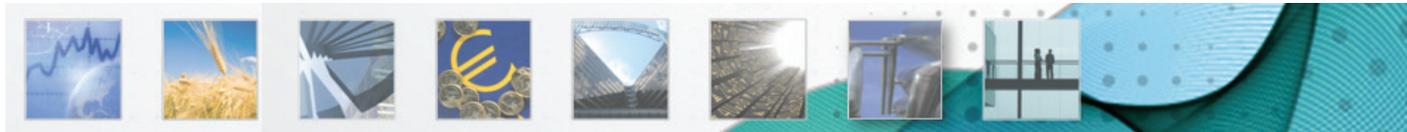


## FEATURED

## ECMI Web Training Series 2013



ECMI will launch a new web training series on financial regulation aimed at delivering its research and expertise to industry practitioners around Europe. The series is composed of seven sessions to be held from June to December on the key regulatory topics for business: EMIR, Commodities, UCITS VI, Eurozone, AIFMD, MiFID and Investor Rules. The first session will take place on 7 June 2013 and will consider the European Market Infrastructure Regulation (EMIR): global decision-making and status of legislative process, market developments, pros and cons of CCPs and their regulatory framework, rules for trade repositories and the future of OTC derivatives market infrastructure. **Subscribe to the full package by end April and enjoy 30% discount.** To learn more about the programme please consult our webpage [www.eurocapitalmarkets.org/webtrainings](http://www.eurocapitalmarkets.org/webtrainings) or contact [karin.lenk@ceps.eu](mailto:karin.lenk@ceps.eu).

## UPCOMING EVENTS

**28 May 2013** | 13:00 - 15:00 CET | CEPS - Brussels  
**Seminar on Financial Indices**

**29 May 2013** | 13:00 - 15:00 CET | CEPS - Brussels  
**Seminar on Asset Management Policy**  
With Tilman Lueder, European Commission

**3 June 2013** | 13:00 - 15:00 CET | CEPS - Brussels  
**Seminar on EMIR Implementation**  
With Patrick Pearson, European Commission

**Closing the funding gap:  
Competition at the heart  
of the single market**

ECMI Annual Conference  
Brussels, 17 October 2012

Save the date!

## PUBLICATIONS

**Implementing the AIFMD: Success or failure?**

CEPS Commentary | 28 March 2013 | By Mirzha de Manuel

This commentary considers the implementation of the Alternative Investment Fund Managers Directive (AIFMD) by the European Commission. The AIFMD creates an internal market for asset management and as an endeavour to develop market-based finance is an important piece of legislation for the European economy. The author, Mirzha de Manuel Aramendía, considers the implementation of some of the provisions that raised concern among industry participants. He finds that, on balance, a practical and flexible approach to implementation has been followed that should help secure the success of the framework, which at present is still uncertain. The commentary also considers the remuneration guidelines adopted recently by the European Securities and Markets Authority (ESMA). It encourages EU and national authorities to commit to the success of the AIFMD framework, as part of a broader effort to develop capital markets and reduce the historical reliance of the European economy on bank finance. [Click here to download.](#)

**Commodities price formation report close to publication**

After more than a year of data gathering and qualitative desk research, the Task Force on commodities price formation is close to final publication. The extensive report will survey 11 different commodities markets providing empirical evidence and qualitative analyses to describe the link between physical and futures markets. A closer look seems to reveal a crucial impact of monetary policies in linking up non-financial to financial assets in a broader process of

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'financialisation'. Data also reveals that these policies have fostered growth of both commercial and index positions, and the passive nature of index investing seems to be a response to the increasing positions held by commercial players, whether directly or through intermediaries (typically investment banks). An interesting analogy emerges between commodity firms and financial institutions, both using cheap leverage to increase physical exposure, as protection from market fluctuations and to hold up government interventions.

## RECENT EVENTS

### Is Securitisation Dead? - Opportunities in Closing the Funding Gap for Project Finance and SMEs

19 March 2013 | CEPS - Brussels



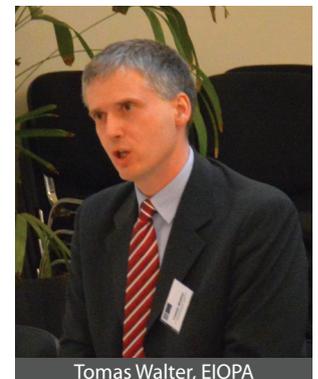
Miguel de la Mano

The excesses of the sub-prime crisis highlighted the dangers of the originate-to-distribute model and led to the dry-up of most securitisation markets in Europe. However, in converting illiquid pools of assets into securities that can be purchased by investors in capital markets, securitisation can play an important role in the long-term financing of industrial and infrastructure projects, as well as SMEs. The challenge is in controlling some of the risks inherent to the process such as complexity, transparency and volume-based incentives. Miguel de la Mano (European Commission), Guido Bichisao (European Investment Bank) and Ian Bell (Prime Collateralised Securities) all agreed at this event that Europe needs to revive its capital markets to ride its way out of the crisis, including by the use of securitisation as a tool permitting institutional investors to benefit from the local underwriting expertise of banks. The prudential framework may need to be fine-tuned to better differentiate good quality securitisation from complex and opaque one.

### Fourth Meeting of the Task Force on Long-term Investing and Retirements Savings

14 March 2013 | CEPS - Brussels

The risk to the business model of traditional life insurance comes primarily from the low interest rate environment. Yet, the Solvency II framework needs to be fine-tuned to better distinguish default risk from spread risk, in the presence of fixed liabilities backed by assets held to maturity. But promoting a higher allocation in retirement schemes to equity and less liquid asset classes is a different question altogether. Product innovation may need to be assisted by regulatory action to build a single market for long-term retail investment funds and default third-pillar pension schemes. The ultimate challenge is to overcome the myopic risk aversion exhibited by beneficiaries when saving and investing for their retirement. These were the key issues explored at the last meeting on 14 March of the CEPS-ECMI Task Force on "Supporting long-term investing and retirement savings". The final report is now under preparation.



Tomas Walter, EIOPA

### Stepping up the Fight Against Market Abuse: Challenges in a Complex Financial Marketplace

23 January 2013 | CEPS - Brussels



Arlene McCarthy

"The best way for the EU to proceed in the face of market abuse is not to wait for the US to finish the given investigation and then ask for extradition." This was the advice given to EU competition authorities by MEP Arlene McCarthy at an ECMI seminar on January 23rd. Accordingly, the EU is equipping itself with the tools to combat market abuse and manipulation by raising the bar on principles and sanctions. However, listed companies are wary that the proposed legislation does not offer sufficient legal certainty, including on the definition of insider information, and could deter listings given the administrative burden for SMEs – as argued by Carmine Di Noia, Deputy Director General at ASSONIME. In extending the market abuse regime to derivatives markets, Thomas Erickson of the Commodity Markets Council cautioned against following the same approach as for equities. In order to differentiate hedging from other operations, firms should be asked to disclose their 'physical position' to the supervisor.