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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 June 2018:

1 June

The Financial Conduct Authority ("FCA") published its quarterly [consultation](#) (CP18/14), proposing certain changes to the FCA rules.

The European Commission ("EC") published a [Delegated Regulation](#) it has adopted, which amends the Solvency II Delegated Regulation (2015/35) as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurers and reinsurers.

The EU Council published two Presidency compromise proposals ([9582/18](#) and [9583/18](#)) relating to the European Commission's legislative proposals on the cross-border distribution of collective investment funds.

4 June

The Financial Stability Board ("FSB") published a press release and [summary terms of reference](#) relating to the launch of its third thematic peer review of resolution regimes. Among other things, the review will:

- highlight the range of practices and lessons of experience on bank resolution planning, including any challenges arising from implementation;
- identify jurisdictions' approaches to resolution planning for systemically important banks, including how proportionality considerations are reflected in resolution planning for those banks; and
- identify material inconsistencies or gaps that are common across jurisdictions and make recommendations to address them to promote effective implementation.

The Competition and Markets Authority ("CMA") updated its [guidance](#) on competition disqualification orders.

5 June

The FCA published a [consultation paper](#) on the proposals for rules and guidance on the regulation of claims management companies (“**CMCs**”) (CP18/15). In particular, the FCA expects to become the regulator of CMCs established or serving customers in England, Wales and Scotland on 1 April 2019. The FCA intends to introduce a new sourcebook, the Claims Management: Conduct of Business sourcebook (CMCOB), containing rules that will apply specifically to CMCs.

The Basel Committee on Banking Supervision (“**BCBS**”) published details of its [work programme](#) for 2018 and 2019. The work programme is structured around four themes:

- policy development;
- implementation;
- supervision; and
- monitoring and evaluation.

6 June

The FCA published a [final notice](#) issued to Canara Bank, fining it for anti-money laundering systems and controls failings and imposing a restriction on from accepting deposits for 147 days from the date of the notice.

The Bank of England published a [letter](#) providing for the PRA’s work on the Solvency II risk margin.

The Bank of England published a [consultation paper](#) on the adoption of ISO 20022 for UK payment systems, prepared in conjunction with the New Payment System Operator (“**NPSO**”) and the Payment Systems Regulator (“**PSR**”). The ISO 20022 messaging standard is a globally-developed methodology for transmitting data, designed to create consistent financial message standards for payments.

The European Securities and Markets Authority (“**ESMA**”) published a [speech](#) by Verena Ross, ESMA Executive Director, on the role of regulation and supervision in developing a genuine European single financial market.

8 June

The FCA published a [policy statement](#) entitled “Sovereign Controlled Companies: Feedback to CP17/21 and Final Rules (PS18/11)”, creating a fourth category of premium listing available to companies that have a sovereign controlling shareholder.

The Financial Stability Board (“**FSB**”) published a [consultation paper](#) on recommendations for compensation data reporting to address misconduct risk in the financial services industry. The recommendations aim to assist national supervisory authorities, from all financial sectors, by enhancing their capacity to consider and monitor the effectiveness of compensation tools and other mechanisms in promoting good conduct and addressing misconduct risk.

The European Securities and Markets Authority (“**ESMA**”) [published](#) a new one-stop company portal, which enables investors to establish whether a financial service provider is authorised in the EU and provides certain information in relation to some firms.

11 June

The UK gained [new powers](#) to review transactions raising potential national security issues if the target business is active in the production of military or dual-use goods, computing hardware, or quantum technology for supply in the UK. The government may intervene if the target business’s UK turnover is as low as £1 million, or if the target business has a share of supply of goods or services within the relevant areas of at least 25%.

The CMA published [Guidance](#) on the changes to the jurisdictional thresholds for UK merger control.

The FCA published a [“Dear CEO letter”](#) to banks on how to handle the financial crime risks posted by crypto-assets. In the letter, the FCA defines crypto-assets as any publicly available electronic medium of exchange featuring a distributed ledger and a decentralised system for exchanging value (for example, Bitcoin or Ether). The FCA advises banks offering services to current or prospective clients who derive significant business activities or revenues from crypto-related activities that it may be necessary to enhance their scrutiny of these clients and their activities.

The Money Market Funds Regulations 2018 (SI 2018/698) were [published](#) (the “**MMF Regulations**”). The MMF Regulation enables the FCA to authorise MMFs and enforce the EU Regulation on Money Market Funds (2017/1131/EU) in the UK.

12 June

The Department for Digital, Culture, Media and Sport (“**DCMS**”) published [the government response](#) to a report by an independent advisory group on growing a culture of social impact investing in the UK. The government is committed to driving this forward and the response set out its position on each of the key themes outlined in the report.

The CMA published a [consultation document](#) on new draft guidance on the exceptions to the duty to refer mergers for in-depth Phase 2 investigations.

The CMA published a [consultation document](#) on its approach and requirements in the selection, design and implementation of remedies in Phase 1 and Phase 2 merger investigations.

The CMA published a [consultation document](#) on new draft guidance on interim measures in merger investigations.

The Council of the EU published a [compromise proposal](#) on the proposed Regulation on a pan-European personal pension product (2017/0143(COD)). This was subsequently updated on 14 June 2018.

The Payment Systems Regulator (“**PSR**”) published a [discussion paper](#) (DP18/1) about how data is used in the payments industry.

13 June

The government published a [letter](#) (dated 7 June 2018) from John Glen, Economic Secretary to the Treasury, on legislative proposals for reforms to the European System of Financial Supervision, which were published in September 2017.

The European Banking Authority (“**EBA**”) published a [consultation paper](#) on draft guidelines on the implementation of the Delegated Regulation setting out regulatory technical standards on strong customer authentication and common and secure communication under the second Payment Services Directive (EU/2015/2366) (“**PSD2**”).

The PRA published a [policy statement](#) on reporting the minimum requirement for own funds and eligible liabilities.

The Bank of England published a [policy statement](#) on its approach to setting a minimum requirement for own funds and eligible liabilities.

14 June

The FCA published a [list](#) of third-country supervisory authorities with which it has co-operation agreements that meet specific requirements as regards organisational requirements and operating conditions for investment firms.

15 June

The European Insurance and Occupational Pensions Authority (“EIOPA”) published a [speech](#) setting out its top three priorities in view of the changing regulatory environment, in particular the implementation of the Solvency II Directive (2009/138/EC) in 2016.

The PRA published a [policy statement](#) and [supervisory statement](#) on algorithmic trading.

18 June

The EBA published its [annual report](#) 2017, in which it provided a detailed account of its work undertaken and its achievements for 2017, as well as including a section on its key areas of focus for 2018.

The UK government published its final [response](#) to the Law Commission’s report on pension funds and social investment.

19 June

The text of the fifth Money Laundering Directive (EU/2018/843) (“MLD5”) was [published](#) in the Official Journal of the EU. MLD5 will enter into force on 9 July 2018, with EU Member States required to implement it by 10 January 2020.

The Bank of England published a [policy statement](#) on the fees regime for the supervision of financial market infrastructure.

The ICE Benchmark Administration [published](#) issue 5 of the London Interbank Offered Rate (LIBOR) code of conduct.

DotEcon published its [review](#), commissioned by the CMA, on the direct impact, businesses’ awareness, and the deterrent effect of 5 CA98 decisions by the CMA and its predecessor, the Office of Fair Trading (“OFT”).

20 June

ESMA published a [statement](#) about legal entity identifier (LEI) requirements under the Markets in Financial Instruments Regulation (Regulation 600/2014) (“MiFIR”).

The House of Lords Select Committee on the Bribery Act 2010 issued its [call for evidence](#). The committee welcomes submissions on various questions set out on the call in relation to the operation of the Bribery Act 2010.

21 June

HM Treasury published a [speech](#) delivered by Philip Hammond, in which the Chancellor of the Exchequer comments on Brexit and financial services.

CMA [published](#) draft guidance for consultation on its investigation procedures in Competition Act 1998 cases.

22 June

The EBA published a [consultation](#) paper setting out draft guidelines in relation to outsourcing, to establish a more harmonised framework for outsourcing arrangements.

HM Treasury and the Bank of England [published](#) a memorandum of understanding on their financial relationship.

The FCA published a [statement](#) on the EBA’s draft guidelines and opinion under PSD2.

25 June

The EBA published an [opinion](#) on preparations for the withdrawal of the UK from the EU.

The FCA published a [feedback statement](#) (FS18/1) to its June 2017 call for input on access to insurance.

26 June

The European Union (Withdrawal) Act 2018 received [Royal Assent](#), meaning that work to prepare the UK's statute book for Brexit is set to begin.

The FCA published a [consultation paper](#) (CP18/6) setting out proposed changes to its complaints handling rules for authorised push payment fraud victims.

27 June

The FCA published a [statement](#) on its role in preparing for Brexit. HM Treasury also published a [statement](#) on its approach to financial services legislation under the European Union (Withdrawal) Act 2018, as did the [Bank of England](#).

28 June

The PRA published a [“Dear CEO” letter](#) to banks, insurance companies and designated investment firms to remind them of the relevant obligations under the PRA rules, and to communicate the PRA's expectations regarding firms' exposure to cryptoassets.

The PRA published a [policy statement](#) on regulatory fees and levies for 2018/19.

The FCA published a [consultation paper](#) (CP18/17) proposing changes to its rules and guidance to address the harms and emerging issues identified by its retirement outcomes review in the non-advised drawdown market.