Repo Council**
 - iv. **FMLC-FMLG**
 - v. **Other**

The end

Thanks !

