



EU Financial Regulation Newsletter, June 2019

6 March 2019- the political agreement reached by the European Parliament and Member States on *new rules that will further help small and medium-sized enterprises (SMEs) to finance their growth, innovate, and create jobs*. The revised rules will make it cheaper and simpler for SMEs to access public markets through the so-called 'SME Growth Markets', a new category of trading venue dedicated to small issuers (see http://europa.eu/rapid/press-release_IP-19-1568_en.htm).

7 March 2019- *agreement on sustainable investment disclosure rules*. The agreed rules will strengthen and improve the disclosure of information by manufacturers of financial products and financial advisors towards end-investors. The new regulation sets out how financial market participants and financial advisors must integrate environmental, social or governance (ESG) risks and opportunities in their processes, as part of their duty to act in the best interest of clients (see http://europa.eu/rapid/press-release_IP-19-1571_en.htm).

8 March 2019- *the European Commission adopted new rules to help insurers to invest in equity and private debt and to provide long-term capital financing* (see http://europa.eu/rapid/press-release_IP-19-1601_en.htm).

13 March 2019- *agreement on more robust supervision of central counterparties*. The agreement upgrades the supervision of central counterparties, established in EU and non-EU countries, offering or planning to offer services to EU clearing members and their clients, as well as to EU trading venues (http://europa.eu/rapid/press-release_IP-19-1657_en.htm).

15 March 2019- *the Commission takes stock of the progress achieved in building a Single Market for capital, including as regards sustainable finance, and calls on EU leaders to keep up the political engagement to lay down the foundation of the Capital Markets Union* (see http://europa.eu/rapid/press-release_IP-19-1632_en.htm).

21 March 2019- *Political agreement on a stronger and more integrated European supervisory architecture, including on anti-money laundering*. Agreement will improve supervision in the European Union by reinforcing the role and powers of the European Supervisory Agencies (see http://europa.eu/rapid/press-release_IP-19-1655_en.htm).

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2 April 2019- *the European Commission and the European Supervisory Authorities (ESAs) are launching the European Forum for Innovation Facilitators (EFIF), with the objective to improve cooperation and coordination in support of the application of new technological developments in the EU financial sector. Innovation facilitators usually take the form of 'innovation hubs' and 'regulatory sandboxes'. Innovation hubs provide a dedicated point of contact for financial firms to raise enquiries with competent authorities on financial technology (FinTech) issues. Regulatory sandboxes are schemes set up by competent authorities to provide firms with the opportunity to test innovative products and services related to the financial sector (see <http://europa.eu/rapid/midday-express-02-04-2019.htm?locale=en#11>).*

16 April 2019- *Adoption of the banking package: revised rules on capital requirements (CRR II/CRD V) and resolution (BRRD/SRM). The agreed rules will reduce risks in the banking sector by further reinforcing banks' ability to withstand potential shocks. They will update the framework of harmonized rules established in the wake of the financial crisis, the so-called 'Single Rulebook' (see http://europa.eu/rapid/press-release_MEMO-19-2129_en.htm).*

30 April 2019- *Commission adopts technical evaluation report on EU post-crisis rules for banks in difficulties. The European Commission has adopted a Report that reviews the application of the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation (SRMR) (see <http://europa.eu/rapid/midday-express-30-04-2019.htm#5>).*

9 May 2019- *European heads of state and government gathered in Sibiu, Romania for an informal meeting. They exchanged views on the main challenges and priorities for the European Union and discussed strategic plans for the next few years (see https://ec.europa.eu/commission/sites/beta-political/files/euco_sibiu_communication_en.pdf).*

16 May 2019- *euro area finance ministers exchanged views on the economic situation of the euro area and discussed the main policy challenges on the basis of the Commission's Spring 2019 Economic Forecast. (see <https://www.consilium.europa.eu/en/meetings/eurogroup/2019/05/16/>).*

17 May 2019- *EU finance ministers discussed current international tax reforms, in order to prepare for upcoming OECD and G20 debates. The focus was on both the challenges of taxation in the digitalised economy and broader issues related to the allocation of taxing rights and tax competition (see <https://www.consilium.europa.eu/en/meetings/ecofin/2019/05/17/>).*

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5 June 2019- *the European Commission presented country-specific recommendations, giving economic policy guidance to all EU Member States for the next 12 to 18 months.* The recommendations give guidance to Member States to respond adequately to persisting and new economic and social challenges and to deliver on their shared key policy objectives (see http://europa.eu/rapid/press-release_IP-19-2813_en.htm).

11 June 2019- *the European Commission is releasing the results of the 2019 Digital Economy and Society Index (DESI), which monitors Europe's overall digital performance and tracks the progress of EU countries with respect to their digital competitiveness.* The annual Digital Economy and Society Index measures the progress of EU Member States towards a digital economy and society, mainly on the basis of Eurostat data. It helps EU Member States identify areas requiring priority investment and action. The DESI is also the key tool when it comes to analysing digital aspects in the European Semester (see http://europa.eu/rapid/press-release_IP-19-2930_en.htm).

12 June 2019- *Communication "Deepening Europe's Economic and Monetary Union: Taking stock four years after the Five Presidents' Report".* The European Commission takes stock of the progress made to deepen Europe's Economic and Monetary Union since the Five Presidents' Report. The Commission invites EU leaders: to reach an agreement on the main features of the Budgetary Instrument for Convergence and Competitiveness; to finalise the changes to the Treaty establishing the European Stability Mechanism; to make a renewed effort to complete the Banking Union starting with political negotiations on the European Deposit Insurance Scheme; to accelerate progress on the Capital Markets Union and step up work to strengthen the international role of the euro (see http://europa.eu/rapid/press-release_IP-19-2934_en.htm).

14 June 2019- *the Eurogroup agreed on the main features of the budgetary instrument for convergence and competitiveness (BICC) for euro area, and for ERM II Member States on a voluntary basis.* The instrument will strengthen the Economic and Monetary Union by supporting a higher degree of convergence and competitiveness within the euro area and participating Member States, hence contributing to the overall cohesion of the Union (see <https://www.consilium.europa.eu/en/press/press-releases/2019/06/14/term-sheet-on-the-budgetary-instrument-for-convergence-and-competitiveness/>).

14 June 2019- *The Council of the EU adopted two key reforms in the framework of the Capital Markets Union: a regulation providing greater choice for people who wish to save for their retirement and expanding the market for personal pensions through the creation of a "pan-European pension product" (PEPPs); a package of measures aimed at removing existing barriers to the cross-border distribution of investment funds*

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(<https://www.consilium.europa.eu/en/press/press-releases/2019/06/14/capital-markets-union-council-adopts-new-rules-facilitating-access-to-pension-products-and-investment-funds/>).

14 June 2019- The EU is introducing new rules which will provide businesses with a more transparent, fair and predictable online business environment, as well as an efficient system for seeking redress. The regulation adopted by the Council addresses relations between online platforms and businesses (see <https://www.consilium.europa.eu/en/press/press-releases/2019/06/14/eu-introduces-transparency-obligations-for-online-platforms/>).

21 June 2019- At the *Euro Summit*, the 27 leaders of the EU looked at the economic situation together with European Central Bank President Mario Draghi. They also discussed work done by the Eurogroup regarding deepening of the Economic and Monetary Union (EMU), particularly a budgetary instrument for convergence and competitiveness (BICC) for the euro area, changes to the treaty establishing the European Stability Mechanism and ways to strengthen the banking union (see <https://www.consilium.europa.eu/en/meetings/euro-summit/2019/06/21/>).

26 June 2019- *Council sets its position on easier access to crowdfunding platforms.* The EU is setting out a new regulatory framework for the operation of crowdfunding platforms. This new framework harmonises the minimum requirements on these platforms when operating in their home market and other EU countries (see <https://www.consilium.europa.eu/en/press/press-releases/2019/06/26/capital-markets-union-council-sets-its-position-on-easier-access-to-crowdfunding-platforms/>).

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