

**From:** [REDACTED]  
**Sent:** mercredi 20 mai 2020 09:11  
**To:** [REDACTED]  
**Subject:** FW: AFME 6 May Capital Markets Call Follow-Up and Next Call - Suggestion on PRIIPs  
**Attachments:** AFME - Covid-19 and CSDR - The Combined Impact on Market Liquidity.pdf; AFME Comments Capital Markets Proposals on CV19 Recovery.pdf

**Importance:** High

Happy to talk to them, can you set up a call ([REDACTED])

Txs

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Monday, May 18, 2020 6:24 PM  
**To:** [REDACTED]  
**Subject:** FW: AFME 6 May Capital Markets Call Follow-Up and Next Call - Suggestion on PRIIPs  
**Importance:** High

Dear [REDACTED]

I hope that you have been staying safe and that this finds you well.

I wanted to make sure you would have seen the communication below with [REDACTED].

A delegation of AFME's Board had a couple of calls with [REDACTED] on a number of issues, including on financial markets' evolving conditions. On one of the calls, we were asked to identify issues that could promote the recovery across primary and secondary markets.

Besides MIFID, MAR and other pieces of Regulation, we believe that the PRIIPs issue we discussed before is mature enough, not least in view of the extensive supervisory authorities guidance, to allow for a streamlined Level 1 adjustment that would provide the much needed legal certainty enabling and encouraging increased participation of retail investors on corporate bond markets and, hence, indirectly promoting the economic recovery by fostering higher levels of liquidity on those markets.

You will find AFME's suggestion on the document "AFME comments Capital Markets Proposals on CV19 Recovery" attached and below for an easy reference.

We may discuss this with [REDACTED] on the next AFME Board call with him, on the 29<sup>th</sup> of March, so we were wondering if you would find helpful to discuss ahead of that more senior level conversation. We trust that this can be mutually helpful.

We look forward to hearing from you.

Best regards



ulation shall not apply to s securities issued by	Recital 6 and 7 of the PRIIPs Regulation Article 2 (2) and article 4 (1) of the PRIIPs Regulation	AFME supports the recommendation of the Chairs of the ESAs in their Supervisory Statement to <i>“specify more precisely which financial instrumen the scope of the Regulation”, reflecting “more expressly the stated inter PRIIPs Regulation to address packaged or wrapped products rather than c are held directly, to avoid any legal uncertainty on this point.”</i> Uncertainty over the scope of the PRIIPs rules and their possible applicatio corporate bonds was much reduced by the 24.10.2019 Joint ESAs Statement on the application of the scope of the PRIIPs Regulation Considering the increased need for corporates to raise finance on debt cap easily, tapping not only institutional investors but also the retail i recommend that this would be the ideal time to heed the E recommendation. This could be achieved, for example, by amending recital 7 of the Regulatio (addition underlined): <i>“Assets that are held directly, such as corporate share or sovereign bonds, are not PRIIPs, and should therefore be excluded from this Regulation.”</i>



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**From:** [REDACTED]  
**Sent:** 18 May 2020 09:34  
**To:** [REDACTED]  
**Cc:** [REDACTED]

**Subject:** AFME 6 May Capital Markets Call Follow-Up and Next Call

Dear [REDACTED]

Many thanks again to you, [REDACTED] for your time on 6 May. Our board members really welcomed the detailed discussion on current CV19-related European capital markets conditions, as well as potential short term legislative measures that could help primary and secondary markets activity.

As follow-up to our discussion with [REDACTED] on how capital markets can help the CV19 economic recovery, attached are AFME's detailed views and comments on potential primary markets (Prospectus Regulation and MAR) and secondary markets (MiFID) initiatives. Please note that we have also proposed a targeted measure on PRIIPs, which we believe could be an additional help, as well as on CSDR and securitisation markets. Also, attached is an analysis prepared by our post trade team for [REDACTED] on the combined impact of CV19 fixed income market liquidity activity and CSDR mandatory buy-ins. The AFME team and members welcome our dialogue with them and will continue the ongoing separate discussions.

We would of course welcome a fourth call with you in the next week or two. Our proposed agenda would be: a) continued impact of CV19 on European capital markets, including the CV19 primary and secondary markets issues above, as well as CSDR, b) formation of a senior-level European Commission Primary Markets Advisory Group, and c) prudential issues. On prudential issues, we would like to spend 15 minutes discussing whether in the context of CV19 the adjustments made to the prudential framework, including through the Commission's planned fast track amendments to the CRR, will provide sufficient additional capacity to the banking sector to allow it to fully support all borrowers and the broader economy.

Regarding the Advisory Group concept, during our last call, I mentioned that it could be useful for the Commission to form some type of pan-European senior-level Primary Markets Advisory

Group, in order to institutionalise the current excellent discussions that our board is having with you and colleagues. I am active in a similar group established by the London Stock Exchange, which provides regular, senior-level and detailed market colour on a variety of equity and fixed income topics relevant to LSEG management as well as to those in the PMAG. A real strength of the group is its institutional diversity, since it is comprised of a carefully designed mix of senior market makers/bankers, investors, issuers, market infrastructure and other stakeholders. It could provide exactly the type of urgent CV19-related markets feedback that could help provide real-time feedback to you and your team, as the European market re-equitises as a result of CV19. AFME would be delighted to help the Commission set up this group.

[REDACTED] will be in contact with [REDACTED] to set up a suitable time and date.

Warm regards,

[REDACTED]

[REDACTED]

[REDACTED]