

# MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds

ESMA has published the total number of trades and total volume over the period July-December 2019 for the purpose of the systematic internaliser (SI) calculations for 22,604 equity and equity-like instruments and for 322,835 bonds.

The results are published only for instruments for which trading venues submitted data for at least 95% of all trading days over the 6-month observation period. The data publications also incorporate OTC trading to the extent it has been reported to ESMA. The publication includes data also for instruments which are no longer available for trading on EU trading venues at the end of December.

The publication of the data for the SI calculations for derivatives and other instruments has been delayed until 2020 at the latest, as set out in the updated [plan announced by ESMA on 30 January 2019](#). The SI-assessment for those asset classes does not need to be performed until 2020 at the latest. ESMA expects to publish the first set of SI calculations for derivatives and other instruments on 30 April 2020.

## **Background**

According to Article 4(1)(20) of Directive 2014/65/EU (MiFID II) investment firms dealing on own account when executing client orders over the counter (OTC) on an organised, frequent systematic and substantial basis are subject to the mandatory SI regime.

Commission Delegated Regulation (EU) No 2017/565 specifies thresholds determining what constitutes frequent, systematic and substantial OTC trading. In particular, investment firms are required to assess whether they are SIs in a specific instrument (for equity and equity-like instruments, bonds, ETCs and ETNs and SFPs) or for a (sub-) class of instruments (for derivatives, securitised derivatives and emission allowances) on a quarterly basis based on data from the previous six months. For each specific instrument/sub-class, an investment firm is required to compare the trading it undertakes on its own account compared to the total volume and number of transactions executed in the European Union (EU). If the investment firm exceeds the relative thresholds it will be deemed an SI and will have to fulfil the SI-specific obligations. ESMA, upon request of market participants and on a voluntary basis, decided to compute the total volume and number of transactions executed in the EU in order to help market participants in the performance of the test since that data is essential for the operation of the SI regime and is not otherwise easily available.

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## [ESMA issues opinion on accepted market practice on liquidity contracts by CONSOB](#)

ESMA considers that the Consob's AMP is compatible with Article 13(2) of the Market Abuse Regulation (MAR) and with the CDR 2016/908 and contains various mechanisms to limit the threat to market confidence with respect to liquidity contracts, including Consob's specific commitment to enhanced supervision of these contracts, and therefore issues a positive opinion.

### **Background**

MAR's purpose is to guarantee the integrity of European financial markets and increase investor confidence. The concept of market abuse typically consists of insider dealing, unlawful disclosure of inside information, and market manipulation.

However, some exceptions apply. The prohibition of insider dealing and market manipulation does not apply to trading in own shares in buy-back programs or trading in securities for the stabilisation of securities when some conditions laid down in MAR are met. Moreover, MAR does not apply to public authorities in pursuit of monetary, exchange rate or public debt management policy. Other specific exceptions apply in the framework of the EU's climate policy or the EU's Agricultural Policy for instance. MAR also provides a defence against market manipulation if the transaction was legitimate and carried out in accordance with an AMP and MAR describes the non-exhaustive factors that a competent authority should take into account before deciding whether or not to accept a market practice.

In April 2017 ESMA published an opinion on the points for convergence in relation to AMP under MAR on liquidity contracts. These agreed points are expected to be used as a reference in the assessment of the MAR AMPs on liquidity contracts that national competent authorities (NCAs) may submit to ESMA after a domestic consultation and on which ESMA will have to issue an opinion.

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## [Press release – Redistribution of](#)

# seats in the European Parliament after Brexit

# Distribution of seats in the European Parliament

The number of MEPs per country has been modified following the UK's departure from the EU at the end of January 2020.

Number of seats until end of January 2020



Number of seats from February 2020



751 **Total** 705

## **Distribution of seats: no losers**

The redistribution of seats ensures that no EU country loses any seats, while some gain from one to five seats to address under-representation following demographic changes.

The new distribution takes into account the size of the population of member states as well as the need for a minimum level of representation for European citizens in the smaller ones.

This principle of “degressive proportionality” means that smaller countries have fewer MEPs than bigger countries, but also that MEPs from a larger country represent more people than their counterparts from smaller countries.

## **Next steps**

Parliament will continue to influence the EU-UK negotiations on the future relationship, while Brexit will also affect the composition of committees and interparliamentary delegations. To find out more, you can [read our background note](#).

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# **Remarks by President Charles Michel on the future of Europe**

Today is an exceptional day for the European Union. And today probably we have mixed feelings. It is never a happy moment when someone leaves, but we are opening a new chapter and we will devote all our energy to building a stronger and more ambitious European Union. Indeed, yesterday we had the occasion to have a strategic debate between the institutions in order to see how it is possible to have a better cooperation, but also how it is possible to face the challenges: digital agenda, climate change, and to make a new growth strategy.

At the European level, I consider we have many strengths. We have strong values, strong freedoms, rule of law, 27 strong democracies, 22 million businesses, a big single market, and a powerful single market. And I think that, more than ever, we have to think how it is possible to use more the tools we have, how it is possible to be more efficient, how it is possible to deliver more for citizens, for all European citizens. And I am convinced that in the next months we will, Parliament, Commission and European Council, work closely together with common priorities, with a common political agenda in order to be able to show again that this unique European project in history is a very strong project and a very optimistic and very positive project for all European citizens. I think also at the international level that we have many reasons to be more self-confident and more assertive. And we have to certainly also try to work together in order to deliver more, also at this

level.

Sur le plan de la négociation qui va maintenant s'ouvrir avec le Royaume-Uni, notre intention est bien sûr que s'agence une démarche de loyauté avec le Royaume-Uni, comme nous l'avons toujours été tout au long des trois dernières années, et de responsabilité également. Nous affirmons un message qui est extrêmement clair, simple et fort. Comme Union européenne, nous souhaitons, nous voulons garder la relation la plus étroite possible avec le Royaume-Uni. Mais bien entendu, il nous appartient d'être clair sur ce sujet. Au plus le Royaume-Uni déciderait de diverger par rapport aux standards européens, au moins le Royaume-Uni aura accès au marché intérieur.

Il est très important, je pense, dans les prochains mois, d'être mobilisés, avec Michel Barnier qui a toute la confiance des États membres pour poursuivre le travail qui a été le sien tout au long des dernières années, et qui a veillé à préserver cette unité entre les pays européens. Je voudrais affirmer encore une fois que le Conseil européen sera mobilisé pour suivre de façon étroite, proche, les développements dans cette négociation et sera disponible chaque fois que ce sera nécessaire pour exprimer les guidances utiles, au fur à mesure des développements en lien avec cette négociation. Je conclus en disant que cette journée est une journée exceptionnelle, hors du commun pour le projet européen. Que nos sentiments sont mitigés, mais que ce qui domine chez moi certainement, c'est l'envie de considérer que l'important, c'est de regarder l'avenir du projet européen, de travailler de façon forte, déterminée, énergique, pour faire la démonstration que ces valeurs, qui sont l'âme de ce projet européen et qui ont permis au siècle passé de rassembler celles et ceux qui s'étaient fait la guerre de manière tragique pour bâtir un espace de paix, de prospérité, puissent une fois encore se retrouver les manches ensemble et faire en sorte que l'on puisse livrer des résultats qui soient perceptibles par l'ensemble des citoyens tout au long des prochaines années.

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**[New online platform to help urban circular economy projects get off the ground](#)**



- **The Circular City Funding Guide, an online platform providing information on the financing of circular economy projects in cities, was officially launched at the Cities Forum in Porto.**
- **The guide offers extensive information for both fund-seekers, on available financing, and funders wishing to create financing programmes for circular economy projects.**

On Friday 31 January, the [Circular City Funding Guide](#) was launched at the Cities Forum in Porto (Portugal). The Guide is an online platform designed to support municipalities, businesses and other urban actors in their transition to a circular economy. It aims to fill an important information and financing gap as the number of available funding programmes dedicated to circular projects as well as the awareness of these funds is insufficient. It will do so by providing, on one hand, knowledge about the different sources of funding available to cities and the specific conditions to access them, and, on the other hand, information for funders on how to screen, select, monitor and support circular economy projects.

The Guide was initiated by the [Urban Agenda Partnership on Circular Economy](#), and developed by EIB and external experts mobilised by [the European Investment Advisory Hub](#), in cooperation with a working group of stakeholders. The website contains extensive information on circular frontrunners, available funding sources (presenting 100+ sources), and approaches on how to set-up a circular funding programme. In addition, the user can benefit from various informative case studies, a dedicated glossary and a comprehensive resources library.

EIB Vice-President Emma Navarro, responsible for Climate and Environment, said: *“European cities are home to around 75% of the European population. As such, their concentration of people, businesses and material flows makes them excellent engines for the circular economy. The Circular City Funding Guide developed by the European Investment Bank through the European Investment Advisory Hub provides an extensive funding toolbox to help get urban circular economy projects off the ground. By minimizing waste and promoting the reuse of resources, cities are reducing their carbon footprint and contributing to a better environment.”*

## **Background information**

The [European Investment Advisory Hub](#) is a joint initiative of the [European Commission](#) and the European Investment Bank under the [Investment Plan for Europe](#). EIAH provides access to a number of advisory and technical assistance programmes and initiatives, also through its network of partner institutions, to project promoters, public authorities and private companies.

The [Urban Agenda Partnership on Circular Economy](#) is one of the 14 partnerships under the Urban Agenda for the EU that aims to identify ways to improve EU legislation, funding and knowledge sharing for cities. The circular economy partnership, which gathers cities, the European Commission, the EIB and other stakeholders, has focused on identifying and analysing barriers to the circular transition in cities, and based on that developed 12 actions that address these barriers.