

(FISMA)

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**From:** [REDACTED] (MARKT)  
**Sent:** 07 March 2012 12:53  
**To:** PAULIS Emil (MARKT); MARKT LIST G3  
**Subject:** Meeting with LSE

On Wednesday, March 7<sup>th</sup>, Emil Paulis and [REDACTED] met with [REDACTED] and two others of the LSE. They note concern over the Commission's approach to third country access, which they consider to be fragmented and potentially damaging to the EU's interests. They urge an omnibus approach to ensure similar third country provisions for all activities. Their main concern is over the US, as they consider the US has less to lose than Europe and so would therefore likely win any face-off.

Emil Paulis stressed the importance of having leverage for discussions with the US. EMIR is now law and shall be applied. Comity is a well established principle, and should be relied upon here. In addition, there could be the power for a host supervisor to intervene when the home supervisor across the Atlantic is not doing its job.

The LSE notes that MSCI et al. will soon announce the formation of the Independent Index Association. They have already jointly submitted a response to the Ferber consultation (attached). They argue that non-exclusive licensing does not work for independent index developers. LSE notes that pricing of indices should reflect what the buyer will do with them.

With regard to the OTF, they prefer the original layout as proposed in the consultation paper. There, the OTF was further split into two types to accommodate BCS. They ask for more clarity on the role of riskless principle, which we clarified is considered to be proprietary trading under MiFID.

They also propose we develop a paper to further explain the envisaged market structure, and discuss this with [REDACTED] of the EP.



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