

F3	21/05/2014	Japanese Business Council in Europe -JBCE	Ares(2014)1665914
F4	26/03/2014	ICAEW (Chartered Accountants)	Ares(2014)1821129
G3	06/05/2014	CFA Institute	Ares(2014)1634189
G3	05/03/2014	UBS AG London	Ares(2014)1646396
H2	01/04/2014	Deloitte	(2014)1083443

From: [REDACTED]
Sent: 21 May 2014 15:15
To: MILLEROT Didier (MARKT)
Cc: [REDACTED]
Subject: Informal contact with tje JBCE

Follow Up Flag: [REDACTED]
Flag Status: [REDACTED]

Categories: Purple Category

Dear colleagues,
Didier, [REDACTED] and I met informally this morning with
and [REDACTED] from the Japan Business Council in Europe (JBCE).

They presented their organisation and current priorities. JBCE representatives asked for feedback on how we see their interaction with the institutions, and where their input could be helpful. We explained that we consider JBCE is a stakeholder with a long-term view, and technically competent. We mentioned that JBCE is in a good position to follow up on the moving to international accounting standards - IFRS - in Japan.

Policy Officer



European Commission

Cc:

Subject:

ICAEW Visitors, 9:30-10:20, 26 March 2014

ICAEW Visitors:

MARKT/F4: N. Berger,

- This is part of our regular contacts with auditing industry representatives
 - The visitors requested the meeting
 - Most of the time was devoted to the forthcoming "*Accountancy Profession Strategic Forum 2014*" to be held in Warsaw on 7/8 May 2014:
 - The ICAEW explained what is their role and the expected main messages and outcomes
 - We discussed what would be the most appropriate content of our intervention (to be provided by NATHALIE on 8 May)
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- Mr Manuzi also referred to their work on "insight" analysis in which they analyze specific sector of the economy from the auditing point of view
 - Finally, he offered an open invitation, for after the summer, on audit quality discussions in the UK

Subject: Meeting report: CFA Institute 06/05/2014

Follow Up Flag: Follow up

Flag Status: Completed

On 6 May 2014, Maite : [redacted] of Regulatory Outreach EMEA of CFA Institute.

CFA doesn't represent institutions but individuals who adhere to the CFA Charter in order to "lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society." As such they constitute an interesting alternative to professional associations. They don't define themselves as lobbyists and are keen to answer to future specific questions what we would like they investigate. They usually provide the investor's view. They have also contact with ESMA including the Financial Innovation Standing Committee.

On MiFID, we provided clarifications on the process to be followed for the level 2 measures and main distinctions between DA and TS. They promised to contribute to this work mainly by providing case studies, data and academic research. More specifically, inducements (study already available), CTP and HFT related issues were mentioned (should be very helpful for the drafting of the IA).

On shadow banking/securitisation, they will provide investor's perspective of the market by end of August.

On Benchmark, they asked for an update of the negotiation process and they are also happy to contribute.

They were not aware of the consultation on FX instruments so we gave them the link to the relevant webpage. Not sure that they will meet the deadline but their thoughts could be interesting even if conveyed later on.

Best regards,

[redacted]

Subject: Meeting with UBS on market structure

Maite Fabregas, *Head of Market Structure* met with *Head of Liquidity* of UBS on 5 March 2014.

1. They presented a new electronic trading platform, launched last year – UBS Neo. It is a relatively new business model which emerged after Dodd – Frank Act (new market structure, trading obligation). Introduction of SEFs has led to fragmentation of liquidity. The objective of establishing UBS platform is to bring fragmented liquidity back together.

2. A new platform provides clients with access to liquidity across SEFs. In this model UBS being a member of several SEFs acts as an intermediary (introducing broker, agent) between its clients and SEFs. A client sends an order to UBS which is then routed to a SEF with the best price (often UBS negotiates volume discounts). The advantage for client is that it has access to several pools of liquidity without the need to meet all legal and operational requirements as a member of SEF. Execution methods: interaction with order books and RFQ. UBS does not require client to access its clearing services – it is a pure execution service.

3. As a member of SEFs, UBS is subject to CFTC final rules. These rules, in particular the record keeping requirement (Retention period is 5 years) are considered quite onerous by smaller buy-side firms who therefore don't want to become members of SEFs. These firms are the client base for the UBS platform

The CFTC 15 second rule for crossed transactions is proving difficult to implement by firms and easy to avoid as firms route to those least likely to pick up.

4. We explained to them that further details regarding market structure in MiFID II are to be developed at level 2. ESMA is to publish several CPs in June 2014. We informed that their contribution is welcome.

Sent:**To:****Subject:****Attachments:**

Meeting Deloitte - Structural reform - 1 April

BankSR_Deloitte.pdf; comparisonproposalsDeloitte.pdf

Dear All,

Please find the main points raised during our meeting with Deloitte yesterdays, as well as copies of their analysis and comparison of the EC proposal.

April, 2014 - Meeting Deloitte**Main points made:**

- Deloitte distributed their analysis on the *Structural Reforms progress in the EU and UK* and the *Comparative analysis of proposals from Commission* and other, which will be published in the coming weeks (attached).
- Update on the Initial reaction to EC proposal in the FR, DE and UK;
- AD updated Deloitte on the main policy choices, the timing, acknowledged that proposal could be improved in certain areas and indicated willingness to listen to concrete suggestions;
- Role of ECB and extent of national supervisory discretion;
The derogation; UK rules permit EEA subsidiaries to be outside the retail ring-fence - could they be subject to EC Regulation in host Member States? Whose decision?
- Equivalence; Volcker rule and US desire for reciprocal equivalence assessment?
- Timeline and the forthcoming EU elections.