



1. EFMLG meetings by videoconference: Q4 2020, Q1 2021.

Despite the pandemic, the work of the EFMLG has continued at a good pace at the end of 2020 and the first half of 2021. The EFMLG met by videoconference on 26 November 2020 and on 12 February 2021.

In the meeting on 26 November 2020, the EFMLG welcomed an ISDA representative who presented and debated with the EFMLG matters related to financial contracts subject to English law which, after Brexit, has become a third country law for EU counterparties. Execution in the EU of judgements rendered by English courts based on such contracts is a matter of particular interest for the EFMLG.

The EFMLG also discussed Presidency priorities with a representative of the rotating Presidency of the EU (Portugal).



In the EFMLG meeting on 12 February 2021 a representative of the European Commission presented the EU–UK Trade and Cooperation Agreement and the

envisaged EU-UK Memorandum of Understanding (MoU) on Financial Services. The MoU, including the Joint Financial Regulatory Forum created under it, addresses the way forward for financial matters between the EU and the UK but does not include a right to equivalence.

The EFMLG also discussed the crypto markets of repos and deposits as well, and crypto credit based on posted deposits.

At its meeting on 12 February 2021 the EFMLG discussed a fundamental element of the Directive on preventive restructuring frameworks: the stay of individual enforcement actions and the additional stay preventing creditors from withholding performance or terminating executory contracts (which would include most derivatives and all securities financing transactions). The "opt-out" regime of the Directive authorizes Member States to exempt certain netting, including close-out netting, arrangements from such additional stay.

2. EFMLG meeting by videoconference: Q2 2021.

The EFMLG met by videoconference on 21 May 2021. It covered two areas of the Bank Recovery and Resolution Directive (BRRD): the new Regulatory Technical Standard on Article 55 BRRD which is still difficult to apply and the options under Article 44a BRRD (retail selling of subordinated instruments), that sustains unnecessary fragmentation.

It also covered the Commission proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto assets.

The EFMLG also analysed the role of banks in Covid-19 related Government

measures and in funding under Next Generation EU programmes.

Finally, the EFMLG covered the on-going completion of the EU Taxonomy through the Commission delegated acts on the climate change objectives (mitigation and adaptation) and on disclosures.

3. EFMLG letter to the European Securities and Markets Authority and the Commission on Directive 2021/338 of the European Parliament and of the Council of 16 February 2021 (MiFID Quick Fix).

In its letter of 1 March 2021, the EFMLG suggested avenues for an early implementation of the measures contained in the MIFID *Quick Fix* in order to mitigate the effects of the Covid-19 pandemic, consistently with the purpose of the Directive.

4. EFMLG contribution to the Commission Targeted Consultations on the Review of the Settlement Finality and the Financial Collateral Directives.

In its letter of 2 May 2021 to the Commission, the EFMLG made an all-encompassing analysis of the matters subject to the review, providing suggestions for the consideration of the EU legislator.

5. Joint proposal on LIBOR fall back

The EMLG and its UK sister-group, the FMLC, jointly called upon regulators in key jurisdictions to tackle the risks arising from different methods for fall back rate designation.