



Easing companies' regulatory watch through ELI

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L'Art & la Matière



An ever heavier legal watch within companies

- Growth of **law volume** : 40% more words in French law since 2000
- A **siloed** law production : parliaments (EU/member-states), European Supervisory Agencies, independent administrative authorities
- Rise of **soft law**
 - Influence of institutions without jurisdictional powers (FSB, BCBS, IOSCO, OECD...)
 - Recommendations and positions from institutions with jurisdictional powers
- Within companies, **regulatory watch** is even more important than legal watch proper
- Some industries like banking and insurance are subject to **control of compliance** of their practices to **law and regulation**

ELI examined through a business case study

- Natixis, a French major bank, Editions Lefebvre-Sarrut, Luxia, Mondeca and Sterwen Consulting have been collaborating on OFRE, in an **open innovation** process
- OFRE stressed the need of one **single access point** to the many legal sources involved in the financial arena
- **Co-working** on OFRE focused on the topic « **market sounding** », inside the wider « market abuse » domain
- The underlying use case could be a request from the Markets department director to the Legal department director : « *I have to look for investors ready to subscribe to an international bonds issue from a large corporate client. Should I carry out this process in London or in Paris, from a regulatory perspective? »*

Finding the regulatory framework on « market sounding »

■ 3 jurisdictions involved



- directive + regulation + technical standards



- implementation measures, consolidated in the Monetary and Financial Code (COMOFI) + financial conduct code (RG AMF) + sanctions



- implementation measures (FSMA) + financial conduct code (FCA handbook) + sanctions

- Draft technical standards must be collected from **ESMA**, since they have not been adopted yet by the Commission
- A French association, **AMAFI**, has produced a dedicated industry standard, that the national competent authority, AMF, subsequently endorsed
- **FCA** and **AMF** are their own publisher
- No text is pending with EU or national **parliaments**



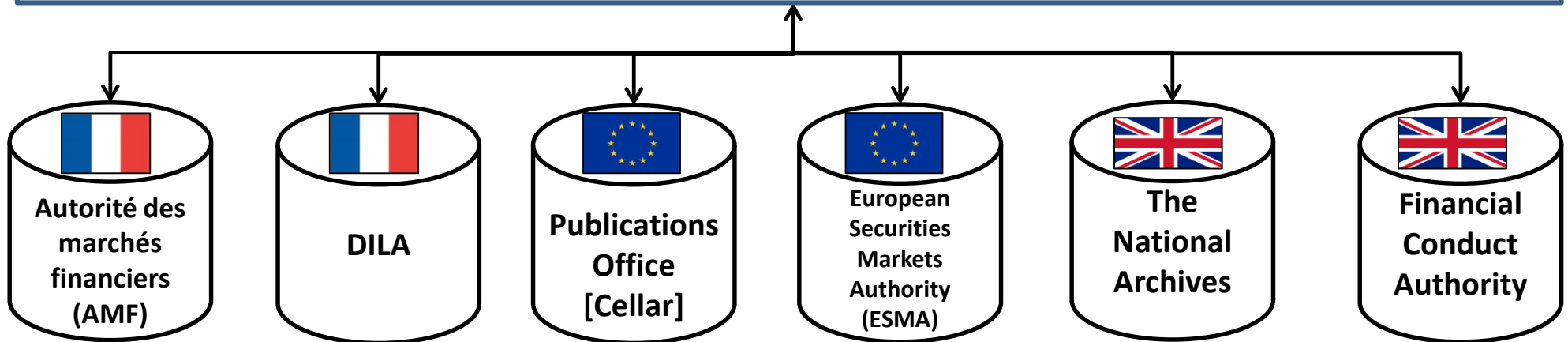
Much time spent to gather 26 texts from 7 portals

*One single click will collect them**

Select * where

text **is_about** market sounding or **cites** another text that **is_about** market sounding, that is still **in_force**, that is **passed_by** EP (European Parliament) or **United Kingdom** or **République française** or **ESMA** or **AMF** or **Parlement Français** and whose **language** is **french**, otherwise **english**

Submit query



(*) With further effort of text qualification and adoption of ELI by administrative authorities

Two key areas for improvement

- The **thematic indexing** work of the texts is promising and should be pushed forward
 - Eurovoc allows for a fine-grained classification, eg « selective dissemination of information » or « insider trading ».
 - Member-state official gazettes should proceed with a similar indexing of their texts and ensure mapping with Eurovoc

- **Large texts** should have ELI metadata at **article level**
 - Eg the Solvency II directive (155 pages, 312 articles) need article-level metadata to ultimately reduce reading time among documentalists and corporate lawyers