[redacted]

From: [redacted]
Sent: 20 July 2012 15:52
To: [redacted]
Cc: [redacted]
Subject: RE: NYSE Euronext Comments on the Presidency Agenda Questions on MiFID - 24 July 2012
Attachments: CWG meeting 24 7 2012 - Agenda NYSE Euronext Comments.pdf

Dear All,

Further to our exchange of emails last week I would also like to share with you our comments on the most recent questionnaire from the Cyprus Presidency on the MiFID/R compromises due to be discussed next week.

Please find attached a summary of our views – [redacted] or I would be happy to pick up on any particular points with you.

Best regards,

[redacted]

From: [redacted]
Sent: Friday, July 13, 2012 4:28 PM
To [redacted]
Cc: [redacted]
Subject: Fw: NYSE Euronext Comments on the Presidency Agenda Questions on MiFID - 16 July 2012

Thank [redacted]

I have copied to other fsa colleagues for their information.

From [redacted]
To: [redacted]
Cc: [redacted]
Sent: Fri Jul 13 15:09:40 2012
Subject: FW: NYSE Euronext Comments on the Presidency Agenda Questions on MiFID - 16 July 2012

[redacted]

Hope all's well – for information too, some thoughts on the Council Working Group discussions next week.

[redacted]

From: [redacted]
Sent: Friday, July 13, 2012 3:54 PM
To: [redacted]
Cc: [redacted]
Subject: NYSE Euronext Comments on the Presidency Agenda Questions on MiFID - 16 July 2012

Dea [redacted]

On behalf of NYSE Euronext, I would like to share with you a few **remarks on the current Council compromise on MiFID and MiFIR**. In the attached document, you will find our comments on some of the questions circulated by the Cypriot Presidency to other Member States ahead of the next Council working group on MiFID.

These comments focus on the **OTF, Systematic Internalisers and post-trade transparency rules for investment firms, transparency for trading venues, and algorithmic trading**.

I hope you will find this document useful ahead of the attachés meeting and remain at your disposal to answer any questions you may have.

Best regards,

[redacted]

[redacted]

Offi[redacted]
Mob[redacted]
[redacted]

www.nyx.com

Does MiFID matter to you? Visit our EU Regulatory Channel to find out more

[redacted]

From:	[redacted]
Sent:	23 July 2012 18:26
To:	[redacted]
Subject:	MiFID2/ MiFIR discussion on 3rd Country regime
Attachments:	BofAML Position Paper – MiFIR-MiFID 2- May 2012.pdf

[redacted]

I trust you`re well. In advance of tomorrow's MiFID 2/ MiFIR Council Working Group meeting,
I would like to share Bank of America's Merrill Lynch thoughts on the 3 country regime with you, which might be of use.

Main Theme

- We support the Commission's broad objective of trying to harmonise rules for non-EU firms across the EU as currently there is a fragmented set of rules across the Union which leads to uncertainty for non-EU firms in terms of how the rules are interpreted and applied as compared between Member States.
- The proposals for a passport for non-EU firms dealing with Professional Counterparties/ECPs is currently based on requirements for equivalence and reciprocity which may lead to time consuming and costly determinations and could lead to the unintended consequences of shutting off firms in certain third country firms from providing services in the EU other than through reverse solicitation, which would be detrimental to EU investors with consequential risks to EU business.
- The harmonisation of rules relating to (i) the use of a regulatory intermediation structure and (ii) a reverse solicitation regime, as set out in 'Provision of services at the exclusive initiative of the client' inserted in the new Article 44 a, could be an alternative and/or additional permissible route to the passport regime.
- By 'regulatory intermediation' we mean a structure by which an EU incorporated and passported entity would (a) solicit and market products and services in an EEA jurisdiction and (b) liaise with clients in that EEA jurisdiction, but where a third country entity would act as the booking vehicle in respect of these products and services. The regulatory intermediary would be subject to and comply with local conduct of business rules and would supervised locally by the local member state but would act, in effect as the agent of the third country entity. This method is recognised in the UK as permissible.

Agenda for the CWG meeting on 24 July

Third country regime (doc 13)

Q22: Do member states maintain their position expressed at the meeting of June 7, 2012, even after they have considered the non-paper of the European Commission in relation to the third country regime for third country firms providing investment services in the EU?

- See comments above – to harmonize and clarify the rules relating to reverse solicitation and intermediation models employed in the EEA as an alternative/additional route would allow a consistent approach to be taken across the Union in relation to permitted activities.

<u>Specifically: Intermediation</u>

- To permit non-EU firms to provide services to EU persons via an EU authorised intermediary acting as agent for the non-EU firm, without requiring the non-EU firm to be registered in the EU. This structure is already commonly used in some EU jurisdictions and should be accepted and harmonised across the EU.
- To the extent there may be concerns, particularly in the case of retail clients, that authorisation of the intermediary alone does not provide sufficient client protection, a concept of equivalence could be considered as a requirement for the applicable non-EU jurisdiction but this should be restricted to a minimal base of areas such as capital requirements and, for retail clients, access to an investor compensation scheme.
- Any determination of equivalence should be on a regulatory objectives and outcomes basis rather than an attempt to match regimes requirement for requirement.
- Jurisdictions which currently recognise this as permissible are for example UK and Greece.

Reverse solicitation proposals:

- The concept of reverse solicitation is not harmonised across the EU leading to uncertainty and uneven compliance. This route should be clearly defined so as to harmonise across the EU.
- It should be clarified that this route applies also to retail clients.

Q23: Do you agree with the clarification made in MiFID Recital 74 that, after a person has, at its own exclusive initiative, initiated the provision of an investment service with a third country firm, the exemption applies for the duration of their entire relationship?

- Yes we support the clarification that the reverse solicitation exemption should apply on a relationship basis.
- There are also provisions in this section which state as follows:

  'In case a third country firm solicits clients or potential clients in the Union or promotes or advertises investment services or activities together with ancillary services in the Union, it should not be deemed as a service provided at the own exclusive initiative of the client.'
- In relation to this text, there should still be (i) an element of permitted marketing i.e, generic brand advertising/promotion should be allowed, and (ii) no extra-territorial application, i.e. if the client is approached by or has received marketing materials from the financial institution **outside** the relevant jurisdiction, this should not taint reliance on the reverse solicitation provision.

Q26: Do you agree with the addition of a new article, MiFID Article 44a, in relation to the reintroduction of the own initiative exemption? Do you consider that it is necessary, in order to have a European wide common understanding, to define the meaning of the expression 'solicits at their own exclusive initiative'? If yes, should the Commission or ESMA define such an expression?

- Yes. In this regard, we point out that the UK definition of 'solicited' when determining whether a communication from a client was a 'reverse solicitation'. This means the communication would be either initiated by the client **or** would take place in response to a request from a client. The second leg of the test is important in maintaining flexibility as it enables a financial institution to be proactive in pursuing clients whom it knows want to receive services.
- Any definition which is provided should also take account of the generic marketing points/extra-territorial points raised above and also the fact that is should apply on an ongoing relationship basis for all MiFID services in relation to all MiFID instruments.

For BAML general position on the MiFID2/ MiFIR, I would like to draw your attention to our general Position Paper, which I have attached for reference.

Please to not hesitate to contact me if you have any further questions.

Kind regards

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Office: [redacted]
Blackberry: [redacted]

[redacted]

De [redacted]
Envoyé : [redacted] Tuesday, February 12, 2013 09:08 AM GMT Standard Time
À [redacted]
Objet : FW: Industry News Articles for 12th February 2013...

Bonjour

Pourrais- tu STP m'envoyer l'article ci-dessous ?

12/02/2013: Actions, dérivés, obligations... les volumes sont partout à la peine
Les volumes échangés sur les marchés actions ont chuté de plus de 20 %% l'année dernière. Pour la première fois en huit ans, les transactions sur les dérivés ont également reculé.

Merci

[redacted]

FOW Awards 2012 Best Clearing House EMEA

From: Web Services
Sent: 12 February 2013 08:02
Subject: Industry News Articles for 12th February 2013...

Industry News Library | **12th February 2013**

... new articles available on the Intranet.

12/02/2013: Les défis du gouverneur Carney à la tête de la Banque d'Angleterre

> Mark Carney a commencé sa carrière en travaillant treize ans pour Goldman Sachs tout comme d'autres banquiers centraux, à l'instar de l'Italien Mario Draghi. Il y grimpe rapidement les échelons en s' impliquant notamment dans l'économie post-apartheid de l'Afrique du Sud ainsi que dans les opérations financières liées à la crise russe.

12/02/2013: La Bourse des dérivés allemande élargit son offre sur la dette française

Le premier contrat à terme lancé l'année dernière n' a pas été l'outil de « spéculation » tant redouté par les politiques

12/02/2013: Actions, dérivés, obligations... les volumes sont partout à la peine

Les volumes échangés sur les marchés actions ont chuté de plus de 20 %% l'année dernière. Pour la première fois en huit ans, les transactions sur les dérivés ont également reculé.

12/02/2013: Le jugement contre Dexia risque d'avoir une portée plus large

La décision du TGI repose sur le formalisme du contrat de prêt, un motif qui pourrait concerner d'autres banques et d'autres types de crédits

11/02/2013: NYSE Euronext: les volumes de dérivés en nette hausse au mois de janvier

[redacted]

From: [redacted]
Sent: 12 February 2013 14:59
To: [redacted]
Subject: Actions,dérivés ,obligations...
Attachments: ECHOS_21374_28_102.pdf

[redacted]

The French financial newspaper (attached) les ECHOS say that cash securities trading on exchanges are down because of alternative electronic pate forms where investors can exchanges large blocks of trades without any transparency for the regulators.

Not sure thath it heps for MiFID. At least you can prtactice your French!

Relevant extract
Cette tendance à la baisse des
volumes sur les marchés au comptant
n' est pas nouvelle . Elle s' explique
notamment parla concurrence des
plates-formes électroniques
alternatives qui permettent aux
investisseurs d ' échanger des blocs de titres
à l ' abri des regards des
superviseurs

[redacted]

FOW Awards 2012 Best Clearing House EMEA

From [redacted]
Sent: 12 February 2013 09:52
To: [redacted]
Cc: [redacted]
Subject: RE: FW: Industry News Articles for 12th February 2013...

Bonjour [redacted]
Suite à ta demande, tu trouveras l'article en pièce jointe.
Bonne réception.

[redacted]

Follow @LCH_Clearnet

FOW Awards 2012 Best Clearing House EMEA

De [redacted]
Envoyé : mardi 12 février 2013 10:12
À [redacted]
Objet : Tr: FW: Industry News Articles for 12th February 2013...

[redacted]

From: [redacted]
Sent: 12 February 2013 16:19
To: [redacted]
Cc: [redacted]egulatory Strategy
Subject: LSE Group position paper on MiFID - as of 05 Feb 2013
Attachments: LSEG MiFID_R Response to CY State of Play v4 05 02 13.pdf

[redacted]

It was very good to see you last week. As you requested, please find our latest position paper on MiFID/R attached - this brings together our views on the issues we discussed, including price improvement for dark trading, access, CTP and SME markets.

We are also working on a more detailed paper describing the price improvement policy for all dark trading (as an enhancement of the price reference waiver) which we should get to you tomorrow. We met [redacted] at DG Markt last Friday, who also liked this idea as a policy. As you know, the Commission is in favour of retaining just the Large-In-Scale waiver for equities – so we think its very positive that they see scope to support this as a compromise.

More than happy to discuss this in greater detail.

Kind regards

[redacted]

[redacted]

From: [redacted]
Sent: 18 February 2013 17:58
To: [redacted]
Cc: [redacted]
Subject: RE: Call with [redacted] to discuss price improvement policy MiFIR Art 4
Attachments: 130212 MiFID II Nonpaper on price improvement v1.0 final.pdf

[redacted] assuming that this time still works for you. Speak soon

Best

[redacted]

-----Original Appointment-----
From: [redacted]
Sent: 18 February 2013 15:58
To: [redacted]
Subject: Accepted: Call with [redacted] to discuss price improvement policy MiFIR Art 4
When: 19 February 2013 11:00-11:30 (GMT+01:00) Brussels, Copenhagen, Madrid, Paris.
Where: Conference [redacted]

[redacted]

From: [redacted]
Sent: 04 March 2013 17:38
To: [redacted]
Subject: RE: LEI-one pager and podcast
Attachments: LEI CiCI presentation.pptx

[redacted]

I also paste a presentation which could be useful.

Hope your MiFID meeting went well

Regards,

[redacted]

From: [redacted]
Sent: Tuesday, February 26, 2013 11:04 AM
To: [redacted]
Subject: LEI-one pager and podcast

[redacted]

Thanks for your time yesterday. As promised, I have attached a one page doc and a podcast link on LEIs.

The Truth about LEIs: What You Need to Know!

http://www.derivsource.com/content/truth-about-leis-what-you-need-know

Let me know should you need further information and lets be in touch.

If I hear something on FTT, I will let you know

Regards,

[redacted]

[redacted]

DTCC

Securing Today. Shaping Tomorrow™

[redacted]

From: [redacted]
Sent: 16 April 2013 12:37
To: [redacted]
Subject: RE: long time, no see
Attachments: Bond-Markets-2012-F1[1].pdf

Here are some stats you might find helpful – I've also included sources in case you need to evidence it:

<u>Derivatives</u> (broadly, the UK is regarded as having the largest OTC derivatives market, with over 40% of activity by both turnover and value. The US is the next largest, with approximately 24%.)

- **The UK remains the largest centre for OTC derivatives activity with 46% of global turnover, up from 44% in 2007; and that average daily turnover in OTC interest rate derivatives was $1,235 billion during April 2010, a 29% rise on the $957 billion recorded for April 2007**. [*Bank of England news release*, Sept 2010 which reports on the BIS Triennial Survey of FX and Interest Rate Derivatives Markets in April 2010 - http://www.bankofengland.co.uk/publications/Pages/news/2010/066.aspx]
- **The global OTC Derivatives market is very large, considerably larger than the listed equity market and the exchange-traded derivatives market. It is concentrated largely in the UK, which has 43% by value of the overall market, and the US which has 24%.** (*Current Issues Affecting the OTC Derivatives Market and its important to London*, paper by Bourse Consult April 2009 http://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Documents/research-2009/Current%20issues%20affecting%20the%20OTC%20derivatives%20market%20and%20its%20importance%20to%20London.pdf]
- **The European Union accounts for 66% of the global interest rate derivatives market and 60% of the global foreign exchange derivatives market. London alone accounts for 39% and 44% of these respective global markets**. [*House of Lords European Union Committee report on The Future Regulation of Derivatives Markets*, published March 2010. However, these figures are sourced from the BIS central Bank Survey of FX and Derivatives Market Activity in 2007. See page 9 at http://www.publications.parliament.uk/pa/ld200910/ldselect/ldeucom/93/93.pdf]

<u>Bonds</u> (worth being aware that in relation to govt debt statistics, US is by far and away the largest market in terms of turnover. But this is because the US is the biggest issuer of govt debt and also has a very well developed domestic market. The US also the largest equity market for similar reasons.)

- The amounts outstanding on the global bond market totalled a record $100 trillion in March 2012, up 2% on twelve months earlier. Domestic bond markets accounted for 70% of the total, and international bonds for the remainder. The considerable growth in the size of the global bond market over the past decade means that in March 2012 it was almost twice the size of the global equity market which had a market capitalisation of around $53 trillion. **As a proportion of global GDP, the world bond market increased to over 140% from around 80% a decade earlier. The US was the largest market in March 2012 accounting for 33% of the value outstanding. It was followed by Japan 14%, the UK and France with around 6% each**.
- The UK's substantial domestic market in bonds is complemented by London's continuing role as a major centre for issuance and the trading of international bonds. **London accounts for an estimated 70% of secondary market turnover in international bonds** [*that is, Eurobonds and foreign bonds which are instruments issued or traded outside the country of their domestic currency*]. [CityUk's *Bond Markets 2012* report, see attached]

<u>FX</u> (this may be less relevant as spot FX is outside scope; however FX derivatives are in scope)

- [In 2010] **Banks located in the UK accounted for 36.7%, against 34.6% in 2007, of all foreign exchange market turnover, followed by the United States (18%), Japan (6%), Singapore (5%), Switzerland (5%), Hong Kong SAR (5%) and Australia (4%).** [*Triennial Central Bank Survey of FX and Derivatives Market Activity,* published 2010 - http://www.bis.org/publ/rpfx10.htm]

From: [redacted]
Sent: 16 April 2013 10:32
To: [redacted]
Subject: RE: long time, no see

Great – MIFID in COREPER this week so pretty frantic!

By the way, do you have any stats on the size of the markets MIFID encompasses and/or the UK share of that?

[redacted]

From: [redacted]
Sent: 16 April 2013 11:30
To: [redacted]
Subject: RE: long time, no see

Perfect, see you there

From: [redacted]
Sent: 16 April 2013 10:19
To: [redacted]
Subject: RE: long time, no see

Thats fine, Cafe Natural (opp UKREP)?

From: [redacted]
Sent: 16 April 2013 11:14
To: [redacted]
Subject: RE: long time, no see

The lunch finishes at 2:30, so 3 o'clock?

From: [redacted]
Sent: 16 April 2013 10:10
To: [redacted]
Subject: RE: long time, no see

[redacted]

Happy to meet – afternoon would be better if that works for you.

[redacted]

From: [redacted]
Sent: 16 April 2013 11:06

To: [redacted]
Subject: long time, no see

[redacted]

(please ignore the blank email which I sent pre-emptively!)

I'll be in Brussels this Friday for the EBF lunch meeting on FTT. As this is my first trip to Brussels in a long time, I wondered if you had chance for a coffee? Would be nice to catch up.

Hope all's well.

[redacted]

[redacted]

[redacted]

From: [redacted]
Sent: 16 April 2013 16:53
To: [redacted]
Subject: FW: PensionsEurope - MiFID II - Reference Price Waiver

Van: [redacted]
Verzonden: dinsdag 16 april 2013 17:46
Aan: [redacted]
Onderwerp: PensionsEurope - MiFID II - Reference [redacted]

[redacted]

PENSIONS EUROPE

Brussels, 16 April 2013

Dear [redacted]

RE: MIFID II – REFERENCE PRICE WAIVER

PensionsEurope welcomes and supports the general purpose of the review of the Markets in Financial Instructions Directive ("MiFID II") – to foster safety and efficiency in the European securities markets, as well as the equally important goals of competition and choice for financial market end-users, such as pension funds.

However, we retain concerns – which we have expressed previously – about the impact of some of the proposals being discussed in the Council which will negatively impact the ability of pension funds to generate returns for their stakeholders. We highlight the following key concerns below.

We support increasing transparency in the markets as a general rule to benefit price discovery. However, we are concerned that some legitimate pre-trade transparency waivers – and in particular the Reference Price Waiver – are being overly restricted to the point of negatively impacting the returns of pension funds. Pension funds – who transact in equities in order to benefit their stakeholders – are users of such pre-trade waivers. If the Reference Price Waiver is removed or severely restricted in the form of high order thresholds, our members' ability to obtain best execution will be significantly compromised. Such an outcome will mean higher costs and lower returns for our members and their stakeholders.

Additionally, we believe it is important for our members to have a choice in terms of where they conduct their trading – be it on regulated markets, MTFs, OTFs, or off-venue. This choice is restricted by the removal of matched principal trading for equities from the OTF (which makes the OTF an "empty category" for equities) and the related trading obligation for shares. Such requirements should not be necessary given the proposals for a consolidated tape in MiFID II and will again, increase the costs and lower returns for our members and their stakeholders.

PensionsEurope promotes good pensions for all European citizens and we would like to ensure that there are no negative consequences to the financial activities of pension funds.

Yours sincerely

[redacted]

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace pensions. Some members operate purely individual pension schemes. We have 22 member associations in EU Member States and other European countries with significant – in size and relevance – workplace pension systems, representing approximately €3.5 trillion of assets managed for future pension payments.

[redacted]

From:	[redacted]
Sent:	03 April 2013 18:50
To:	[redacted]
Cc:	[redacted]
Subject:	FW: MiFID- Access and Price Reference Waiver
Attachments:	130403 Equity and ETD turnover data for MiFIR.XLSX; 130212 MiFID II Nonpaper on price improvement v1 0 final.docx

[redacted]

Hope you are well and had a good break at Easter.

I just wanted to share with you what we are circulating to attaches on the access provisions, to inform the debate on the 10th April. In the Excel spread sheet and section 1 below we are trying to ensure that smaller countries that are currently part of the German anti access bloc will understand what the Presidency proposal means for them, so may not feel that they need to support Germany so strongly.

The points on price reference waiver and CTP we have made to one or two attaches, but not all.

Please let me know if I can help further.

Regards

[redacted]

[redacted]

Email to attaché:

It was good to see you last week- I hope you had a good break for Easter.

1 MiFIR- Access

When we met, we agreed to send you the analysis of EU trading volumes for equities and listed derivatives, showing those trading venues that would be in/out of scope of access requirements under the proposed thresholds for Articles 28/29 MiFIR. This is attached and shows:

Equities- €100 billion cap (Data sources: FESE, BATS, LSEG)

- Large RMs and MTFs (BME, BATS-CHIX, DBAG, LSEG, Nasdaq OMX, NYSE Euronext, SIX, Turquoise and Oslo) would be <u>in scope</u>;
- Smaller Member State exchanges (GR, SK, RO, BG, HU, SI, CZ, AT, IE, LU, MT, PL) would be <u>out of scope</u>.

Listed derivatives - €500 billion threshold (Data sources: FESE, LSEG)

- The larger exchanges (EUREX, Euronext.LIFFE, Nasdaq OMX, LSEG, ICE Futures Europe) would be in scope, based on total trading across asset classes. All others (included in the FESE analysis) would be out of scope, including GR, ES, RO,CZ, AT, PL.

2 Price Reference Waiver

- **Volume cap** We could not find any rules in place in Canada or Australia on this- the only reference we found was to a piece of research in Australia suggesting that dark reference price waiver trading up to 10% was not considered harmful to price formation/liquidity.
- **Price improvement** I attach a copy of our paper discussing the possible price improvement obligation that could be applied across all firms and trading, to support lit price formation and benefit investors

3 Consolidated Tape

I thought it would be useful to restate what we discussed on CTP and the steps that are needed.

- As I mentioned, in general we support the proposals for a CTP- however, as a first step, in order to deliver a consolidated, harmonised, high-quality tape of post-trade data, a requirement must be imposed across the market on all venues, investment firms and vendors, specifying the harmonised data standards that must be adopted.

- To ensure that this is effective, within a defined time period after entry into force (e.g. no more than 3-6 months), ESMA should propose harmonised data standards, based on the work already carried out by CESR/ESMA and the Market Model Typology (MMT) project. ESMA should then require adoption of these standards by all market participants (trading venues, vendors, buy and sell side).

- Such an approach would effectively "quality-mark" the quality and consistency of post trade data and would make it capable of consolidation and delivery through a multiple or single CTP model.

- This approach would be necessary even if a single CTP model was implemented.

- As the activities of a consolidated tape provider in collecting and distributing data across the EU comprise a number of different functional activities that may be provided most efficiently and effectively by more than one entity, each co-operating together, they should be treated collectively as a CTP for the purposes of the Directive.

I hope this is useful ahead of the discussions at the next Council Working Group on 10 April. In the meantime, if you have any questions, please do not hesitate to contact me.

Regards

[redacted]

[redacted]

[redacted]

From: [redacted]
Sent: 03 May 2013 14:50
To: [redacted]
Subject: FW: Regulation with Growth - Dinner 4 December, Conference 5 December [redacted]

Security Label: [redacted]

From: [redacted]
Sent: 19 November 2012 13:46
To: Cunliffe Private Office UKRep (Restricted)
Subject: Re: Regulation with Growth - Dinner 4 December, Conference 5 December [redacted]

[redacted]

Yes please, plus I will, too.

[redacted]

From: Cunliffe Private Office UKRep (Restricted)
Sent: Monday, November 19, 2012 11:56 AM
To: [redacted]
Subject: RE: Regulation with Growth - Dinner 4 December, Conference 5 December [redacted]

[redacted]

Jon has said no to these due to ECOFIN (and Coreper the following day).

Should I be going back to them directly?

[redacted]

From: [redacted]
Sent: 13 November 2012 16:06
To: Cunliffe Private Office UKRep (Restricted)
Subject: Fw: Regulation with Growth - Dinner 4 December, Conference 5 December [redacted]

[redacted]

[redacted]

Could you chase Jon on these HSBC invites. Re the fourth, there's a chance ECOFIN will go on into the night...

[redacted]

From: [redacted]
Sent: Tuesday, November 13, 2012 11:40 AM
To: [redacted]

Subject: Regulation with Growth - Dinner 4 December, Conference 5 December

[redacted]

Is there any word from Sir Jon? it would be great to have him there. he could listen to the Group Chairman, Jacques de Larosière, then join the panel and be out by 10.45.

and the dinner with the Chairman on 4 December promises to be very interesting. Sharon Bowles will be there as will a couple of our senior bankers. Commissioner Barnier will put in an appearance. Jacques will be there. it's in a private room a Truffe Noir. we are going to start fairly late to accommodate the Commissioner - he won't be there until 8pm so dinner will be at 8.30 ish. it won't go on late. and Jon can duck out whenever he likes.

for the conference panel, It's Jacques de L , John Lipsky, Jon Cunliffe (tbc!) and probably an economist. Moderated by Charlie Haswell. it will be good and briefing on structure and themes will be circulated to participants beforehand so everyone can be prepared.

Please do your best on our behalf!

[redacted]

Subject: RE: Meeting HSBC Co-Head of Global Markets 19 September [redacted]

Not at all, sorry to have to change things.

What will the most likely topics be?

[redacted]

From: [redacted]
Sent: 14 September 2012 15:23
To: [redacted]
Cc: [redacted]
Subject: RE: Meeting HSBC Co-Head of Global Markets 19 September [RESTRICTED]

[redacted]

Thanks. yes. we will get to you for 14.00 and you can throw us out in time to get to the EP for 15.00!

I am very grateful to you

regards and have a good weekend

[redacted]

[redacted]

[redacted]

[redacted]

In that case, could we make meeting 14.00 to 14.40 here at UK Rep. I'm afraid I have to make the 3pm meeting.

From: [redacted]
Sent: 14 September 2012 12:20
To: [redacted]
Cc: [redacted]
Subject: Re: Meeting HSBC Co-Head of Global Markets 19 September [redacted]

[redacted] is at the AFME Board at ING offices - not sure where that is. It's scheduled to finish at 1.30 when he was planning to head to UK Rep to meet you.

[redacted]

****

From: [redacted]
Sent: 14/09/2012 11:13 CET
To: [redacted]
Cc: [redacted]
Subject: RE: Meeting HSBC Co-Head of Global Markets 19 September [redacted]

Where will you be prior to the 14.15 slot?

From: [redacted]
Sent: 14 September 2012 12:09
To: [redacted]
C[redacted]
Subject: Re: Meeting HSBC Co-Head of Global Markets 19 September [redacted]

[redacted] we also have a 17.00 with [redacted] that we can't shift. [redacted] AFME Board in the morning and we were very much hoping to see you in the afternoon. is there anything we can do to accommodate your need to be in the Parliament and the programme i have scheduled for Jose-Luis?

[redacted]

[redacted]

CLASSIFICATION:RESTRICTED

Sure. Am just confused on timings. So one meeting as opposed to two, and on Weds at 2.15? If so, that's now a problem as have to be at the EP. Can we do after your 3.30 instead?

From [redacted]
Sent: [redacted]
To: [redacted]
Cc: [redacted]

Subject: RE: Meeting HSBC Co-Head of Global Markets 19 September

[redacted]

[redacted]ndly offered 2.15 which we were delighted to accept.

we very much prefer not to join a delegation of banks and to have a direct discussion with you. our perspective will be different and we can speak more openly. and [redacted] has another meeting scheduled for 3.30 which we cannot move.

Can we assume that we are still on for a meeting please?

regards

[redacted]

[redacted]

[redacted]

Can you confirm, are we looking at one or two meetings next week? I have delegation of snr bankers at 3.30pm on Tuesday, but you also on Wednesday?

Thanks,

[redacted]

From: [redacted]
Sent: 10 September 2012 11:47
To: [redacted]
Cc: [redacted]
Subject: RE: Meeting HSBC Co-Head of Global Markets 18 / 19 September

[redacted]

Happy to meet next Wednesday afternoon.

[redacted] please could you fix a time with [redacted]

Thanks,

[redacted]

From: [redacted]
Sent: 10 September 2012 11:13
To: [redacted])
Cc: [redacted]
Subject: RE: Meeting HSBC Co-Head of Global Markets 18 / 19 September

[redacted]

i hope this finds you well.

[redacted] is in Brussels next week for an AFME Board Meeting. would you [redacted] Wednesday 19th after 2.15pm or alternatively early afternoon - around noon on Tuesday 18. some topics that Jose-Luis would welcome the chance to talk about

- eurozone crisis - latest developments and market reaction
- banking union - HSBC views
- legislative proposals under negotiation - eg MiFID, MAD
- implementation issues - eg EMIR and Short Selling (level 1 v level 20
- Regulation and Growth - HSBC's forthcoming conference and possibilities for involvement of UK govt.

Please let me know.

Thanks

[redacted]

Dear [redacted]

Sorry to have missed you as well. Certainly let's try for another time,

Regards,

[redacted]

From: [redacted]
Sent: 22 June 2012 18:23
To: [redacted]
Subject: Dinner

[redacted]

i am sorry we were not able to schedule dinner between you and [redacted] We were keen to talk to you ahead of the conference the next day [redacted] wanted to share with you some of the work AFME is doing on post trade transparency - in his role as [redacted] As i am sure you will agree, it is very important that the markets for government and corporate bonds are not undermined - especially at this time.

anyway we have changed our plans accordingly and will not be in Brussels on Monday evening.

perhaps another time?

[redacted]

****

[redacted]

From: [redacted]
Sent: 28 February 2013 09:55
To: [redacted]
Subject: Letter from Rep. Garrett to Chairman Gensler on SEF rule
Attachments: 2013-2-27_Garrett to Gensler_SEF Rule.pdf

Thought you would find this interesting vis a vis the ongoing MiFID discussions – the comment around Congressional intent for "technologically neutral" trading venues might be relevant...

[redacted]

From: [redacted]
Sent: 13 February 2013 19:57
To: [redacted]
Subject: LSEG response to IE Presidency text on non discriminatory access in MiFIR

Dea[redacted]

I hope you are well. Before the Council Working Group meeting tomorrow, I wanted to give you our views on the Irish Presidency's compromise text on non discriminatory access (Articles 28 – 30 MiFIR).

As you are aware, LSEG believes that the Commission's proposals on non discriminatory access and licensing of indices are important because they will result in lower costs and greater efficiencies for investors and users (especially as regulation requires more trading and clearing to be undertaken on venue) and are supported by a wide range of neutral market participants in many member states, including pension funds, issuers, energy companies, sell-side firms, trade associations and market infrastructure providers.

As drafted, the IE Presidency's proposals (to allow non-discriminatory access only where there is a single CCP clearing a specific set of derivative contracts) would have the effect of fundamentally frustrating the aim of requiring access to be given and are inconsistent with the reasoning set out in the revised Recital 33, which would appear to provide a workable approach.

The CY Presidency text of 3 December 2012 would provide a balanced compromise on this issue. However, we suggest that for the IE proposals to work, the compromise text would need to be amended at least to address the following issues:

1. **Bridge the regulatory gap regarding OTC derivatives**
   - The proposed compromise text suggests that the provisions of Article 28/28a and 29/29a would, in the context of derivatives, only apply to exchange traded derivatives, defined as those traded on a regulated market. This would mean that OTC derivatives (including those traded on MTFs/OTFs) would only be subject to the access provisions of EMIR. This would create a regulatory gap, since EMIR does not include the necessary key provisions of Article 28 **for cross netting and margining. This would lead to different access requirements between MiFIR and EMIR, depending on the type of regulated venue on which a derivatives contract was traded**. This would fundamentally undermine the intention of the trading obligation in Article 24 of MiFIR.
   - For this reason, Articles 28/28a and 29/29a must refer to **all** derivative contracts and not be restricted to "exchange traded" contracts.

2. **Allow for competition in clearing derivatives**
   - The requirements to allow non-discriminatory access only where a single CCP clears the derivatives contract/s effectively prevents possible competition by other CCPs in the clearing of these contracts. It also prevents a trading venue from securing non discriminatory access to a particular CCP where another CCP clears those contracts (although not for the trading venue requesting access).
   - So, since we see the Presidency objective as restricting interoperability to voluntary arrangements (with which we agree), articles 28 and 29 need to be amended to require non discriminatory access for derivatives only where this would not require a CCP to enter into linkages or interoperability arrangements with one or more CCPs. This would deliver the objectives of not requiring interoperability but not prohibiting voluntary arrangements, whilst aligning MiFIR with EMIR and ensuring the proposal is not subject to challenge as being anti-competitive.

LSEG Revised compromise text:

Article 28
Non-discriminatory access to a CCP

1a. Without prejudice to Article 7 of Regulation (EU) No 648/2012, this article shall also apply to ~~exchange traded~~ derivatives, provided that the CCP to which access is requested by a trading venue would *not be required to enter into any linkage or interoperability arrangement with another CCP* ~~be the only CCP clearing the specific set of derivative contracts for which access is requested on that trading venue. Therefore this access does not require an interoperability arrangement~~.

Article 28a (NEW)
Access to a CCP and voluntary multiple access arrangement in respect of ~~exchange traded~~

1. Without prejudice to Article 7 and Title V of Regulation (EU) No 648/2012, and Article 28 of this Regulation, upon the request of a trading venue a CCP shall have the right to accept to clear ~~exchange traded~~ derivatives ~~even~~ where this CCP would not be the only CCP clearing the specific set of derivative contracts on that trading venue, provided that all incumbent CCPs clearing the same set of derivative contracts on that trading venue consent to this multiple access arrangement, and adequate operational mechanisms are agreed upon between all CCPs clearing the same set of derivative contracts on that trading venue. These operational mechanisms must not compel clearing members of incumbent CCPs to also become members of the CCP that is the subject of the access request.

Article 29
Non-discriminatory access to a trading venue

1a. Without prejudice to Article 8 of Regulation (EU) No 648/2012, this article shall also apply to ~~exchange traded~~ derivatives, provided that the CCP requesting access to a trading venue would *not be required to enter into any linkage or interoperability arrangement with another CCP* ~~be the only CCP clearing the specific set of derivative contracts for which access is requested on that trading venue. Therefore this access does not require an interoperability arrangement.~~

Article 29a (NEW)
Access to a trading venue and voluntary multiple access arrangement in respect of ~~exchange traded~~ derivatives

1. Without prejudice to Article 8 and Title V of Regulation (EU) No 648/2012, and Article 29 of this Regulation, upon request from a CCP, a trading venue shall have the right to grant access to that CCP that wishes to clear transactions in ~~exchange traded~~ derivatives that are concluded on that trading venue ~~even~~ where the CCP would not be the only CCP clearing the specific set of derivative contracts on that trading venue, provided that all incumbent CCPs clearing the same set of derivative contracts on that trading venue consent to this multiple access arrangement, and adequate operational mechanisms are agreed upon between all CCPs clearing the same set of derivative contracts on that trading venue. These operational mechanisms must not compel clearing members of incumbent CCPs to also become members of the requesting CCP.

I hope this is helpful ahead of the next discussion at Council Working Group. Naturally, we would be pleased to discuss any of these points in more detail.

Kind regards

[redacted]

[redacted]

From: [redacted]
Sent: 22 March 2013 15:28
To: [redacted]
Cc: [redacted]
Subject: New IE presidency MiFIR text on Art 28-29 - notional turnover in ETDs - impact on EU tvs/ccps with close links

Importance: High

Dea[redacted]

Hope you are well. Ahead of your CWG meeting on MiFID on Monday, I thought it might be useful to provide you with a few statistics on the impact of the "close-links" thresholds inserted in articles 28-29 in MiFIR (i.e. €100 b value traded for transferrable securities, €500 b notional traded for exchange traded derivatives.)

- The key point is in derivatives, **using a €500b threshold, all bigger EU exchanges/CCPs other than the Madrid exchange will be captured** (at a total by exchange level).
- A problem you may face, other than vertical silos lobbying to increase the threshold, is if the threshold would apply on asset/ product class.
- If the proposal was designed to meet the concerns of some of the smaller exchanges (i.e the Central European Exchanges etc), then the threshold would keep them out of the access provisions. When we met Austria, Hungary and Bulgaria last year, this was their key concern regarding the provisions (not DE's liquidity fragmentation concerns).

I think it would also be useful (if a threshold is put in place) that open access should be an "opt-out regime" rather than opt-in as currently drafted, so that it is the standard model for trading and clearing that would strengthen the Single Market.

FESE stats on derivatives turnover for 2012

Derivative Exchange	Country	Single Stock Options Notional Turnover (EUROm)	Single Stock Futures Notional Turnover (EUROm)	Index Options Notional Turnover (EUROm)	Index Futures Notional Turnover (EUROm)	Bond Options Notional Turnover (EUROm)	Bond Futures Notional Turnover (EUROm)	Com Op Not Tur (EU
Spanish Exchanges (BME)	Spain	26,977.8	16,235.5	31,536.8	369,285.3	n/a	4,523.8	
EUREX	Germany, Switzerland	578,856.3	397,008.2	10,150,507.0	14,604,241.0	29,008,320.0	163,327,008.0	
NASDAQ OMX Nordic	Denmark, Sweden, Finland, Iceland	34,217.4	1,863.9	116,951.8	393,084.9	88,844.4	3,712,996.5	
Euronext.Liffe	UK, France, Netherlands, Belgium, Portugal	262,467.0	555,947.0	1,943,265.0	4,301,666.0	104,489,040.0	259,792,016.0	
ICE Futures Europe								
TOTAL by asset class (EUROm)		902,518.5	971,054.6	12,242,260.6	19,668,277.2	133,586,204.4	426,836,544.3	

Stats - FESE less than EUR 500,000m notional value traded

[redacted]

From: [redacted]
Sent: 03 April 2013 10:48
To: [redacted]
Subject: RE: Catch-up - 9 April in Brussels?

[redacted]hope that you had a nice Easter break – I wanted to check-in with you to see if you are free on Tuesday the 9th for lunch or a coffee?

Best,

[redacted]

From: [redacted]
Sent: Wednesday, March 27, 2013 12:42 PM
To: [redacted]
Subject: Catch-up - 9 April in Brussels?

[redacted]hope you are well – I am going to be in Brussels on 9 April and wanted to see if you were free to catch-up ahead of the next MiFID CWG? I'm free for lunch or a coffee if you are available for either that day?

Happy Easter (a few days early)!

Best,

[redacted]