



## February 2018

For more information,  
please contact:

**Andrew Wingfield**

Partner

t: +44.20.7280.2021

[awingfield@proskauer.com](mailto:awingfield@proskauer.com)

**John Verwey**

Special Regulatory Counsel

t: +44.20.7280.2033

[jverwey@proskauer.com](mailto:jverwey@proskauer.com)

**Claudia Mercer**

Special Counsel

t: +44.20.7280.2140

[cmercer@proskauer.com](mailto:cmercer@proskauer.com)

**Amar Unadkat**

Associate

t: +44.20.7280.2144

[aunadkat@proskauer.com](mailto:aunadkat@proskauer.com)

This publication is a service to our clients and friends. It is designed only to give general information on the developments actually covered. It is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice, or render a legal opinion.

© 2018 PROSKAUER ROSE LLP  
All Rights Reserved.

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

Key developments in February 2018:

### 1 February

The European Commission ("EC") launched the [EU Blockchain Observatory and Forum](#) in order to highlight key developments of blockchain technology, promote and reinforce European engagement with multiple stakeholders involved in blockchain activities.

The Financial Conduct Authority ("FCA") [announced](#) its appointment of the first Executive Director of International, Nausicaa Delfas. The FCA stated that Nausicaa would be leading the delivery of the FCA's response throughout the process of withdrawal from the EU, providing technical support to HM Government, and continuing to work closely with EU27, international regulators and the financial services industry, to ensure a smooth Brexit transition.

The EBA published its [methodological note](#) (dated 31 January 2018) relating to the 2018 EU-wide stress test for banks. The note describes the common methodology that defines how banks should calculate the stress impact of the common scenarios. It also aims to provide banks with guidance and support for performing the test.

The International Organization of Securities Commissions ("IOSCO") published its final [report](#) on recommendations for liquidity risk management for collective investment schemes ("CIS") in order to promote good liquidity management for CIS.

The Competition and Markets Authority ("CMA") published do's and don'ts [guidance](#) for online gambling.

### 5 February

The Alternative Investment Fund Managers (Amendment) Regulations 2018 (SI 2018/134) were [published](#), along with an explanatory memorandum. These amend the Alternative Investment Fund Managers Regulations 2013 (SI2013/1773), the effect of which is to:

- make minor changes to the procedures to be followed for applying to register as a manager of a European social entrepreneurship fund ("EuSEF") or of a European venture capital fund ("EuVECA"), and for the refusal and revocation of a registration; and
- provide for a registration of a EuSEF or a EuVECA by an authorised alternative investment fund manager ("AIFM"), and for the refusal and revocation of a registration.

The European Securities and Markets Authority ("ESMA") published an [updated Q&A](#) in relation to the implementation of the Regulation on indices used in financial instruments and financial contracts or to measure the performance of investment funds (2016/1011) ("**Benchmarks Regulation**").

The FCA published a [consultation paper](#) on proposed changes to its Decision Procedure and Penalties manual (“**DEPP**”) and Enforcement Guide (“**EG**”) to reflect changes introduced by the Benchmarks Regulation.

The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (SI 2018/135) were [published](#) along with an explanatory memorandum. This implements the Benchmarks Regulation in the UK.

The FCA published a [speech](#): “The Future of the City” by Andrew Bailey, FCA Chief Executive in relation to the transition to Brexit and the future of the UK regulatory regime. The focus of the speech was on maintaining open markets and mutual recognition of regulatory standards.

### 8 February

The EC published a new [webpage](#) containing a number of notices setting out the consequences that the UK withdrawal from the EU will have on banking and finance rules.

ESMA published its 2018 regulatory work [programme](#) in which it set out a detailed breakdown of the individual work-streams that ESMA will focus on, including in relation to the second Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”) and the Market Abuse Regulation (596/2014) (“**MAR**”).

The FCA and the Information Commissioner's Office (“**ICO**”) published a joint [update](#) on the General Data Protection Regulation (2016/679) (“**GDPR**”). The update explains that compliance with the GDPR is now a board level responsibility and firms must be able to produce evidence to demonstrate compliance.

The EC published an online [survey](#) about the functioning of the Alternative Investment Fund Managers Directive (2011/61/EU) (“**AIFMD**”). This relates to the EC's obligation to review the application and scope of the AIFMD. The information from the survey will help to inform a final report.

### 14 February

The FCA published a new [webpage](#) in relation to the merits of creating a global regulatory sandbox, to take into account many aspects of financial markets and FinTech which are global and to ensure co-operation with multiple regulators. A further update is expected in March 2018.

### 19 February

The Investment Association (“**IA**”) published a [press release](#) announcing the launch of a FinTech accelerator, VeloCity, for the asset management industry.

### 23 February

The FCA published a [policy statement](#) on perimeter guidance on personal recommendations relating to retail investments. This summarises the feedback the FCA received to proposals to amend its Perimeter Guidance manual (“**PERG**”) on what constitutes a personal recommendation, which it consulted on in August last year.

The Prudential Regulation Authority (“**PRA**”) published its [policy statement](#) on Pillar 2 liquidity. This provides feedback to responses to the PRA's consultations on Pillar 2 liquidity in May 2016 and July 2017.

### 28 February

The European Commission published its [draft](#) Withdrawal Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community. In response to its publication, the UK prime minister Theresa May has stated that “no UK prime minister could ever agree” to the terms of the draft legal text. Brexit negotiations should continue to be monitored.