



Welcome

The notable issues in this Newsletter are as follows:

- The *European Commission Public Consultation on a legal initiative relating to sustainable corporate governance*, which would mean introducing certain obligations for management and executive boards in order to consider sustainability factors in their decisions and activities. It would also entail taking into account long-term considerations as well as stakeholders' interests throughout the entire value chain.
- The *European Commission's Draft Regulation of the European Parliament and of the Council on Markets in Crypto-assets*, amending Directive (EU) 2019/1937, which is part of the digital finance package published by the European Commission on 24 September 2020 that regulates for the first time the issuance of and services relating to crypto-assets that fall outside the current legislation on financial services in the EU, which aims to promote innovation in financial markets while at the same time mitigating potential risks in order to protect investors, market integrity and financial stability.
- The *new Action Plan of the European Commission on a Capital Markets Union* which comprises 16 actions to facilitate financial resources to small and medium enterprises, broaden the base of retail investors participating in capital markets and deepen the interior market's integration while, at the same time, supporting the economic recovery following the COVID-19 pandemic and providing the financing required by the European Green Deal and the transition to the digital age.
- The *ESMA Public Consultation* to gather information on some aspects that could be improved in *high-frequency algorithmic trading and direct electronic access to trading venues*, in order to comply with the review under Article 90 of MiFID II. ESMA's questions are related to minimum price variation, since a large part of the algorithmic trading model is based on that aspect, restrictions on the speed of trading or whether algorithmic trading regulations should be extended to other types of algorithms other than those relating to the execution and management of orders, among other issues.
- The *draft Regulatory Technical Standards of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector* set out the content, methodologies and presentation of information on principal adverse impacts of entities' investment decisions on sustainability factors, as well as the presentation and content of pre-contractual, periodic and website disclosures with regard to financial products which promote, among other characteristics, environmental or social characteristics, or a combination of those, and financial products which have sustainable investment as their objective.
- The *ESMA Guidelines on outsourcing to cloud service providers* which aim to establish consistent, efficient and effective supervisory practices as well as ensuring the common, uniform and consistent application of the requirements laid down in the relevant regulations for firms outsourcing to such providers. These Guidelines help firms and competent authorities to identify, address and monitor

the risks and challenges arising from these arrangements, from making the decision to outsource, selecting a cloud service provider, monitoring outsourced activities to providing exit strategies.