

## **ERC WG on commodity derivatives and other derivatives under C10 of Annex I to MiFID**

### **Terms of Reference**

A Working Group (WG) on commodity derivatives and other derivatives under C10 of Annex I to MiFID is established in order to deal with regulatory issues arising from the implementation and the revision of the provisions within the MiFID and related level 2 measures dealing with commodity derivatives and other derivatives under C10 of Annex I to MiFID.

The work of the WG will be coordinated and facilitated by a secretariat composed of one or more of its members to be appointed by the ERC.

The objective of the WG is to develop proposals on issues covered in the following mandate. These proposals will be submitted by the WG for the approval of the ERC through the ERC Chairperson.

The WG will report directly and exclusively to the ERC Chairperson and will not dialogue or liaise with any external entity or body beyond the scope of specific mandates formally received from time to time from the ERC or the ERC Chairperson.

Subject to the approval of the ERC, specific meetings of the WG can be attended by representatives of other trade associations or any other organisation or entity so as to ensure harmonisation and maximum impact in lobbying efforts. The ERC may also authorise participation in the work of the WG by these same representatives who will be sitting in the WG in a non-executive capacity,

### **Mandate**

To develop proposals to put to the European Commission and other competent authorities as to the most appropriate regulatory regime for commodity derivatives and other non-financial non-commodity derivatives provided for in Section C10 of the Annex I of the MiFID and in connection with that:

- To consider possible amendments that would effectively require Member States to adopt a harmonised approach to the implementation of the provisions within the MiFID applicable to the above derivatives including the exemptions from authorisation requirements that should be available to firms engaging in derivatives business relating to the above derivatives;
- To consider the approach that the Commission should adopt in its reports on:
  - the extension of the scope of the MiFID provisions concerning pre and post-trade transparency obligations to financial instruments other than listed shares; and
  - the continued appropriateness of the exemptions in articles 2(1)(k) and (i) of MiFID pursuant to article 65 MiFID;
- To consider whether to advocate amendments to the level 1 or level 2 definitions of derivatives relating to commodities or those other underlyings (Annex 1 Section C5, 6, 7 and 10);
- To liaise with the Commodities Firms Regulatory Capital Working Group and other trade associations.