



Deutsches Aktieninstitut

Coalition for Derivatives End-Users

## Press Release

### Companies welcome relief brought by Commission's derivative end-user proposals

4 May 2017

Organisations representing more than 8,000 companies across Europe have welcomed today's EMIR proposals by the Commission as an important step forward in relieving burdens for businesses which use derivatives to manage their commercial and financing risks.

We have long called for the Commission to uphold the commercial hedging exemption and to tackle the disproportionate burdens for Europe's businesses from EMIR's current dual-sided reporting regime. European companies currently face an estimated €2.4bn-€4.6bn reporting cost annually.

We understand the Commission's proposals intend to:

- Place full responsibility for the content and timeliness of supervisory reporting to repositories on the financial counterparties transacting with non-financial counterparties hedging for commercial purposes ("NFC minus" companies)
- Exempt from reporting to repositories the intragroup transactions of non-financial companies
  - These transactions are used by non-financials' centralized corporate treasury units (or other dedicated units) to mirror external transactions and to assign them to the appropriate part of the group
  - These are not systemically relevant and support the risk management function of the treasury units

Addressing these burdens must be achieved while improving data quality for supervisors. It is clear this can be delivered by moving to an entity-based reporting regime as practiced internationally today, where data is delivered to supervisors via straight-through processing undertaken by financial firms. Other major international jurisdictions operate today on the basis of such a single-sided reporting regime for companies hedging for commercial purposes.

Alongside the reporting relief, companies welcome the Commission's commitment to the existing commercial hedging exemption for companies from clearing and margining, and the move to an asset-by-asset class assessment for this exemption.

The hedging exemption is critical to bringing certainty to business decisions and supporting industrial activity in Europe.

Today's announcements are an important step forward in reducing the burdens on corporates. We look forward to working with Parliament and Member States to ensure they deliver their intended positive impact for Europe's economy as a whole.

## About the signatories

**EACT** is a grouping of national associations representing treasury professionals in 18 countries of the European Union. We bring together about 13,000 members representing 6,500 groups/companies located in the EU.

**Contact:** Jean-Marc Servat, Chair ([jean-marc.servat@eact.eu](mailto:jean-marc.servat@eact.eu) )

**EuropeanIssuers** is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. Our members include both national associations and companies from all sectors in 14 European countries, covering markets worth € 7.6 trillion market capitalisation with approximately 8000 companies.

**Contact:** Florence Bindelle, Secretary General ([info@europeanissuers.eu](mailto:info@europeanissuers.eu) )

**Deutsches Aktieninstitut** represents the entire German economy interested in the capital markets. Its approx. 200 members are listed corporations, banks, stock exchanges, investors and other important market participants. Deutsches Aktieninstitut has offices in Frankfurt am Main, Brussels and Berlin.

**Contact:** Dr. Norbert Kuhn, Head of Corporate Finance ([kuhn@dai.de](mailto:kuhn@dai.de) )

**ASSONIME** is the Association of the Italian Joint Stock Companies representing around 450 companies from all sectors, including more than 100 listed companies. Established in 1910, its goal is the creation of a healthy macroeconomic and regulatory environment with a strong commitment to opening markets and promoting European integration.

**Contact:** Alessandra Casale, Head of EU Representative Office ([Alessandra.casale@assonime.it](mailto:Alessandra.casale@assonime.it) )

**AFEP** represents 120 of the largest companies operating in France. It takes part in public discussions by providing pragmatic solutions to foster the development of a competitive French and European economy.

**Contact:** Jérémie Pélerin, Head of the Brussels Office ([jeremie.pelerin@afep.be](mailto:jeremie.pelerin@afep.be) )

**Coalition for Derivatives End-Users** represents end-user companies that employ derivatives to manage risks. Approximately 300 international companies and business associations are active in the Coalition to promote economic stability and transparency without imposing undue burdens on derivatives end-users, who are the engines of the economy.

**Contact:** Michael Bopp, Counsel to the Coalition for Derivatives End-Users ([mbopp@gibsondunn.com](mailto:mbopp@gibsondunn.com) )

**IGTA** is a forum for approximately 28 national treasury associations to share views and information on issues that impact the treasury and financial profession, and for the associations' management to agree on priorities, and to coordinate their resources on projects that advance the profession.

**Contact:** Thomas C. Deas, Jr., Vice Chairman of IGTA ([tdeas@nact.org](mailto:tdeas@nact.org) )