

The EFMLG Newsletter complements the information available on the EFMLG website (www.efmlg.org)
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1. EFMLG meeting in Stockholm.

The EFMLG held its second 2019 meeting in Stockholm on 7 June, hosted by Nordea.

Among others, EFMLG members dealt with the new EU Securitisation Regulation, which, since its entry into force on 1 January 2019, has posed some practical compliance challenges, such as the revised disclosure requirements and the new requirements for retail clients.

Regarding benchmarks, the EFMLG follows closely the legal action plan in the context of the EONIA/€STR transition and, more generally, the planned review of the Benchmark Regulation.

Aware of the repercussion of climate change for the financial industry and of the role of the latter in the fight vs. climate change, the EFMLG holds presentations and discussions on sustainable finance in its meetings. The legislative and technical progress of the Commission Action Plan was covered and, in addition, the workings of actual green bond issuances were presented.

Also, EFMLG members had the opportunity to learn about the latest legal and economic developments of Scandinavia, the host region.

Finally, the EU legislative progress on extrajudicial collateral enforcement was covered.

Also, like in all its meetings, the EFMLG covered the last fintech developments in the EU.

2. Quadrilateral meeting in Tokyo.

The Quadrilateral Meeting of the EFMLG, the Financial Markets Committee (London), the Financial Markets Lawyers Group (New York) and the Financial Law Board (Tokyo) was hosted for the first time by the latter and the Bank of Japan in Tokyo on 11-12 July 2019.

In the meeting, attention was paid to Brexit, which was covered both from the EU and the UK perspectives, in particular in respect of settlement finality.

Margin rules and other financial industry issues like the legal underpinning by financial market authorities of the forex code were covered.

For the first time at the Quadrilateral, a general presentation on sustainable finance was made, presented by the EFMLG. Developments in respect of digital and crypto assets including Libra in the four jurisdictions present in the Quadrilateral were also covered.



Quadrilateral 2019



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3. Letter from the Commission on Art. 55 of the revised Bank Recovery and Resolution Directive (BRRD II).

In response to a previous letter from the EFMLG on issues related to Art. 55 BRRD II, the Commission (FISMA) has sent a reply to the EFMLG on 30 August 2019.

In relation to the application of Article 55 to trade financial contracts, FISMA refers to Recital 26 BRRD II, which explicitly mentions these contracts as examples of potential impracticability.

Then, FISMA envisages that the upcoming EBA RTS will further specify eventual exemptions and applicable rules.

Regarding the legal opinions (Art. 55(3) BRRD II), FISMA asserts that the SRB policy aims to provide clarity about the thresholds to be met. According to FISMA, BRRD II leaves intentionally wide discretion to the SRB.

4. Upcoming EFMLG meeting

EFMLG: 21-22 November 2019 in Frankfurt, hosted by the ECB.