

# Practical Guidance for the Recognition of Third-Country CSDs by ESMA

[Download PDF](#)

---

## Speech by Commissioner Gabriel at FT-ETNO Summit 2017: Digital Rulemaking in Times of Change

*"Ladies and Gentlemen,*

*It is for me a real pleasure to participate with you in one of the most important events of the telecom year in Brussels and to take stock with you on where we are on European telecom reforms.*

### **Digital rulemaking in times of change**

*I will start with the very relevant focus of this 2017 FT-ETNO summit – Digital Rulemaking in Times of Change.*

*Indeed, Europe's telecom landscape has been through quite a lot of changes over the last decades. As Europeans, we can be very proud of the ground covered. Let's remember that until the late 90's, the EU telecom sector was a matter of managing state-owned monopoly operators, operating in national markets and representing an economic weight of less than 2% of our GDP.*

*How did we get where we stand today?*

*It is thanks to the vision and commitment of European leaders and of the leadership of Jacques Delors that the telecom Single Market started to be an emerging reality. Since 1988, a series of changes were forged, through a step by step approach, with the liberalisation of the telecoms market terminal equipment, the development of value-added services, satellite equipment and services, cable TV networks and mobile communications, culminating, ten years later, in 1998 with the liberalisation of voice telephony and infrastructures.*

*The European Union's telecoms market became one of the greatest European success stories: the information and communication services, amounts to 5% of the GDP, overall wireless connection prices tend to be among the lowest in the world, standard broadband coverage is almost of 100% and download speed in most Member States is higher than in the US.*

*The story of our past is showing the path of our future: it is only in*

continuing the work done since 1988 that we will be able to keep up with our predecessors' ambition: to make Europe the most competitive economy and society.

How will we achieve this ambition?

This starts with a vision for tomorrow: a true Digital Single Market in which all citizens and industries enjoy full connectivity at a competitive price. A market where digital services are used in a safe environment, where modern networks serve as a backbone for the whole economy, providing the necessary platform for all industries to develop and provide innovative services. A digital economy based on the Internet of Things, cloud computing, Big Data for better services in e-health, connected and autonomous cars and modernized public administrations.

Looking ahead, the choices we are facing are not more difficult and our capacity to solve problems is not weaker, than 30 years ago.

However the context is certainly more pressing. Times have changed also globally. Contrary to 1988, the rest of the world is moving faster. Some countries are willing to take the lead and will not wait for us, as illustrated by 5G trials which are being conducted in the US and also in Australia or Asia, and we risk lagging behind.

So, today my main message is a wake-up call to all of you and to the co-legislators to keep in mind the big picture of the current reforms and to keep the ambition of our founding fathers.

### **Changing Rulemaking in digital times**

So, what do we need to concentrate our efforts on?

**In this digital age, connectivity is paramount** and today's priority is to create the right conditions for competitive investment in connectivity. My objective is to invert the investment trend that has characterised Europe for too many years and catch up with today's leading countries such as the US, South Korea or Japan.

Investments in the telecommunications infrastructure are needed for the deployment of very high capacity networks both fixed and mobile. To reach the 2025 Gigabit Society objectives, 500 billion euros investment in very high capacity networks are needed. On the basis of the current trend, there is to be a 155 billion euros shortfall.

For the 5G only, benefits represent 2 million further jobs and 146.5 billion euros a year for the EU, in particular from four vertical sectors: automotive, healthcare, transport and utilities.

Upgrading connectivity in the EU will require, playing with the ETNO words **"Changing Rulemaking for digital Times"** (playing with words of the title of the event). This means adopting a broader view of digital issues with the need to step up efforts on skills and education in all our digital policies. This means experimenting new courses of action, as we do with the WIFI4 EU

initiative which is the first time that the Commission acts directly at the community level to develop digital facilities for citizens across the EU. Changing rulemaking is also precisely the central point of our proposal for a Code of telecom last year.

Many factors need to be aligned for achieving the best levels of connectivity but the priority today is to build a stable and predictable legal framework, with the right dose of flexibility.

For investors, stability and predictability are legitimate concerns. For this reason, the fundamental and solid mechanism of market regulation should remain in place.

We must also keep the incentives to build new, competitive networks. There are currently intensive discussions currently to widen regulatory powers beyond the concept of the Significant Market Power to address oligopolistic markets. These proposals do neither meet our goal of stability and predictability for investors, nor that of promoting infrastructure competition and can lead to over-regulation. They might also impose a heavy regulatory burden to existing and newly built fibre networks in countries such as France, Portugal or Spain. But the worst effect could be to deter the roll-out of new infrastructure by new players. Symmetric rules can be very useful to facilitate network deployment by several operators, but can become harmful to investment if extended to the entire network and applied too far. They could be even more harmful if applied to smaller market players, such as local fibre networks in rural and semi-urban areas that indeed, are starting to spread in Europe from Sweden to Austria to the UK, fostered by municipalities or local authorities.

Furthermore, the Commission's **Code** proposal includes rules to support risk-taking strategies.

Commercial and **co-investment** agreements are already a market reality: it is happening already both for fixed network, in Greece, Italy or Ireland and also for mobile networks, in Sweden.

Co-investment models can be suitable to deploy very high capacity networks beyond their traditional geographic reach. They reduce the risk faced by single operators.

Our proposal aims to encourage operators to share deployment costs through co-investments under conditions which ensure sustainable competition, in particular in the most challenging areas and for new vertical industries with 5G infrastructures. However, to make co-investment a success, clear rules and criteria are needed for regulators with the risk otherwise that an excess of flexibility comes with its flipside of lack of clarity or certainty.

### **The centrality of better managing spectrum**

Another aspect of the code is central today: a more efficient management of spectrum.

Ladies and gentlemen,

**Spectrum is the coal and steel of digital times.** It is a touch stone of our capacity to manage more efficiently a natural resource, which is at the heart of our digital economy. Without a more collective and more harmonised management of spectrum, the EU will never be a leader in 5G technology. This means renouncing to a disruptive technology with benefits amounting to 146.5 billion euros per year across the industries and to open completely new ranges of applications, notably for the vertical sectors such as automotive or healthcare, relaying growth to operator businesses, currently faced with stagnating growth.

Assurance of long minimum **spectrum licenses** duration throughout the Union is a cornerstone of a stable and predictable environment for telecom. A minimum long enough duration would provide investors with the predictability that they need on their returns on investments.

In the same line, ensuring that spectrum is released throughout Europe at the same time will favour economies of scale for equipment manufacturers and operators allowing them to anticipate business decisions.

Different timings of assignments, different duration of licences create risks and uncertainty for investors. A spectrum reform is a pre-condition for major new investments and to successfully deploy 5G in Europe.

A system of effective coordination means also **more consistent rules for spectrum assignments**, including the approach to setting fees as well as coverage obligations.

Coordination of licensing approaches through a systematic peer review is also meant to increase investment predictability. The peer review is a risk aversion mechanism which will increase consistency in the way spectrum is assigned and support a more rapid deployment of networks.

I am particularly pleased that the European Parliament supports an ambitious spectrum reform. Though, I have some concerns about the resistance expressed by a number of Member States, in Council, who prefer the status quo.

## **Conclusion**

To conclude, I would like to share my determination to maintain the ambition of the Commission's proposal and to ensure a swift adoption by the co-legislators of the new rules which will govern the telecom sector and will make our vision a reality. Time is of the essence but quality and ambition are equally important for achieving our purpose.

As Seneca used to write 2000 years ago, "It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult."

Let's dare to put in place the right regulatory framework for the digital age, and I am sure that, as our predecessors did before, we will succeed together.

I thank you very much for your attention."

---

## **ESMA and NCAs agree work plan on MiFID II pre-trade transparency waivers and position limits**

The European Securities and Markets Authority (ESMA), together with the national competent authorities (NCAs), have today published an [updated work plan](#) for the opinions on pre-trade transparency waivers and position limits that must be issued under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).

In view of the large number of opinions to be issued, about 700 for pre-trade transparency waivers and 110 for position limits, and in order to avoid processing bottlenecks, the work plan presents a pragmatic approach for ensuring the implementation of the MiFID II/MiFIR waivers and position limits as of 3 January 2018 pending the issuance of the opinions.

---

## **ESMA and NCAs agree work plan on MiFID II pre-trade transparency waivers and position limits**

The European Securities and Markets Authority (ESMA), together with the national competent authorities (NCAs), have today published an [updated work plan](#) for the opinions on pre-trade transparency waivers and position limits that must be issued under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).

In view of the large number of opinions to be issued, about 700 for pre-trade transparency waivers and 110 for position limits, and in order to avoid processing bottlenecks, the work plan presents a pragmatic approach for ensuring the implementation of the MiFID II/MiFIR waivers and position limits as of 3 January 2018 pending the issuance of the opinions.

---

# **Public statement – Joint work plan of ESMA and NCAs for opinions on MiFID II pre-trade transparency waivers and position limits**

[Download PDF](#)