



Valdis Dombrovskis
Executive Vice-President for An Economy that Works for People
European Commission
1049 Bruxelles / Brussels



19th March 2020

Joint Trade Association letter regarding MIFID Consultations

Dear Executive Vice-President Dombrovskis, [REDACTED],

The undersigned Associations¹ are writing to you regarding the European Commission consultation on the “Review of the regulatory framework for investment firms and market operators” and ESMA’s own MIFID consultations² (“the consultations”), which deadlines to respond expire this week and later during the month of April.

In view of the exceptional current COVID-19 situation across Europe and the still unfolding developments in financial markets, the Associations respectfully request that you consider the extension of the deadlines to respond to the consultations, including to those that expired this week, until the 1st of July 2020. The Associations are hopeful that normal or close to normal market functioning will have resumed by then.

However, if market conditions do not normalise over the coming weeks, the Associations respectfully request that the European Commission and ESMA consider further extensions, as appropriate, to reflect the situation on the ground.

The member firms that we represent have put in place robust business continuity arrangements and continue to operate according to the required standards. At the same time, key staff members are facing increased responsibilities and demands under the current pressing market conditions.

The current market conditions are putting business specialists and key support functions staff under significant pressure. They are rightly prioritising the response to the current extraordinary and unforeseen market situation, providing liquidity and/or monitoring outflows, and very vigilantly managing market risks. This is true amongst the banks and investment firms (sell-side), funds and asset managers (buy-side) and market operators that we represent.

Furthermore, our members are now operating under business continuity arrangements and legally binding prescriptions that may require key staff to be split between different locations, including by working from home. Those arrangements, even for the staff present in the same location, also discourage, or not allow, any in-person meetings, unless that is strictly necessary.

Staff members are also facing the additional obligation of caring for their young families, unable to attend kindergarten or schools, as well as for their elderly relatives in need of help.

Besides the very challenging conditions outlined above, the Associations would also want to draw your attention to the fact that the very substantive consultations recently published by your respective institutions require important qualitative and quantitative input to better reflect the views of our memberships.

This needs to be an evidence-based, well thought-through exercise that is difficult to reconcile over the very short consultation periods granted to respond to competing European wide, and national consultation on equally important topics.

We therefore request that you reconsider the current timeframe to respond to the consultations in light of the ongoing situation and to extend the relevant deadlines to the 1st of July 2020, subject to a further extension based on market conditions. This is necessary to ensure that the input we can collectively provide will be meaningful and up to the high-quality standards we all hold ourselves against.

¹ The Joint Associations are AFME, AIMA, EBF, EDMA, EFAMA, EFET, EFSA, Europex, EVIA, FIA, FIA EPTA, GFXD, ICI Global, ICMA and ISDA. More information about each organisation is included in the Annex.

² ESMA’s consultations (i) on “MiFID II/ MiFIR review report on the transparency regime for equity and equity-like instruments, the double volume cap mechanism and the trading obligations for shares”; (ii) on “MiFIR transparency regime for systematic internalisers”; (iii) on “MiFIR transparency regime for non-equity instruments” and (iv) on “MiFIR and MiFID II regimes for third-country firms”.

We commend and support the work you and your respective teams continue to do under these very strained conditions and appreciate that the situation is also impacting your organisations.

We are monitoring market developments and a similar reconsideration of deadlines will most likely be necessary in other areas. We believe, however, that these consultations clearly deserve a reconsideration of their timeframe as a matter of urgency.

We remain at your disposal for any clarification.

Yours sincerely,



, GFMA

Cc:

[Redacted email addresses]

Via email.

Annex 1 – Information about Signatory Organisations

About AFME:

The Association for Financial Markets in Europe (AFME) is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent the leading global and European banks and other significant capital market players. We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. We aim to act as a bridge between market participants and policy makers across Europe, drawing on our strong and long-standing relationships, our technical knowledge and fact-based work.

About AIMA:

AIMA is the global representative of the alternative investment industry, with more than 1,900 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programs and sound practice guides. AIMA works to raise media and public awareness of the value of the industry.

About EBF:

The European Banking Federation is the voice of the European banking sector, bringing together 32 national banking associations in Europe that together represent a significant majority of all banking assets in Europe, with 3,500 banks - large and small, wholesale and retail, local and international – while employing approximately two million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that reliably handle more than 400 million payment transactions per day. Launched in 1960, the EBF is committed to a single market for financial services in the European Union and to supporting policies that foster economic growth.

About EDMA Europe:

Electronic Debt Markets Association represents the interests of companies whose primary business is the operation of regulated electronic fixed income multilateral trading facilities in Europe (regulated markets and/or trading venues) and acts as a source of consultation between the members in their roles as operators of such venues in order to project collective views on regulatory, compliance and market structure topics for the benefit of the electronic fixed income markets. More information can be found at www.edmae.org.

About EFAMA:

EFAMA is the voice of the European investment management industry, representing 28 member associations, 59 corporate members and 22 associate members. At end Q3 2019, total net assets of European investment funds reached EUR 17.2 trillion. These assets were managed by more than 62,500 investment funds, of which almost 34,000 were UCITS (Undertakings for Collective Investments in Transferable Securities) funds, with the remaining funds composed of AIFs (Alternative Investment Funds).

About EFET:

The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy.

We do this by:

- Working to improve the functionality and design of European gas, electricity and associated markets for the benefit of the overall economy, society and especially end consumers.
- Developing and maintaining standard wholesale supply contracts and standardising related transaction and business processes.
- Facilitating debate amongst TSOs, regulators, policy makers, traders and others in the value chain about the future of the European energy market.

We currently represent more than 100 energy trading companies, active in over 28 European countries. For more information, visit our website at www.efet.org.

About EFSA:

[EFSA](#) (the European Forum of Securities Associations) was created in 2007 and gathers [AFME](#) (The Association for financial markets in Europe), [AMAFI](#) (The French Financial Markets Association), [AMF](#) (Asociacion de Mercados financieros), [ASSOSIM](#) (The Italian financial markets association), [BWF](#) (Bundesverband der Wertpapierfirmen), [DSDA](#) (The Danish Securities Dealers Association), [Febelfin](#) (The Association representing Belgian financial institutions), [IDM](#) (The Polish Securities Dealers Association) and [SSDA](#) (The Swedish Securities Dealers Association).

About Europex:

Europex is a not-for-profit association of European energy exchanges with 29 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

About EVIA:

The European Venues and Intermediaries' Association promotes and enhances the value and competitiveness of Wholesale Market Venues, Platforms and Arranging Intermediaries by providing members with co-ordination and a common voice to foster and promote liquid, transparent and fair markets. It maintains a clear focus and direction, building a credible reputation upon 50 years of history, by acting as a focal point for the industry and providing clear direction to their members when communicating with central banks, governments, policy makers, and regulators.

Its core strength is the ability to consolidate views and data and act as a common voice for an industry operating in a complex and closely regulated environment, by acting as a central point for the industry and providing clear communication with central banks, governments, policy makers, and regulators.

It provides specific standards and maintains a clear focus and direction for the participants and stakeholders across the market ecosystem, building upon a credible reputation from over 50 years of experience.

About FIA:

[FIA](#) is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA's membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers.

FIA's mission is to:

- support open, transparent and competitive markets,
- protect and enhance the integrity of the financial system, and
- promote high standards of professional conduct.

As the principal members of derivatives clearinghouses worldwide, FIA's clearing firm members play a critical role in the reduction of systemic risk in global financial markets.

About FIA EPTA:

FIA [European Principal Traders Association](#) (FIA EPTA) represents Europe's leading Principal Trading Firms. Our 28 members are independent market makers and providers of liquidity and risk transfer for exchanges and end-investors across Europe. We work constructively with policymakers, regulators and other market stakeholders to ensure efficient, resilient, high-quality financial markets.

About GFXD:

The Global Foreign Exchange Division (GFXD) of the Global Financial Markets Association (GFMA) was formed in co-operation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 25 global foreign exchange (FX) market participants, collectively representing the majority of the FX inter-dealer market. Both the GFXD and its members are committed to ensuring a robust, open and fair marketplace and welcome the opportunity for continued dialogue with global regulators.

About ICI Global:

[ICI Global](#) carries out the international work of the [Investment Company Institute](#), the leading association representing regulated funds globally. ICI's membership includes regulated funds publicly offered to investors in jurisdictions worldwide, with total assets of US\$32.9 trillion. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of regulated investment funds, their managers, and investors. ICI Global has offices in London, Hong Kong, and Washington, DC.

About ICMA:

ICMA is a not-for-profit membership association, headquartered in Switzerland, that serves the needs of its wide range of member firms in global capital markets. As at October 2019 it has more than 580 members in 62 countries.

Among its members are private and public sector issuers, banks and securities houses, asset managers and other investors, capital market infrastructure providers, central banks, law firms and others.

Through its committees, ICMA brings together members from all sectors of the wholesale and retail debt securities markets to inform its work on regulatory and market practice issues, which impact all aspects of international market functioning. ICMA prioritises four core fixed income market areas – primary; secondary; repo and collateral; and green, social and sustainable.

The objectives of the association are:

- to promote good relations among its members and to provide a basis for joint examination and discussion of questions relating to the international capital and securities markets and to issue rules and make recommendations governing their operations; and
- to provide services and assistance to participants in the international capital and securities markets.

About ISDA:

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 900 member institutions from 73 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on Twitter @ISDA.