Reflections on the EFMLG

Antonio Sáinz de Vicuña
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


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 Securitisation Framework in the EU: EFMLG Report 2007, pleading for EU legislation

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.

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!