



Stakeholders' Newsletter

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European Commission Consultation on Regulating Markets in Cryptoassets

The European Commission has published a Consultation Paper on regulating the [markets in cryptoassets](#). Broadly, the Consultation asks questions about the definition and characterisation of cryptoassets and about the application of existing regulation to cryptoassets as well as users of, and providers of services (trading platforms, exchanges, etc.) in relation to, such digital assets. The Consultation closes on 19 March 2020.

The FMLC, with input from the FinTech Scoping Forum, intends to respond to this Consultation. Should you wish to contribute to this project, please email Venessa Parekh at research@fmlc.org at your earliest convenience.

New Scoping Forum on ESG issues

Environmental, Social and Governance (“ESG”) considerations are gaining importance in the financial markets. ESG has moved to the forefront of decision-making for asset managers and institutional investors. Increasingly, ESG considerations are being integrated into the charters of a growing number of entities, included in their practice and applied to the due diligence process when assessing assets to be acquired.

In light of these developments, the Financial Markets Law Committee (“FMLC”) has established an ESG Scoping Forum to provide a space for discussion of developments in this area. The Forum may examine issues arising under the current regulatory framework as well as future proposals. In this capacity, it may consider any or all of English, European, international and foreign law. The Forum supports the FMLC’s radar function by liaising with legal and financial experts from both the public and private sectors in order to ascertain areas of legal uncertainty.

Both the E.U. and the U.K. have announced commitment to “green finance”. In the E.U., the European Commission adopted a package of measures implementing several key actions, including Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks (the “Low Carbon Benchmarks Regulation”), the Proposal for a regulation on disclosures relating to sustainable investments and sustainability risks, and the Proposal for a regulation on the establishment of a framework to facilitate sustainable investment. In the U.K., the Green Finance Strategy was launched on 2 July 2019. Of course, ESG considerations extend well beyond “green finance”; they encompass many issues including shareholder activism around supply chains and modern slavery, consumer privacy, fiduciary duties and the need for businesses to act responsibly.

FMLC Forums accommodate up to two representatives per organisation. Should you wish to join or to nominate your colleague(s) to the Forum, please contact Katja Trela-Larsen at forums@fmlc.org.

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