

## [ESMA clarifies external support within the meaning of Article 35 of the MMF Regulation](#)

The European Securities and Markets Authority (ESMA), the EU securities markets regulator, today publishes a [public statement](#) on external support under Article 35 of the Money Market Funds (MMF) Regulation.

ESMA is issuing this statement in the context of financial markets authorities recent actions to mitigate the impact of COVID-19 on the EU's financial markets, to clarify the potential interaction between the intermediation of credit institutions and the requirements of Article 35 of the MMF Regulation on external support. It also aims to coordinate the supervisory approaches of national competent authorities (NCAs) in light of these and any future liquidity challenges for MMFs in the context of the current COVID-19 pandemic.

In the second half of March 2020, certain MMFs faced significant liquidity challenges. In this context, measures taken by central banks and securities and markets regulators to ensure the proper and orderly functioning of markets and financial stability were also relevant for MMFs. In particular, the market liquidity brought by some of these measures may have also indirectly benefited MMFs through the intermediation of credit institutions.

ESMA, together with NCAs, will continue to closely monitor the situation and will take or recommend any measures necessary to mitigate the impact of COVID-19.

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## [Press release – MEPs back Helga Berger as the Austrian member of the European Court of Auditors](#)



The nominee was backed by 360 votes in favour, 221 against and 114 abstentions.

Ms Berger, who is currently Director General of Budget and Public Finances in the Austrian Federal Ministry of Finance, was nominated by the Austrian government and has already been [endorsed by the EP's Budgetary Control Committee](#).

The mandate of the previous Austrian member of the European Court of Auditors, Oskar Herics, expired on 29 February 2020. The nomination process for the new member was delayed to allow time for the new Austrian government to be formed.

### **Background**

The 27 members of the [Court of Auditors](#) are appointed by the Council for a renewable term of six years, after consulting the European Parliament.

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**[Press release – EU leaders prepare timetable and structure for EU budget negotiations](#)**



A read-out of the meeting between European Commission President Ursula von der Leyen, the President of the European Parliament David Sassoli, German Chancellor Angela Merkel, in her capacity as head of the rotating Presidency of the Council, and the President of the European Council Charles Michel, on 8 July 2020.

Today, President von der Leyen received the Presidents of the European Parliament, of the Council of the EU and of the European Council, in order to take stock of progress in the discussions regarding the next Multiannual Financial Framework and NextGenerationEU, and prepare the intensive inter-institutional negotiations that lie ahead.

They analysed the economic forecasts for the coming months that point to a severe recession and noted that the crisis will have a deep social impact across the European Union. They reaffirmed their strong commitment to do everything in their power to mitigate this social impact and to help the European economy rebound rapidly.

On this basis, participants concurred that reaching an agreement swiftly on an ambitious European recovery package is the EU's highest priority for the coming weeks. This will require strong coordination between the EU institutions, at each stage of the process, as well as swift ratification of the key elements according to each member states' constitutional provisions.

The participants discussed the timetable of the forthcoming negotiations and the next steps in the process. President Michel provided updates on his bilateral discussions held with Heads of State or Government and on preparations for the European Council meeting on 17-18 July.

The participants stressed that it would be essential that Heads of State or Government reach an agreement during this European Council meeting in order to allow for the inter-institutional negotiations to start. They further exchanged views on the main elements that will structure the discussion. President Sassoli presented the Parliament's main conditions to secure its approval.

The four Presidents agreed to stay in close contact throughout the coming weeks and months. President von der Leyen expressed her intention to reconvene meetings under article 324 of the Treaty, as appropriate, at key stages in the discussions.

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## [Press release – Parliament approves candidate for post of EU banking watchdog boss](#)



Mr Michaud, whose candidacy had been put forward by the European Banking Authority's (EBA) supervisory board, was approved by 343 votes to 296, with 56 abstentions. He was the second candidate put forward this year for the post after the first person proposed, Gerry Cross, was turned down by the House last January.

Mr Michaud underwent a hearing in the EP's Economic and Monetary Affairs Committee and was then turned down by a small majority of its MEPs on Friday. However, the plenary did not follow the committee's recommendation.

### **Background**

The Executive Director of the EBA is responsible for its day-to-day management.

The EBA is one of the three authorities set up in the wake of the financial and banking crisis of 2007-2008. Together with the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority, the three watchdogs constitute the EU's alarm system in the case

of excessive risk or irregularities in the financial services environment.

The EBA has been searching for an Executive Director after the departure of Adam Farkas, who left to join the lobby group *Association for Financial Markets in Europe* in January. MEPs expressed displeasure at his departure to a directly interested lobby, with no cooling-off period.

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## [Press release – Parliament sounds alarm over children in Japan taken from EU parents](#)



In a resolution adopted on Wednesday with 686 votes in favour, 1 against and 8 abstentions, Parliament expressed its concerns over children's wellbeing as a result of children in Japan being abducted by a parent. They call on the Japanese authorities to enforce international rules on child protection and to introduce changes to their legal system to allow for shared custody.

### **Enforcing international law**

Parliament regrets that one of the EU's strategic partners does not appear to be complying with international rules on child abduction. They urge the Japanese authorities to enforce domestic and foreign court decisions on the return of the child and on access and visiting rights after the parents' relationship has ended, in order to bring their domestic laws in line with their international commitments and obligations.

MEPs underline that safeguarding the child's best interest must be the primary concern and abduction cases must be handled swiftly to avoid long-

term adverse consequences on the child and the future relationship with the non-custodial parent. They point out that under the UN Convention on the Rights of the Child (UNCRC), every child has the right to maintain a personal relationship and direct contact with both their parents, unless it is contrary to their interests.

### **Improve cross-border cooperation and information**

Due to the cross-border nature of these legal disputes, Parliament insists that all child protection systems have transnational and cross-border mechanisms in place. They propose that in addition to the Hague Conference, citizen-friendly European information platforms should be developed to support parents in cross-border disputes. The text also recommends that reliable information on family law and children's rights in non-EU countries like Japan should be made available, as well as difficulties that may arise in cases of divorce or separation.

Parliament calls for more international cooperation among member states and with third countries to implement international legislation on child protection. MEPs urge member states to inform citizens about the risk of child abduction in Japan. To further increase pressure on authorities, MEPs urge member states and the EU High Representative for Foreign Affairs to include the issue on the agenda of all bilateral and multilateral meetings with Japan.

### **Background information**

Parliament has received a significant number of appeals in the past few years on cases of Japanese parental child abduction and visiting rights, where one of the parents is an EU citizen. Petitioners point out that international court decisions in Japan on the return of the child are not being enforced properly, as Japanese law lacks shared custody provisions.

The issue gained international attention in 2019 after German Chancellor Angela Merkel, French President Emmanuel Macron and Italian Prime Minister Giuseppe Conte spoke with Japanese Prime Minister Shinzo Abe on behalf of concerned parents. A formal complaint was also launched last year to the UN Human Rights Council by left-behind parents, arguing that Japan was violating the UNCRC and the Hague Convention.