

ESMA reports on accepted market practices under MAR

ESMA's report provides an overview on the establishment and application of AMPs in the EU, with particular reference to the AMPs established on the basis of the Market Abuse Directive and which were still in force when MAR became applicable, and the AMPs which have been established under MAR.

The report includes ESMA's views on the application of AMPs together with recommendations to National Competent Authorities.

Background

MAR's purpose is to guarantee the integrity of European financial markets and promote investor confidence. The concept of market abuse typically consists of insider dealing, unlawful disclosure of inside information, and market manipulation.

However, some exceptions apply, for example, MAR provides a defence against market manipulation if the transaction was legitimate and carried out in accordance with an AMP and MAR describes the non-exhaustive factors that a competent authority should take into account before deciding whether or not to accept a market practice.

International trade in services – EU surplus up to over €190 bn in 2017 – The USA continued to be the main partner for both exports and imports

The **European Union** (EU) surplus in trade in services, which had fallen between 2013 and 2016, increased to €191.8 bn in 2017. This is the result of **EU** exports of services to the rest of the world rising by 5%, from €870.5 bn in 2016 to €912.4 bn in 2017, while **EU** imports decreased by 2%, from €732.3 bn to €720.7 bn.

[Full text available on EUROSTAT website](#)

Speeches by First Vice-President Frans Timmermans and Michel Barnier on behalf of President Juncker at the Plenary session of the European Parliament on the occasion of the debate on the UK's withdrawal from the EU

First Vice-President Frans Timmermans

Thank you very much, Mr President.

The vote last night in the House of Commons was crystal clear. The Withdrawal Agreement has been rejected. And now we will have to look for a way forward.

The Commission regrets the rejection of the Withdrawal Agreement, as the representative of the Council said, because we do believe this was the best possible outcome. In a situation where two parties were negotiating, looking after their own interest, the Commission negotiated – Michel Barnier did a remarkable job in negotiating on behalf on the 27 –, the British government negotiated on behalf of the United Kingdom – and we do believe that the outcome of that negotiation led to a Withdrawal Agreement which did as little harm as possible.

Nobody should be under any illusion: Brexit does harm. It does harm to the United Kingdom. It does harm to the European Union. And we are under an obligation as politicians to limit the harm to the absolute minimum possible. We do believe the Withdrawal Agreement delivered on that obligation.

Now, I think it is not for us to speculate on what sort of Brexit we will have. We will now have to wait for what is going to happen in the House of Commons, in the United Kingdom, for the position of the British government and the British Parliament, and we will have to take it from there. But we are also under an obligation to make sure that we are prepared for any possible outcome, including a disorganised, no-deal Brexit which would have far-reaching consequences – both for the United Kingdom and for the European Union.

But the Commission will be well-prepared to make sure that we react to any possible outcome. And as the representative of the Council said: We will continue our process of ratification of the Withdrawal Agreement since it was agreed with the United Kingdom government. It is – and remains in our view – the best possible outcome to ensure an orderly withdrawal.

Let me end with a quote by C.S. Lewis: "We cannot go back and change the beginning. But we can start where we are and change the ending".

Thank you.

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Chief Negotiator Michel Barnier

Thank you, Mr President, for giving me the floor.

Ladies and gentlemen,

Members of the Parliament,

Mr First Vice-President,

Madam Secretary of State,

The European Commission takes note of the vote in the House of Commons last night. As said by our First Vice-President Frans Timmermans, the House of Commons voted yesterday with a clear, crystal clear majority against the Withdrawal Agreement which the European Council agreed with the British government in November and which you welcomed as the European Parliament.

Right now, it is too early to assess all the consequences of this vote. We have always respected – and we continue to respect – the democratic parliamentary debate in the UK. And I will not speculate on the different scenarios.

What yesterday's vote showed is that the political conditions for the ratification of the Withdrawal Agreement are not yet there in London. We profoundly regret this vote, as President Juncker has said, and this regret, ladies and gentlemen, is obviously also linked to the intense work we have done together, with you, with your Brexit Steering Group for two years but also with the British government, based on the red lines of the British government and based on the realities of leaving the EU.

Because we constructed this Withdrawal Agreement together with the British government, on an objective basis, taking into account the shared imperative to ensure that there is no border in Ireland, while respecting the UK's wish to preserve the integrity of its customs territory. And we developed, together with the British government, the framework of our future relationship. The European Union wants this relationship to be as close and as ambitious as the UK red lines allow.

We note, ladies and gentlemen, Members of Parliament, listening to public declarations, that the Members of the House of Commons who voted against the deal that was negotiated with us did so – as your President recalled – for different reasons, diverse reasons, sometimes even opposing or contradictory reasons. This vote therefore does not represent a clear majority in the Commons for an alternative proposal to the agreement on the table today.

In this context – as Frans Timmermans said – it is for the British authorities to evaluate this vote and for the government to say how it will proceed towards an orderly withdrawal on 29 March, as the President of the European Council Donald Tusk recalled last night.

Mr President,

Ladies and gentlemen, Members of Parliament,

Contrary to what was said over the past weeks and days, the deal that we reached with the British government – a deal of almost 600 pages – is a good deal. It is obviously the result of a compromise. It is the best possible compromise. And, once again, we worked on this objectively.

This compromise brings legal certainty where Brexit creates uncertainty – like in any separation –:

– Certainty for citizens – British citizens and the citizens of the 27 other Member States – whose rights will be guaranteed in a lasting way. These guarantees were always our priority – your priority, in particular – and the protection of these rights will remain our priority in all circumstances;

– Certainty for the managers of public or private projects, beneficiaries of the European budget – whether they are British (of which there are many) or from the 27 other Member States – whose projects will be maintained thanks to the deal we have;

– Certainty and stability for Ireland and Northern Ireland, where the return to a hard border would be avoided thanks to a solution which preserves, on the one hand, the integrity of the United Kingdom and on the other, the Single Market, while respecting what we have committed to respect: the Good Friday (Belfast) Agreement. This is also why, ladies and gentlemen, the backstop which we have agreed with the United Kingdom must remain a backstop and it must remain credible. The backstop must be a backstop; it must be credible.

– Certainty for businesses and administrations, which will have a transition period – the legal basis of which I recall is the Withdrawal Agreement – during which they will have the necessary time to adapt.

This compromise also gives us the time during the transition to negotiate our future relationship on the basis of the political declaration – which we have also agreed between the EU and the British government – and which leaves open the possibility for different options, while respecting our fundamental principles.

But in all circumstances, the ratification of this agreement is necessary. It is a requirement to create mutual trust between us, in view of our second negotiation, which must begin as soon as possible, on our future relationship.

When speaking of this future relationship – which is obviously more important

for the future and for the future of our continent – I would like to recall that your Parliament and the European Council have always said that if the United Kingdom chooses to change its red lines, and to be more ambitious and go beyond a simple free trade deal in our future relationship, then the EU would be ready to immediately support this evolution and respond favourably.

When mentioning this future relationship, Mr President, ladies and gentlemen, I am not simply speaking about the economic, trade relationship, which is very important for growth and employment. I am also speaking of all the specific, sectorial cooperation which your committees know well: university cooperation and research, fisheries – an important sector – aviation, transport and many more areas. I speak also of police and judicial cooperation, which we will need after Brexit. Obviously, I am also thinking of the stability of our continent. The United Kingdom, a great country, member of the UN Security Council, an ally and friend, will remain long-term our partner in foreign policy, development cooperation and defence cooperation.

Ladies and gentlemen,

We have worked collectively for 18 months. This work has been approved at each key moment by the British government, the European Council, and by you, ladies and gentlemen, Members of Parliament, in this European Parliament. As long as we do not have a way out of this current British political impasse, which has the support of a parliamentary majority, we cannot advance. That is why the next steps need to be clearly set out by the British government.

Mr President,

Ladies and gentlemen,

An orderly Brexit remains our absolute priority over the coming weeks. However, as I speak, no scenario can be ruled out. This is particularly true of the scenario which we are trying to avoid: a no-deal scenario. It is 16 January today. We are only 10 weeks away from the end of March, the moment when the UK has chosen to become a third country.

And today, 10 weeks away, the risk of a no deal has never been so high.

Our resolution is to avoid such a scenario, but we also have a responsibility. That is why, on our side, we are intensifying our efforts on our side to deal with this scenario. We – the European Commission, all its services, the Secretariat-General of the Commission– began this work many months ago with the Member States and with you. This work will be accelerated with all partners, all stakeholders who may be called upon to adopt rapidly contingency measures to deal with the consequences of this scenario.

Our conviction is that this compromise that we have found with the British government remains the best compromise possible.

Mr President,

Ladies and gentlemen,

Thanking you for your trust, I want to tell you that our conviction – as recalled by the First Vice-President Frans Timmermans – is that the compromise that we reached after 18 months remains today the best compromise possible. It is the fruit of constructive work by both parties in this negotiation. It is also the result of a constructive attitude which we will maintain right until the end: calmness, unity, dialogue and transparency. It is now for the British government to clarify how the United Kingdom wishes to proceed in organising the orderly withdrawal which it requested, and how, beyond this orderly withdrawal, it wants to build an ambitious and long-lasting partnership.

Thank you.

Statement by President Juncker on the outcome of the Meaningful Vote in the United Kingdom House of Commons

I take note with regret of the outcome of the vote in the House of Commons this evening.

On the EU side, the process of ratification of the Withdrawal Agreement continues.

The Withdrawal Agreement is a fair compromise and the best possible deal. It reduces the damage caused by Brexit for citizens and businesses across Europe. It is the only way to ensure an orderly withdrawal of the United Kingdom from the European Union.

The European Commission, and notably our Chief Negotiator Michel Barnier, has invested enormous time and effort to negotiate the Withdrawal Agreement. We have shown creativity and flexibility throughout. I, together with President Tusk, have demonstrated goodwill again by offering additional clarifications and reassurances in an exchange of letters with Prime Minister May earlier this week.

The risk of a disorderly withdrawal of the United Kingdom has increased with this evening's vote. While we do not want this to happen, the European Commission will continue its contingency work to help ensure the EU is fully prepared.

I urge the United Kingdom to clarify its intentions as soon as possible.

Time is almost up.

Yves Mersch: Interview with Hospodarske noviny



EUROPEAN CENTRAL BANK
EUROSYSTEM

Interview with Yves Mersch, Member of the Executive Board of the ECB, conducted by Kristina Votrubova on 11 January 2019

There are rumours about the ECB's plans to raise interest rates, however there are also voices that it is not a good idea, as the situation is changing. What is the ECB's position?

The ECB's position is that we will continue with our policy of monetary accommodation for as long as necessary. We are confident that what we have done is helping us to get inflation in line with our objective at levels below, but close to, 2% over the medium term.

So no date has been established for raising the interest rates.

We never announce in advance how, when or by how much we intend to use different instruments. That is not how central banks work. We give broad forward guidance on the direction of our monetary policy. But we always look at incoming information and evaluate whether it is in line with how we expected the economy to behave. What is currently happening to the economy is still broadly in line with our baseline scenario. We had already anticipated a slowdown in growth when we announced these baselines. Now that the slowdown is materialising, we do not have to take it into account for a second time in our policy response. Fundamentals have not changed but political uncertainty

has increased.

Slovakia would need interest rates to rise as household debt is increasing alarmingly. What is the ECB's view of the situation in Slovakia?

First, we conduct monetary policy for the euro area as a whole rather than for individual countries. Second, if we raised interest rates to curb household debt, the effect would also impact the corporate sector and investment. That is why there are macroprudential instruments at the disposal of national authorities. And I have seen that the competent authorities in Slovakia, including the national central bank, have taken action to tackle the dynamic rise of household debt. I think once you have put such instruments into action, you would like to see also what the effect of these instruments is. Do they work as is expected? And, as I have been told, there seems to be a positive reaction.

In the majority of European countries, the economic cycle has already reached its peak and the euro area economy is slowing down. How does the ECB view the situation and what are you going to do about it?

As I said, we take the expected path of the economy into account in our policy decisions. However, a slowdown does not mean that we will slide into a recession. What is happening right now is what we expected to happen.

So are you reconsidering plans to end quantitative easing?

At each meeting of the Governing Council we assess whether the economy is in line with our expected baseline scenario. If we identify a deviation, we analyse the reasons for it and the impact it is likely to have on inflation. Let me remind you that our sole objective is to maintain price stability.

The German economy, which is the largest economy in the euro area, has underperformed expectations. What does this mean for the euro area as a whole?

The slowdown in the third quarter was mainly caused by the automotive industry, which was affected by the diesel scandal and related aspects. But a slowdown in one quarter in one country is not sufficient to prompt a monetary policy response at the euro area level. We would have to see whether a slightly deeper slowdown in one quarter might not be followed by a slightly better performance in the following quarter. Once the relevant data are available, we will assess the trend and the future path of the euro area economy. We will then judge whether it is still in line with our inflation expectations, as price stability is the only needle in our compass.

How will Brexit affect the euro area economy?

The UK economy has been deeply integrated into the European one in very diverse sectors. Inevitably, Brexit will have some consequences. However, it is unclear which players will be relative winners or losers, as the consequences will not be evenly distributed. Obviously, we would have preferred not to have Brexit, because we are not eager to see unnecessary shocks to the economy. For me, the main concern is uncertainty, which has a

negative impact on all sectors of the economy and on all countries.