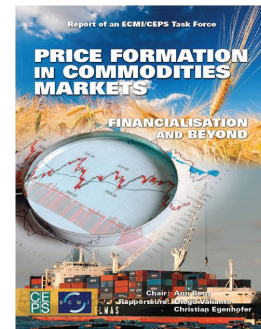


FEATURED

Advance Release of Task Force Report: *Price Formation in Commodities Markets*

ECMI-CEPS Task Force report launch | 9 July 2013

On Tuesday the 9th of July CEPS and ECMI hosted the presentation of the advance release of the Task Force Report on Price Formation in Commodities Spot and Future Markets. The event, open to members and regulators, was chaired by CEPS senior research fellow and co-rapporteur, Christian Egenhofer, who emphasised the policy sensitivity surrounding the key findings of this report. The author, ECMI Head of Research Diego Valiante, described the highlights of this 393 pages report, which explores the evolving interaction between futures and physical markets and impact on long-term drivers of price formation. The advance release will be followed by an open public event in the second half of September to present the final version of the report. Please [click here](#) to download the report and other supporting documents.



UPCOMING EVENTS

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

ECMI Annual Conference | 17 October 2013 | National Bank of Belgium



The ECMI Annual Conference is a major Brussels event bringing together market participants, policy-makers and academics to discuss challenges for capital markets and European integration. This year's conference will explore the multi-faceted concept of competition within an economically and financially integrated area: Competitiveness gaps among member states spur competition at a macroeconomic level, while competition among financial markets operators and among funding sources reflects the microeconomic dimension of competition as a driver for economic growth in a highly integrated area. Jointly organised with Carefin - Università Bocconi and the Belgian Financial Forum, the conference will consist of three sessions with keynote speeches and presentations, followed by panel debates with members of the audience.

Keynote speakers:

- Joaquín Almunia, Commissioner for Competition and Vice-President, European Commission
- Thomas Westphal, Director General for European Affairs, Federal Ministry of Finance, Germany
- David Evans, Executive Director, Jevons Institute for Competition Law and Economics, University College London
- Andrea Beltratti, Full Professor of Finance, Università Bocconi and Chairman of the Board of Eurizon Capital
- Julian Callow, Chief International Economist, Barclays
- [Click here for the full list of speakers](#)

Register until 20 September to enjoy the early bird rate. ECMI members can register free of charge.

Please [click here](#) to register.

RECENT EVENTS

Financial indices and benchmark settings: *The road ahead for Europe*

ECMI Half-day Conference | 27 June 2013



James Smethurst and MEP Kay Swinburne

Greater transparency and better governance for all the actors involved in the supply chain of benchmarks: that is what regulators and market participants expect from the forthcoming Commission proposal on benchmarks prices and indexes. Against a general consensus regarding the necessity of a response to the recent scandals (e.g. LIBOR), this event organized by ECMI discussed the implications that the legislative action will have on a wide range of stakeholders with key regulators (European Commission and ESMA) and stakeholders.

Three issues emerged as central to this debate. First, panellists acknowledged the heterogeneity of benchmarks and thus a 'one size fits all' approach may not be suitable. Second, the use of judgement in some benchmarks production is a precondition for providing the market with meaningful information. Legislation recognising only transaction-data benchmarks may be ineffective if not counterproductive. Third, the extent to which legislative burden will discourage contributors to participate to benchmarks setting is open question as submitters are also afraid of the potential liabilities of submitting transactions to an entity that does not provide a minimum level of transparency and governance rules. [Click here to access the meeting report.](#)

ECMI Head of Research Diego Valiante at IOSCO

IOSCO Committee Meeting, Frankfurt (Main) | 28 June 2013

Diego Valiante, ECMI Head of Research and CEPS Research Fellow, took part at the IOSCO Committee on Commodity Derivatives Markets that was held in Frankfurt on the 28th of June joining a closed-door seminar on development in markets structures and challenges for regulators. The panel included representatives from commodities trading houses, commodities exchanges and the investment banking industry. The discussion tackled the main issues in the debate on commodities trading: the relationship between 'financial' and 'physical' players, changes in trends of market participation, changes in correlation across markets, impacts of high frequency trading, development in warehousing systems and the effects of new regulatory developments on price formation mechanisms.

The EMIR Implementation Jigsaw: *Progress assessment*

ECMI Seminar | 3 June 2013

A general feeling of scepticism regarding the chances for the EU financial industry to be ready for the next key deadlines of EMIR implementation is tangible across market players who also identified in the regulatory uncertainty the main cause for this lack of preparation. This ECMI round table gathered together the European Commission and diverse representatives of the financial industry (PGGM, DTCC, CELENT and Tradeweb) to discuss the progress in the implementation of EMIR from the point of view of the adoption of technical standards and to analyse the way in which the industry is preparing to adapt its business strategies to meet this challenge. Despite being in force since August 2012 EMIR cornerstone obligations (reporting and clearing) are still not enforced and uncertainty surround the precise date from which they will eventually become binding; more uncertainty is then created by the authorization of CCPs and TRs, process upon which the shape of new post-trade market environment is likely to be highly dependent. [Click here to access the meeting report.](#)



Hannah Rayner and Diego Valiante

RECENT EVENTS

Asset Management Policy Five Years On: Which Balance and Prospects?

ECMI Seminar | 29 May 2013

The AIFMD is commonly heralded as the most important regulatory reform of the asset management industry in Europe since the 2008 financial crisis, but certainly not the only one. In this ECMI Seminar, Tilman Lueder (Head of Unit for Asset Management, European Commission) met ECMI members to discuss the progress in implementing the AIFMD and the rest of the regulatory agenda pursued by its unit. The main challenge identified was the completion of cooperation arrangements with third countries, required by the AIFMD for the delegation of activities to foreign firms. Failure to complete those on time (July 2013) could also delay the introduction of the passport for non-EU managers, scheduled for 2016. The seminar also addressed the upcoming framework for less liquid investment funds, the regulation of money market funds and the next steps following the recent consultation on UCITS - with discussants from Aberdeen, Clifford Chance, PwC and Northern Trust. [Click here to access the full report for this seminar.](#)



Tilman Lueder

Regulating Cross-border OTC Derivatives Activity

ECMI event in cooperation with US SEC | 7 May 2013



Brian Bussey and Erik J. Pan from the US SEC

The US Securities and Exchange Commission (SEC) released on May 1st 2013 its proposal on cross-border OTC regulation implementing Dodd-Frank. Associate Directors at the SEC, Brian Bussey and Erik J. Pan, met ECMI members to discuss the release and the concept of substituted compliance. Following the AIG case, the SEC is concerned that risks originated abroad may fall back on US taxpayers. Under the proposed rules therefore, any operations by subsidiaries guaranteed by a US firm would need to comply with Dodd-Frank. To avoid the accumulation of local requirements however, the SEC proposes to apply an outcomes-based comparison of compliance with US and local rules - so-called substituted compliance. From a transatlantic perspective, the SEC understands that US and EU rules tend to achieve similar outcomes, but the 'equivalence' approach proposed by the EU may prove more invasive than expected, which would push third countries to harmonise standards around the European regulatory framework. The SEC also welcomed the recent push by G20 leaders to explore the development of a global database for derivative transactions. [Click here to access the full report for this seminar.](#)

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UPCOMING IN SEPTEMBER

- "A Life-cycle Approach to Investor Protection" - Publication of the ECMI Policy Brief
- Presentation of "Saving for Retirement and Investing for Growth" - Report of the CEPS-ECMI Task Force on Long-term Investing and Retirement Savings
- Full-day seminar on price formation in commodities markets - Public launch of the Task Force Report with regulators and market participants