



May 2017

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Welcome to the Regulation Round Up, a regular bulletin highlighting the latest developments in UK and EU financial services regulation.

Key developments in May 2017:

2 May

The FCA published its [Policy Statement](#) on the FCA's disclosure rules following application of PRIIPs Regulation (PS17/6). The Policy Statement sets out how the FCA's disclosure requirements will change to reflect the introduction of the PRIIPs key information document. Affected firms will need to comply with the PRIIPs Regulation and any revised disclosure rules in the FCA Handbook from 1 January 2018.

3 May

The FCA published its [Policy Statement](#) (PS17/10) in which it published final rules and guidance to help firms understand the rules that apply to their remuneration policies and practices. The FCA aligned its provisions with the European Banking Authority (EBA) guidelines on sound remuneration policies and published new non-Handbook guidance in the form of frequently asked questions. The EBA guidelines, published in December 2015, set out the requirements on remuneration policies that apply to firms subject to the Capital Requirements Directive (CRD IV). As a result, the FCA made some changes to its Handbook to remove inconsistencies between existing Handbook provisions and the EBA guidelines. The FCA also has simplified the guidance on remuneration in its Handbook and its general guidance on proportionality.

9 May

Joint Money Laundering Steering Group (JMLSG) published a [consultation](#) on proposed revisions to its anti-money laundering (AML) and counter-terrorist financing (CTF) guidance. This is in preparation for the implementation of Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which will come into force by 26 June 2017 and which will transpose the Fourth Money Laundering Directive in the UK.

15 May

The European Central Bank (ECB) published a [guide](#) (dated May 2017) to fit and proper assessments for members of the management bodies of significant credit institutions under the single supervisory mechanism (SSM). The main purpose of the guide was to explain how ECB Banking Supervision ensures consistency in the application of the SSM's fit and proper assessment criteria and to establish common supervisory practices for assessing the qualifications, skills and proper standing of a candidate for a position on a credit institution's board.

16 May

The European Central Bank (ECB) published [guidance](#) on leveraged transactions. The guidance applies to significant credit institutions supervised by the ECB and aims to: (i) establish sound origination and risk management practices and reporting requirements for leveraged transactions; and (ii) facilitate the identification of leveraged transactions by means of an overarching definition encompassing all business units and geographical areas so as to give senior management a comprehensive overview of banks' leveraged lending activities.

18 May

The European Commission issued a [press release](#) stating that it had fined Facebook EUR 110 million for providing misleading information during the Commission's 2014 investigation under the EU Merger Regulation of Facebook's acquisition of WhatsApp. European Commission Competition Chief Margrethe Vestager said the decision sent a "clear signal to companies that they must comply with all aspects of EU merger rules, including the obligation to provide correct information."

25 May

ESMA updated its [Q&A](#) on the application of the Alternative Investment Fund Managers Directive and its [Q&A](#) on the application of the UCITS Directive. The updated AIFMD Q&A includes three new questions and answers on: (i) how alternative investment fund managers (AIFMs) should report information on the breakdown between retail and professional investors to National Competent Authorities (NCAs) when this information is not available; (ii) notification by an AIFM of the alternative investment funds (AIFs) domiciled in another member state that it intends to manage by way of the AIF management passport; and (iii) use by an AIF of the exemption for intragroup transactions under Article 4(2) of Regulation on OTC derivative transactions, central counterparties and trade repositories (Regulation 648/2012) ("EMIR") if subject to the clearing obligation in Article 4(1) of EMIR.