

## ESMA AGREES POSITION LIMITS UNDER MIFID II

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has today published three opinions on position limits regarding commodity derivatives under the Markets in Financial Instruments Directive and Regulation (MiFID II/MIFIR).

ESMA's opinions agree with the proposed position limits regarding:

ESMA found that the proposed position limits are consistent with the objectives established in MiFID II and with the methodology developed for setting those limits. ESMA will continue to assess the notifications received and issue opinions in order to ensure that the position limits are set in accordance with the MiFID II framework.

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## As classrooms for half the world's schoolchildren remain closed,



*Statement by EU High Representative for Foreign Affairs and Security Policy Josep Borrell, EU Vice-President Dubravka Šuica, and UNICEF Executive Director Henrietta Fore on the occasion of Digital Cooperation Action Day at the UN General Assembly, and ahead of the Special European Council on digital transformation.*

**BRUSSELS/NEW YORK, 23 September 2020** – As schools remain closed for half the world's students due to the COVID-19 pandemic, we are issuing an S.O.S. message urging countries to prioritise schools in their re-opening plans.

The pandemic has exposed and exacerbated deep inequalities in access to schools, quality learning and digital connectivity. It has also exposed weaknesses in our education systems, including inadequate access to water and sanitation, and lack of preparation to withstand crises.

At the peak of COVID-19 lockdowns, schools were shuttered for more than 90 per cent of the world's student population, leaving at least a third of these children cut off from their education completely. Today, 875 million students remain affected. The consequences for their education, protection and well-being cannot be underestimated.

When children miss out on education they are at increased risks of exploitation, violence, abuse, and neglect. Children from troubled families face the double burden of losing their education and losing out on the safety school provides for them. Girls are at a greater risk of early and forced child marriage and early pregnancy.

The EU supports the appeal by the United Nations Secretary-General António Guterres for countries to prioritise children's education, food, health and safety amid the COVID-19 pandemic and – together with the Group of Latin America and Caribbean Countries and the Group of Friends of Children and the SDGs – has initiated a statement of support to the appeal.

Children with lower levels of education are less likely to break the cycle of poverty. We know from recent data that an additional 150 million children could be plunged into poverty due to COVID-19. In July, the World Bank estimated a \$10 trillion loss in global earnings due to the time in school that children have already missed, highlighting that the economic loss will stretch far beyond individual families. Governments therefore need to prioritise their children – their future earners – in all re-opening decisions and protect and prioritise education funding.

Keeping schools closed should be a last resort. Decisions to close schools should be temporary and accompanied by plans for every child to access remote learning so that they can continue their studies to the best of their abilities uninterrupted.

Children and youth in the most vulnerable situations in every country – those living in poverty or in countries in conflict, those from ethnic minority groups, those with disabilities, and internally displaced or refugee children – are paying the heaviest price of school closures, as they fall deeper into deprivation and further behind their peers. By prioritising the most marginalised children we can reduce education inequality and ensure that every child learns the knowledge and skills they need to succeed.

Access to quality education for children is vital to the development of engaged and responsible citizens. Education is an essential preparation for life and work. Education means empowerment; it helps to address inequalities and contributes to more peaceful societies. Investing in children and their education is investing in our future.

Even before COVID-19, the world was already facing a learning crisis, with

more than half of all 10-year-old children in low- to middle-income countries unable to read a simple story. Millions of adolescents are not learning the transferable, digital, entrepreneurial and job-specific skills to prepare them for the future and to play an active part in their communities.

The common knowledge that in every crisis lies opportunity has never been stronger for children and education worldwide. We have a once-in-a-generation chance to re-open schools better than they were before and reimagine learning, so that every child gains the skills they need to succeed in life, at school and in the world of work.

The European Union will remain at the forefront to support education worldwide. It is also the leading international donor when it comes to child support. The COVID-19 crisis has laid bare the inequalities of our societies, also inside the Union. With NextGenerationEU, the EU is taking concrete steps to tackle these challenges. The EU is strengthening its support to digital education, and is increasing its support to and protection of the most vulnerable children in its upcoming EU Comprehensive Strategy on the Rights of the Child and the Child Guarantee. Its internal and external policies will continue to reflect the best interest of the child and ensure that all children have an equal start in life and become more resilient in the face of adversity, such as the COVID-19 pandemic.

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**[Ukraine: reforms must continue](#)**



Due to the Covid-19 pandemic, this visit came much later than intended: undoubtedly, Ukraine has been at the top of the EU agenda since the Maidan “Revolution of Dignity” in 2014 and the conflict in the east. I met President Volodymyr Zelenskyy and the Ukrainian Ministers of Defence and of Foreign Affairs. I also met the Head of the Rada anti-corruption committee and representatives of an anti-corruption NGO. Finally, I discussed with the representatives of the Organisation for Security and Cooperation in Europe (OSCE) in the country and visited the European Union Advisory Mission (EUAM) that helps Ukraine modernise law enforcement with over 300 Ukrainian and European staff members.

***My visits to the Maidan Memorial and to the Wall of Remembrance gave me a profound sense of what Ukrainians have gone through.***

The most touching part of this trip was my visit to the Maidan Memorial dedicated to the “heavenly hundred” who lost their lives, murdered by snipers near Maidan square on February 2014. In the following days, Russia invaded and illegally occupied Crimea. I also paid a visit at the Ministry of Defence memorial and to the Wall of Remembrance, the wall of the monastery where protestors took refuge during the 2013-14 revolution, since converted into a memorial by adding pictures of fallen soldiers. The war in eastern Ukraine has claimed 13 thousand lives and forced 2.4 million people out of their homes. These visits gave me a profound sense of what Ukrainians have gone through.

**EU: the strongest and most reliable partner of Ukraine**

Since the beginning of this fight, the EU stood by Ukraine, as its strongest and most reliable partner, in terms of economic integration, support for the

reform processes, and defence of Ukraine's sovereignty and territorial integrity. The EU-Ukraine Association Agreement, concluded in 2014, is the most comprehensive one that the EU has with any another third country. Since then, Ukraine has received from the EU €14 billion, an unprecedented level of support. Since 2007, the European Investment Bank has financed 43 projects in Ukraine for € 6.45 billion. And in addition to the already mentioned EUAM, the European Union Border Assistance Mission (EUBAM) works with Ukraine to harmonise border control and customs procedures with those in EU Member States.

## **Plenty of work to be done together**

There is, however, still plenty of work to be done together to fully reap the benefits of that cooperation within the framework of the Association Agreement and the Deep and Comprehensive Free Trade Area. As I told the President, the European Union is not a charity or a cash machine: the best way for us to support Ukraine is to help reforming the country. But only the Ukrainians themselves can implement those reforms. A stable, prosperous and democratic Ukraine is the best way to stabilise our neighborhood.

In recent months, the COVID-19 crisis has worsened the socio-economic situation in Ukraine as it has done elsewhere. Ukraine's GDP dropped by 11.4% in the second quarter of 2020 and in September, the country recorded its highest average COVID-19 cases, surpassing 3000 new daily cases. If the pace of the new infections continues, hospitals could be quickly overwhelmed. To face this crisis, the EU with its Member States are helping Ukraine with more than €190 million through the "Team Europe" initiative.

## ***President Zelenskyy's election in April 2019 was a sign of the strong willingness of the Ukrainians to fight corruption and to loosen the oligarchs' grip on the country***

However, not all of Ukraine's actual difficulties are related to COVID 19. President Zelenskyy's election in April 2019 was a sign of the strong willingness of the Ukrainians to fight corruption and to loosen the oligarchs' grip on the country. His first months in office were characterised by a "turbo regime" with the Parliament quickly adopting long-stalled reforms.

However, according to many observers, the pace of reforms has slowed down recently, including on the implementation of the Association Agreement commitments. The government reshuffle in early March and the dismissals of reformist figures sent worrying signals over the readiness to resist vested interests. This being said, President Zelenskyy continues to be a source of hope: citizens still expect him to deliver on reforms and promises of change for which he was elected. And still this May, he demonstrated leadership in pushing ahead with two crucial and difficult reforms, i.e. land reform and a banking resolution law.

## **The courageous work of anti-corruption NGOs**

During my visit, I was also impressed by the courageous work of the NGO Anticorruption Action Center (ANTAC). These brave citizens take personal risks in their fight against corruption. Vitaliy Shabunin, the head of ANTAC, told me about when his house was burnt down last July. Such attacks must be thoroughly investigated. We also regret that there is still no criminal prosecution in the PrivatBank case regarding a fraud of more than \$5 billion. And oligarchs still maintain significant influence. For example, they own most national TV channels. Freedom of information is the oxygen of democracy and independent media are crucial in Ukraine's efforts to secure a resilient information space, and a vibrant civil society.

***I insisted in particular on the necessity to ensure transparent, merit-based and de-politicised selection processes for the anti-corruption authorities.***

Last July, we signed with Ukraine a Memorandum of Understanding (MoU) on a new macro-financial assistance (MFA) programme for an amount of €1.2 billion. I reminded President Zelenskyy that there were conditions attached to this MoU, above all concerning the enhancement of the rule of law and anti-corruption reforms. I insisted in particular on the necessity to ensure transparent, merit-based and de-politicised selection processes for the anti-corruption authorities.

***President Zelenskyy won general praise for his outreach to the people in the east and his moves to help relaunch the implementation of the Minsk Agreements.***

Regarding the conflict in eastern Ukraine and relations with Russia, President Zelenskyy's ambition was to change the dynamics. He won general praise for his outreach to the people in the east, including in the non-government controlled areas, and his moves to help relaunch the implementation of the Minsk Agreements. However, progress remains still limited nine months after the Paris Summit last December.

## **An unprecedented ceasefire**

A new ceasefire has indeed been agreed and is effectively observed since 27 July. This is unprecedented. It failed, however, to create a positive dynamic in the negotiations and the pandemic has worsened the situation on the ground. The de-facto closure of the Line of Contact in eastern Ukraine, makes efforts for reconciliation and possible reintegration more difficult.

## ***I reaffirmed EU support to Ukraine's sovereignty and territorial integrity and in particular our continued non-recognition of the illegal annexation of Crimea***

I reaffirmed EU support to Ukraine's sovereignty and territorial integrity – and in particular our continued non-recognition of the illegal annexation of Crimea – and stressed the positive role of Ukraine in displaying flexibility and a forthcoming attitude. Russia needs to reciprocate and remain party to the Minsk Agreements processes.

This short visit to Ukraine made me even more committed to do everything possible during my mandate to ensure that EU support can lead to a significant improvement for the Ukrainian population and for the prospects for peace in the region.

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## **EU-Moldova Human Rights Dialogue**



On 23 September 2020, the European Union and the Republic of Moldova held by videoconference the eleventh round of their annual Human Rights Dialogue. Ahead of the meeting, the European Union consulted representatives of Moldovan and international civil society organisations. Representatives of EU Member States along with civil society representatives attended the Dialogue as observers.

The Dialogue reaffirmed the importance of common values, in particular the full respect for democratic principles, the rule of law, good governance, human rights and fundamental freedoms, which are also founding principles of the Association Agreement to which the EU and Moldova have committed.

Reviewing developments since the previous Dialogue in 2019, discussions took place on a wide range of issues, from the main developments in the EU's human

rights policy, to democracy and electoral rights, human rights in the justice system (pre-trial detention, detention conditions, the fight against torture and ill-treatment), media freedom, rights of the child rights and gender equality, anti-discrimination policy and multilateral cooperation.

The EU emphasised in particular that transparent, inclusive and credible elections remain key for democracy and the rule of law and in this regard underlined its expectations of the Moldovan authorities to ensure that the presidential elections on 1 November are conducted in full respect of these principles. The EU called on Moldova to fully address the outstanding recommendations of the Council of Europe Venice Commission and the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and adopt without further delay the corresponding legislative changes after an inclusive and consultative process. The EU also stressed the importance of implementing the current electoral legal framework in such a way that ensures a level playing field among all electoral candidates.

Particular attention was also paid to the need to ensure freedom of expression and plurality of media as fundamental elements of democracy and human rights. The EU emphasised the need for comprehensive reform to further enhance transparency and competition in the media sector, with a view to addressing the concentration of media ownership and guaranteeing media freedom and pluralism.

The EU and Moldova acknowledged the particular challenges posed by the coronavirus pandemic to international human rights protection and agreed that emergency measures to address the health crisis are not to be taken at the expense of fundamental principles and values.

The EU delegation was led by Mr Richard Tibbels, Head of Division for Eastern Partnership bilateral relations in the European External Action Service, while the Moldovan delegation was headed by Mr Radu Foltea, Secretary of State in the Ministry of Justice. The Dialogue took place back-to-back with the Justice, Freedom and Security Subcommittee meeting on 24 September.

The next Human Rights Dialogue between the EU and Moldova is scheduled to take place in Chisinau in 2021.

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## **ESMA receives securitisation repository registration application**

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has received its first application for registration as a securitisation repository (SR) under the Securitisation Regulation.



ESMA, under the Securitisation Regulation, has direct responsibilities regarding the registration and supervision of SRs, who centrally collect and maintain the records of securitisation transactions in the EU.

The reporting obligation for reporting entities will begin with the registration of the first SR. ESMA will announce publicly when the first SR(s) are registered.

If you are interested in applying for a registration, please refer to [this](#) guidance, and for further information on the registration process, please contact [SR-registration@esma.europa.eu](mailto:SR-registration@esma.europa.eu).