POSITION PAPER

ESBG response to ESMA consultation on Market Abuse Regulation review report

ESBG (European Savings and Retail Banking Group)

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ESBG

Question 1. Do you consider necessary to extend the scope of MAR to spot FX contracts? Please explain the reasons why the scope should or should not be extended, and whether the same goals could be achieved by changing any other piece of the EU regulatory framework.

ESBG shares ESMA's view concerning the arguments listed in points 15-23 of the Consultation Paper. The extension of the MAR scope to spot FX contracts would definitely require enormous developments on the IT infrastructure side.

As per the Global Index of Public Registers (the "Global Index")[1] more than 970 entities are already committed to comply with the FX Global Code. The review of the Global Index is useful to understand the global nature of this initiative, as well as the high degree of harmonization achieved.

As most market participants, we consider that the FX Global Code will be subject to further developments aimed to create a worldwide standard market practice that will cover some market abuse concerns among many other relevant key aspects of the FX spot markets. In our opinion, extending the current scope of the MAR may not only hinder this undergoing process, but also depriving the supervisory bodies of a useful and well adapted tool to carry out their duties. Consequently, it would be more convenient to evaluate the results achieved and improve the current version FX Global Code before developing new initiatives. We would also recommend applying the principle of proportionality in case of new potential obligations (e.g. different requirements linked to the level of complexity of trading activities, size of traded volumes, etc.).

Question 2. Do you agree with ESMA's preliminary view about the structural changes that would be necessary to apply MAR to spot FX contracts? Please elaborate and indicate if you would consider necessary introducing additional regulatory changes.

As previously mentioned, the platforms already active in the FX spot market are not adapted to the MiFID-MAR framework and in fact the bulk of the transactions are of a bilateral nature. Likewise, the number of entities actively involved is huge, and large corporations are among the most relevant players. Furthermore, in the current global environment, there are several ways to manage FX positions and exposures in addition to FX spot and forward contracts, some of them very easy and convenient to use, such as the set-off of international payments. Although some supervisory entities are surveying and monitoring some of these activities, mostly for the sake of controlling large international transactions and monitoring their own countries' balance of payments, from our experience no real reporting practices are being implemented. In general terms, it is important to stress that the main features of the FX spot markets are very different of those of the securities markets and the currencies traded, most of them non-convertible, are subject to the control of the issuing.

In our opinion, including the FX spot market within the scope of the MAR would require the adoption of additional structural changes and potentially the introduction of exchange control regulations. In this vein, among any other potential measures, it would be necessary to consider:

- Introduce new reporting duties in connection not only to FX spot transactions, but also in respect of the management of FX positions and international wire transfers.
- Subject large corporations to supervision in respect of FX positions.
- Coordinate all supervisory measures on a worldwide basis.

[1] The Global Index readily available at the web page https://www.globalfxc.org/global_index.htm

In addition to the previous concerns, since currencies are a creation of the issuing country, according to well established principles of international public law the issuance and management of each currency is a sovereign activity. Since all issuing countries are actively managing their own currencies, and so continuously deceiving the expectations of private individuals, a robust market abuse akin to the MiFID-MAR framework will ultimately require improving the By-Laws Rules and Regulations of the IMF.

Q3: Do you agree with this analysis? Do you think that the difference between the MAR and BMR definitions raises any market abuse risks and if so what changes might be necessary?

Yes, ESBG agrees with this analysis. The upcoming reviews should eliminate the differences between the definitions of BMR and MAR

Question 7. Do you agree that there is a need to modify the reporting mechanism under Article 5(3) of MAR? Please justify your position.

We agree that reporting each transaction related to the buy-back programme also to those trading venues where their shares are traded, even in those where no request, approval or acquiescence of the issuer is necessary, may be burdensome and the reporting mechanism should be simplified.
Therefore, we strongly agree that there is a need to modify the current mechanism under Art 5(3) MAR, as:

- Issuers are often not aware of MTF trading of their shares on Stock Exchanges worldwide;
- These MTF trading are initiated by brokers on various stock exchanges, normally without the issuer's knowledge and/or approval. The applying broker can discontinue such MTF trading at any time; it would be very burdensome for the issuer to continuously scan stock exchanges worldwide (or even EU-wide) to find out where its shares are currently traded (then comply with the local reporting requirements);
- Market participants, on the other hand, are aware that such MTF trading are, both from a liquidity, as well as from a transparency angle, not comparable with listings initiated by the issuer (even if such listing is on an MTF, and not on a regulated market); hence market participants do not need (or even expect) the same level of protection through transparency. If a market participant wants to get information on a specific security, he is well aware to look at such security's "home market";
- Other regulations targeted at protection of market participants (ad hoc publication above all, but others too) only apply if the issuer has initiated or at least approved the trading on a specific stock exchange; hence apparently the generally accepted approach of the market (and legislation) is that for trading of securities that are not initiated/approved by the issuer there is a lower level of transparency. This should also be considered with respect to Art 5(3) MAR, as we do not see a justification to make an exception here;

Question 8. If you agree that the reporting mechanism should be modified, do you agree that Option 3 as described is the best way forward? Please justify your position and if you disagree please suggest alternative.

As stated above, we believe that the reporting mechanism should be modified. We agree with option 3, if a clearly determined calculation-logic for liquidity is amended (e.g. liquidity of the last 3 or 6 months).

Question 9. Do you agree to remove the obligation for issuers to report under Article 5(3) of MAR information specified in Article 25(1) and (2) of MiFIR? If not, please explain.

Yes, we agree. In our opinion, the obligation for issuers to report under Article 5(3) is inefficient given that according to Article 25(1) and 25 (2) of MiFIR, the same information must be recorded by investment firms and made available to ESMA and CAs. Given that this information is already provided by the investment firms, in our opinion, the obligation could be removed maintaining the same level of transparency. We would welcome any simplification to the reporting system.

Question 10. Do you agree with the list of fields to be reported by the issuers to the NCA? If not, please elaborate.

Yes, we agree. In our opinion, the information to be provided by the investment firms to the issuer, and from the issuer to the NCA should be harmonised at European level. In connection with the fields to be reported by the issuers to the NCA, as far as this information is enough for the NCAs and is not extremely burdensome for the issuers, the information described in the consultation paper should be enough.

Question 12. Would you find more useful other aggregated data related to the BBP and if so what aggregated data? Please elaborate.

In our opinion, using aggregated data shall be very useful, as depending on the market participant and the information they need, you may just analyse the aggregated data instead of the whole amount of information provided in the disaggregated form. For example, Max./min. price paid in each trading session (on top of the information mentioned in item 75) could be informative for market participants. For clarification purposes, and regarding the Buy-back programmes, ESBG Members have recently seen reports which includes both aggregated and disaggregated sets of information.

Question 13. Have market participants experienced any difficulties with identifying what information is inside information and the moment in which information becomes inside information under the current MAR definition?

While the definition of inside information is clear, putting the definition into practice shows different approaches. In our experience, some issuers tend to publish relatively many "investor news" under the umbrella of the MAR (some issuers tend to follow the MAR even in case of "ordinary publications" to prevent severe fines). In terms of market information this might undermine the basic idea of the MAR as many publications do not contain information or data that are likely to have a significant impact on securities.

At the same time, when assessing whether a potential new bond issuance is inside information, we find difficulties in assessing inaugural transactions for issuers who do not have any listed securities at the time. There are no financial instruments' pricing which could be directly impacted, however, it is true that the information could affect demand for comparable instruments. In our view, price impact on comparable would be very limited or none so no inside information involved.

There are different situations or operations where it is difficult to determine if it is inside information. As it is difficult that the Regulation includes indicators/situations of inside information, it could be included in the Guidelines in order to make the definition more accurate.

Question 14. Do market participants consider that the definition of inside information is sufficient for combatting market abuse?

We believe the definition is in any case sufficient and should not be expanded. Moreover, some clarification appears useful as set out above.

Question 16. Have market participants identified inside information on commodity derivatives which is not included in the current definition of Article 7(1)(b) of MAR?

We have not identified inside information on commodity derivatives, which is not included in the current definition of Article 7(1)(b) of MAR, as long as we render our activities on a back to back basis (i.e. we act as an intermediary between the client and the market maker).

Question 17. What is an appropriate balance between the scope of inside information relating to commodity derivatives and allowing commodity producers to undertake hedging transactions on the basis of that information, to enable them to carry out their commercial activities and to support the effective functioning of the market?

This balance should only apply to market makers and those rendering their services on a back to back basis shall be excluded.

Question 18. As of today, does the current definition of Article 7(1)(b) of MAR allow commodity producers to hedge their commercial activities? In this respect, please provide information on hedging difficulties encountered.

Yes, the definition allows commodity producers to hedge their commercial activities. We do not have hedging difficulties because we render our services on a back to back basis.

Question 19. Please provide your views on whether the general definition of inside information of Article 7(1)(a) of MAR could be used for commodity derivatives. In such case, would safeguards enabling commodity producers to undertake hedging transactions based on proprietary inside information related to their commercial activities be needed? Which types of safeguards would you envisage?

Yes, the general definition on 7(1)(a) of MAR could be used for commodity derivatives.
With regard to the safeguards, we cannot provide an opinion as long as we render our services on a back to back basis

Question 20. What changes could be made to include other cases of front running?

Orders by employees before orders by clients should be included, but not only those employees who are at the negotiating table, all employees who put orders before clients by the same terminal should be considered.

Question 22. What market abuse and/or conduct risks could arise from pre-hedging behaviours and what systems and controls do firms have in place to address those risks? What measures could be used in MAR or other legislation to address those risks?

The only way to prevent this is to monitor the market in order to detect huge movements not explained by news or data publication. Particularly, in extremely liquid markets as Interest Rates Swaps are really difficult to detect the pre/hedging. A way to address this issue is analyzing the Trade Repositories Data, regulators should stablish controls to detect abnormal trades in size.

Question 23. What benefits do pre-hedging behaviours provide to firms, clients and to the functioning of the market?

Theoretically the broker/trader should benefit from a less volatile market while fixing the trades at a specific time, but it is not clear whether the clients could benefit from it also.

Question 25. Please provide your views on the functioning of the conditions to delay disclosure of inside information and on whether they enable issuers to delay disclosure of inside information where necessary.

The framework allows issuers to delay disclosure of inside information if necessary. We consider that the delay should be regarded as the natural counterweight to protect the legitimate interests of the issuer instead as an exceptional instrument.

Additionally, regarding the condition of the prejudice of a legitimate interest of the issuer, ESMA guidelines remain restrictive. The example of "impeding developments that could be jeopardized" shall be taken into account.

Question 26. Please provide relevant examples of difficulties encountered in the assessment of the conditions for the delay or in the application of the procedure under Article 17(4) of MAR.

Some difficulties might arise when assessing the point in time at which information becomes sufficiently precise in nature and to what extent legitimate interests of the issuer should allow the delay of publication.
Information should only be deemed sufficiently precise in nature once the ultimate decision-making body (i.e. supervisory board in two-tier systems) approves such decisions.

The Equity Swaps that Members trade are reported to the market once all the details of the transaction have been defined, although their execution in the market may have started in advance.

Q27: Please provide your view on the inclusion of a requirement in MAR for issuers to have systems and controls for identifying, handling, and disclosing inside information. What would the impact be of introducing a systems and controls requirement for issuers?

Currently, each potential case of inside information should be treated individually, as qualitative factors are relevant. Even without discussed/proposed requirements, relevant guidelines/processes have to be in place to enable issuers to qualify information as inside information.

Potential impacts of introduced systems can only be commented once there is clarity about such systems.

Question 28. Please provide examples of cases in which the identification of when an information became "inside information" was problematic.

For example: Equity Swap's, if they are informed before they have been closed and have the certainty that they will be completed.

Question 29. Please provide your views on the notification to NCAs of the delay of disclosure of inside information, in those cases in which the relevant information loses its inside nature following the decision to delay the disclosure.

A notification to the NCAs should still not be necessary when the information has lost its inside nature.

Q30: Please provide your views on whether Article 17(5) of MAR has to be made more explicit to include the case of a listed issuer, which is not a credit or financial institution, but which is controlling, directly or indirectly, a listed or non listed credit or financial institution.

We are not aware of any situation that has made financial institutions even consider making use of Article 17 (5) MAR. That said, given that the financial crisis has shown that a systemic risk may also result from an issuer controlling a credit or financial institution, we would support the proposed expansion of the scope of Article 17(5) MAR.

In case of non-listed credit/financial institutions, we would support MAR 17 (4) to be extended to provide sufficient clarity to delay the publication of inside information.

Question 33. Do you agree with the proposed amendments to Article 11 of MAR?

We agree with amendment (a) as long as the DMP carrying out the market sounding assesses, it involves disclosing information. We believe that the obligations to meet the requirements established in Article 11 of MAR should not be compulsory in case of market sounding only involves confidential information. We also agree with amendments (b) and (c).

Question 34. Do you think that some limitation to the definition of market sounding should be introduced (e.g. excluding certain categories of transactions) or that additional clarification on the scope of the definition of market sounding should be provided?

Yes, we do. We do agree that market sounding definition should be clarified to exclude certain transactions which are not within the spirit of the regulation. As a general rule, potential transactions not involving listed securities could be excluded. One example of transactions to be excluded is:

- Bond transactions which are offered privately to a limited number of counterparties on a confidential basis, those transactions are only made public after pricing. These transactions should be excluded even if they entail inside information for new issuers, so there is no bond price in the market that could be affected;

We also strongly urge to reconsider if a non-wall crossing market sounding shall remain in scope of the current market sounding regime. Wherever no inside information is communicated, the risk of an over extensive audit trail and improper behaviour in breach of the MAR is marginal whereas the administrative burden is still extraordinary. The required assessment of the information to be disclosed by the DMP is an integral part of any sounding attempt. As a result, it should be sufficient to document, why a specific information is no inside information and therefore is not in scope of the market sounding regime.
There should be a clear definition on inclusion or exclusion from market sounding of companies with listed bonds aiming for an IPO.

Question 35. What are in your view the stages of the interaction between DMPs and potential investors, from the initial contact to the execution of the transaction that should be covered by the definition of market soundings?

Communication unrelated to a specific transaction should not be captured by the market sounding regime. This has also rightly been indicated in Recital 19 of MAR (19) stating that MAR is not intended to prohibit discussions of a general nature regarding the business and market developments between shareholders and management concerning an issuer. The same should also apply to communication of a similar nature with investors generally. Also, communication of information after the announcement of a transaction may, if it includes the disclosure of inside information, is sufficiently covered by the general regime under Article 10 MAR.

Question 36. Do you think that the reference to "prior to the announcement of a transaction" in the definition of market sounding is appropriate or whether it should be amended to cover also those communications of information not followed by any specific announcement?

In our opinion, the reference "prior to the announcement of a transaction" is sufficient. Without the reference "prior to the announcement of a transaction" private placements could be considered to be in scope of the Market Sounding Regime, as they might lack a public announcement of the transaction. Private placements shall not be considered to be in scope and might be included as an exempted kind of transactions.

Question 37. Can you provide information on situations where the market soundings regime has proven to be of difficult application by DMPs or persons receiving the market sounding? Could you please elaborate?

A significant part of the institutional investor community perceives the Art. 11 MAR regime as overly cumbersome and rejects its participation in market sounding due to the overly formalistic procedural requirements. For that reason, market sounding is becoming increasingly difficult, it appears sufficient to limit these to a general advice that the information to be disclosed may constitute inside information and the legal obligations and sanctions resulting therefrom as under Article 18(2) MAR.

In some markets, soundings for debt transactions are primarily done to form a 2nd line syndicate in a passive role (co-lead manager) without access to the entire orderbook. Transactions are characterized of smaller sizes (i.e. EUR 50-200mn) and driven by a local retail bid and selling process. For transactions of that kind, the largest local intermediaries (up to 10 of the largest local banks) are invited to participate in the syndicate via "market soundings" where the intermediaries can opt for soft commitments which have to be confirmed with orders once the books are opened. Main transaction terms like tenor, notional, envisaged yield/spread, indicative timetable etc. are already released within the written market sounding.

In smaller markets, the MAR market sounding regime is applicable to deal preparations, which are unlikely to have an influence on other financial instruments. Furthermore, transactions as explained above, do not intend to gauge the interest of an investor but to sort out if a transaction could actually be concluded with a filled orderbook. The applicability of the MAR market sounding regime on transactions as described above, was positively determined by the major market participants, however in most of the transactions the terms and size is fixed and no input from the buy-side is needed. We strongly believe that any clarification on the scope of the market sounding regime would ensure a streamlining of the process and predictability for DMPs and the receiving parties.

It should be noted, that informal negotiations about the intention to sell blocks of securities, might be in scope of the market sounding regime. Transactions (especially on institutional client level) might be hard to execute over the secondary market and therefore need negotiations. Nevertheless, transactions of this nature constitute an attempt to actually sell securities and do not intend to gauge the interest in a size or price of securities. So far, we cannot see sufficient ground to rule out an applicability of the market sounding regime for transactions of this kind. Illiquid markets, in particular, often fall victim to the market sounding regime, when "normal" and "accepted" market practices might be considered market soundings instead of execution of transactions and the necessary price and size negotiations.

Moreover, market sounding regime proves to be unclear and difficult to apply in club deal transactions executed on a confidential basis. In Members' experience, this has been the case for project bonds and for small corporate bond transactions (EUR50M).

These sort of transactions are only made public after pricing when the bond is created on Bloomberg to generate the trade tickets for investors. In the case of Project Bonds, given the ring fence nature of the product, there is no inside information.
The initial consent with investors to participate on a market sounding, even though time consuming, is not a great concern. The registry of the initial information pack is not a concern either. The difficulty arises when the DMP start to receive questions on the credit, the structure, the cash flows, etc. and it falls within the responsibility of the DMP to discriminate relevant info from non-relevant info and the amount of workload to register all interactions with counterparties.

Question 38. Can you provide your views on how to simplify or improve the market sounding procedure and requirements while ensuring an adequate level of audit trail of the conveyed information (in relation to both the DMPs and the persons receiving the market sounding)?

By exempting specific transaction types and excluding non-wallcrossing soundings, the scope of the market sounding regime would improve with regards to clarity for DMP and receiving parties. Receiving market sounding should not be governed by the market sounding regime but only the general MAR laws regarding wall-crossings. There is no additional need (to the already applicable MAR clauses) to restrict receivers of confidential information in the course of a market sounding. The overarching receiving market soundings regime; results in less companies willing to accept market soundings and the functionality of illiquid markets is threatened. This is due to the additional administrative burden put upon the receivers of such soundings and the fines relating to MAR violations.

For the case of new transactions executed on a confidential basis, market sounding requirements should only apply to the interactions until the moment in which the transaction terms and conditions are agreed with the issuer. Registry should comprise, including investor, person, date and time:

- Consent to participate on the market sounding by the investor, either on recorded line or by email;
- Initial information package shared with investors;
- Any other information shared with all investors;
- Feedback from investor;

Reference to NDA requirements text would be an advantage.

Question 39. Do you agree with ESMA's preliminary view on the usefulness of insider list? If not, please elaborate.

Yes. Insider lists should be useful for NCAs investigation's in case of market abuse.

Question 40. Do you consider that the insider list regime should be amended to make it more effective? Please elaborate.

Yes, especially the section on permanent insiders is not needed in this context not even as a supplement. As ESMA correctly states, the insider list should document which persons have actually knowledge of an inside information. According to the Implementing Regulation (EU) 2016/347 the details of permanent insiders included shall not be included in the other sections of the insider list.
The definition of a "permanent insider" should be reviewed. In fact, there is hardly anyone who has access "at all times to all inside information within the issuer". Taken literally, the foregoing would hardly be the case even for an issuer's CEO or CFO. The permanent insider section raises exactly the problem that stated in the headline '*Actual access versus potential access to inside information.*

Question 41. What changes and what systems and controls would issuers need to put in place in order to be able to provide NCAs, at their request, the insider list with the individuals who had actually accessed the inside information within a short time period?

The updating of the list should be as soon as the information is transmitted, it also requires continuous monitoring to verify the inclusion of people who beforehand will participate in the operation according to their role and the type of operation. Additional systems and controls would represent a huge burden only to avoid false positives.

Question 42. What are your views about expanding the scope of Article 18(1) of MAR (i.e. drawing up and maintain the insider list) to include any person performing tasks through which they have access to inside information, irrespective of the fact that they act on behalf or on account of the issuer? Please identify any other cases that you consider appropriate.

It would be helpful to clarify whether external auditors should be included in insider lists and whether a distinction should be made between those, which the company itself commissions, and those that act on behalf of a supervisory authority. If they are to be included, it should also be sufficient here to include only one person on behalf exclusively with their business contact data.
Direct obligation to (legal) persons who have access to inside information (acting on behalf or for the account of the issuer) by law and not through the issuer. It should be addressed directly as an obligation to persons performing task for an issuer.

Moreover, any person with access to inside information should have the obligation to draw up an insider list within its organisation. The issuer should be obliged to maintain in its list the institution with access to its inside information and hence facilitate NCAs investigations.

Question 43. Do you consider useful maintaining the permanent insider section? If yes, please elaborate on your reasons for using the permanent insider section and who should be included in that section in your opinion.

No, we are in favor of the event-based insider list.

Question 44. Do you agree with ESMA's preliminary view?

Yes, we do agree. In order to include the "external" in the insider list, specifying that only one contact of a natural person is registered for each legal person would simplify the administrative burden. However, ESMA only raises the perspective of the issuer, but ESBG also considers that a person acting on behalf of the issuer should only register a contact person of the issuer or customer (team leader).

Q46.Does the minimum reporting threshold have to be increased from Euro 5,000? If so, what threshold would ensure an appropriate balance between transparency to the market, preventing market abuse and the reporting burden on issuers, PDMRs, and closely associated persons?

We believe it should be increased to at least EUR 20.000.

Q47.Should NCAs still have the option to keep a higher threshold? In that case, should the optional threshold be higher than Euro 20,000? If so, please describe the criteria to be used to set the higher optional threshold (by way of example, the liquidity of the financial instrument, or the average compensation received by the managers).

It would be advisable to maintain an optional higher threshold for the NCAs to take into account specific circumstances of their market when applicable. As previously mentioned, the minimum threshold should be EUR 20.000 and the optional threshold should be higher.

Q48.Did you identify alternative criteria on which the reporting threshold could be based? Please explain why.

We recommend that once the threshold has been reached, there should be no new reporting obligation until the threshold has been reached again (once EUR 20000 has been reached the counter resets to zero and only when the threshold is reached again the notification is due). This mechanism will help to reduce irrelevant notifications and administrative burdens.

Another alternative criteria can include carving out transactions that bear a lower risk of insider dealing from the reporting obligation. This should include the list of reportable transactions set out in Article 10(2) of the Commission Delegated Regulation (EU) 2016/522, especially gifts and donations made or received, and inheritance received (Article 10(2)(k)). Failing any signalling effect, disclosure of these transactions as managers' transactions is not meaningful and may rather be misleading as they do not have any signalling effect whatsoever.

Moreover, a distinction between natural and legal persons could also be considered.

Q51.Do you consider that the 20% threshold included in Article 19(1a)(a) and (b) is appropriate? If not, please explain the reason why and provide examples in which the 20% threshold is not effective.

Yes.

Q53: Did you identify elements of Article 19 (11) of MAR which in your view could be amended? If yes, why? Have you identified alternatives to the closed period?

No.

Q54.Market participants are requested to indicate if the current framework to identify the closed period is working well or if clarifications are sought.

No, it is still not clear. We would need more clarification on what exactly is meant by "all the key information relating to the financial figures".

Q55: Please provide your views on extending the requirement of Article 19(11) to (i) issuers, and to (ii) persons closely associated with PDMRs. Please indicate which would be the impact on issuers and persona closely associated with PDMRs, including any benefits and downsides.

In our opinion, this should be firmly rejected. Closed periods should not be extended to the issuer; the protection provided by Art. 7, 8 and 9 MAR is sufficient.
An extension of the closed period to persons closely associated with PDMRs is not necessary. ESMA had already expressed this view in its Final Report (ESMA's technical advice on possible delegated acts concerning the Market Abuse Regulation). Accordingly, the closed period should only apply to PDMRs and not to persons closely related to hem.

Additionally, we must bear in mind that primary bond markets are already protected by the disclosure requirements established in the Prospectus Regulation, warranting that investors have complete and accurate information in order to take investment decision.

Question 56: Please provide your views on the extension of the immediate sale provided by Article 19 (12) (a) to financial instruments other than shares. Please explain which financial instruments should be included and why.

We agree with the extension to financial instruments, it would be helpful for the PDMRs to face financial difficulties.

Q57: Please provide your views on whether, in addition to the criteria in Article 19(12) (a) and (b), other criteria resulting in further cases of exemption from the closed period obligation could be considered.

Another exemption should be created mirroring the legitimate behaviors defined in Article 9(3).

General Comment

Issues in the translation from the MAR English version to German version

For a harmonised approach, we strongly recommend to use the definition in Art 3 para 26 MAR ("persons closely associated"/"eng verbundene Personen") consistently like in the English version. In the German version we noticed several descriptions in:

- Art 19 ("Personen in enger Beziehung" as well as "eng verbundene Personen"),
- recital 58 ("in enger Beziehung zu ihnen stehenden Personen"),
- recital 59 („in enger Beziehung zu diesen"),
- recital 81 („eng mit ihnen verbundener Personen").

For our German speakers' Members, the consistent use of the definition in Art 3 para 26 MAR would be the right translation to avoid misunderstandings and different interpretations in the future.

About ESBG (European Savings and Retail Banking Group)

ESBG represents the locally focused European banking sector, helping savings and retail banks in 21 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 900 banks, which together employ more than 650,000 people driven to innovate at roughly 50,000 outlets. ESBG members have total assets of €5.3 trillion, provide €1 trillion in corporate loans (including to SMEs), and serve 150 million Europeans seeking retail banking services. ESBG members are committed to further unleash the promise of sustainable, responsible 21st century banking. Our transparency ID is 8765978796-80.

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