



November 2019

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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.

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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 November 2019:

1 November

The Prudential Regulation Authority ("PRA") published a [Dear CEO letter](#) in relation to the reliability of regulatory returns. Firms are expected, if asked, to be able to respond promptly to a request from the PRA to:

- demonstrate how the design and operation of the governance, controls and other processes deliver regulatory reporting of appropriate quality. Firms should also be able to provide details of the key interpretations and judgements made relating to regulatory returns and the governance processes used to validate these; and
- provide the PRA with details of any material regulatory reporting errors identified, together with an explanation of the actions taken to remediate them.

The Treasury Select Committee published a [report](#) on economic crime, focusing on the scale of economic crime faced by consumers, the ways that financial firms are combating economic crime, how economic crime is investigated, and consumers' rights and responsibilities.

4 November

The Financial Conduct Authority ("FCA") published a [letter](#) sent to the Chairs of authorised fund managers relating to good practices for effective liquidity management.

5 November

The PRA published a [letter](#) to chief actuaries of general insurance firms setting out feedback on reserving reviews carried out by the PRA in 2019.

The PRA published a [letter](#) sent to the CEOs of general insurance firms, outlining the PRA's priorities for the sector in the coming year and providing feedback from supervisory activity across the sector over the last year.

The European Securities and Markets Authority published a [consultation paper](#) on commodity derivatives position limits, position management controls and position reports under Directive 2014/65/EU ("MiFID II").

6 November

The Prospectus Directive and Transparency Directive Equivalence (Variation) Directions 2019 were [published](#).

The Official Journal of the European Union published [Delegation Regulation 2019/1851/EU](#) supplementing the Securitisation Regulation (2017/2402/EU) with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation.

7 November

The FCA updated its [statement](#) on the reporting of derivatives under the UK EMIR regime in a no-deal scenario to announce the publication of the UK EMIR validation rules.

8 November

The European Banking Authority (“EBA”) published a [report](#) on progress made in the EU banking sector on non-performing loans and challenges ahead.

The FCA published a [statement](#) on inducements and research under MiFID II, in which it welcomed the US Securities and Exchange Commission’s (“SEC”) announcement of an extension of the SEC staff “no-action letter” relating to the MiFID II Directive inducements and research provisions.

12 November

The PRA published a [statement](#) following comments made by the French regulator, the Autorité de Contrôle Prudentiel et de Résolution (“ACPR”), in response to the European Insurance and Occupational Pensions Authority (“EIOPA”)’s recommendations for insurers with regard to cross-border services in the EU in the event of the UK leaving the EU without a deal.

13 November

The European Central Bank (“ECB”) published an [article](#) on banks’ preparations for Brexit, following the extension of the Article 50 period to 31 January 2020. The ECB warns banks that delays to the implementation of their Brexit plans may lead to heightened operational risks.

The FCA published a [consultation paper](#) (CP19/30) on regulatory fees and levies for 2020/21.

14 November

The EBA published a [consultation paper](#) on draft technical standards on passport notifications.

The PRA published a policy statement (PS25/19) on the maintenance of transitional measures on technical provisions under the Solvency II Directive (2009/138/EC) (“Solvency II”).

[Commission Implementing Regulation 2019/1902/EU](#) laying down technical information for the calculation of technical provisions and basic own funds for reporting with reference dates from 30 September 2019 until 30 December 2019 under the Solvency II was published in the Official Journal of the EU.

15 November

The European Commission published a [speech](#) on the Commission's priorities for sustainability and green finance.

ESMA published an updated version of its Q&As on the [Securitisation Regulation](#).

18 November

The Investment Association published a [final report](#) on its responsible investment framework.

19 November

The FCA published its [finalised guidance](#) on the general insurance distribution chain (FG19/5).

The FCA published a [statement](#) about conduct risk during LIBOR transition.

The Secretary of State for Business, Energy and Industrial Strategy ("BEIS") confirmed she is minded to accept legally binding undertakings offered in the proposed acquisition of Cobham, a UK defence company, by Advent International, a US private equity firm. BEIS have published the draft undertakings in draft for consultation in accordance with the process set out in the Enterprise Act 2002. The Secretary of State will consider any representations made before making a decision about whether to accept the undertakings. The consultation closes on 17 December 2019. See [here](#).

20 November

The PRA published a [statement](#) relating to Commission Delegated Regulation 2019/98/EU, which amends the Solvency II Delegated Regulation 2015/35/EU.

The UK's Competition and Markets Authority (CMA) announced that it has updated the timetable for its ongoing investigation under the Chapter I prohibition of the Competition Act 1998 and Article 101 of the Treaty on the Functioning of the European Union (TFEU) into alleged anti-competitive arrangements in the financial services sector. More information about the updated timetable and investigation can be found [here](#).

21 November

The FCA published self-assessment [questionnaire](#) relating to firms' cyber resilience capability.

The Council of the EU published the texts for the:

- [Omnibus Regulation](#) (PE-CONS 75/19) (that is, the Regulation relating to the powers, governance and funding of the European Supervisory Authorities ("ESAs") (2017/0230(COD)));
- [Omnibus Directive](#) (PE-CONS 76/19) (that is the Directive amending MiFID II and Solvency II (2017/0231(COD))).
- [Regulation amending ESRB Regulation](#) (that is, the Regulation amending the European Systemic Risk Board ("ESRB") Regulation (1092/2010)) (2017/0232(COD)).

The EBA published a [consultation paper](#) on draft implementing technical standards for specific supervisory reporting requirements for market risk.

The FCA published a [speech](#) on next steps in the transition from LIBOR.

22 November

The EBA published a [consultation paper](#) on draft implementing technical standards on disclosure reporting of the minimum requirement for own funds and eligible liabilities and the total loss absorbency requirement.

25 November

The FCA published a [policy statement](#) (PS19/28) on changes to its Decision Making and Penalties Manual and Enforcement Guide to reflect implementation of the Proxy Advisors (Shareholders' Rights) Regulations (SI 2019/926).

26 November

The FCA published a [new webpage](#) setting out guidance on approving financial promotions for unauthorised persons.

The European Central Bank published a [speech](#) on the objectives of pan-European market initiatives for retail payments.

The FCA published a [document](#) on a temporary intervention to prohibit the marketing of speculative mini-bonds to retail investors from 1 January 2020.

27 November

The FCA published a new [webpage](#) containing a table setting out the Handbook rules that apply to an incoming firm exercising a passport right under the Insurance Distribution Directive (2016/97/EU).

28 November

The EBA published a final [report](#) containing draft guidelines on information and communication technology and security risk management.