

Regulation Round Up

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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 April 2021:

30 April

The Financial Conduct Authority (“FCA”) published [Handbook Notice 87](#), which sets out changes to the FCA Handbook made by the FCA board on 25 March and 29 April 2021.

FCA has published a [consultation paper](#) “Investor protection measures for special purpose acquisition companies: Proposed changes to the Listing Rules” (CP21/10), in which it proposes changes to the Listing Rules.

29 April

The Bank of England (“BoE”) published a [speech](#) by Victoria Saporta, BoE Executive Director of Prudential Policy, in which she discusses the Prudential Regulation Authority (“PRA”) changing approach to policymaking.

The FCA published a [discussion paper](#) (DP21/1) on strengthening its financial promotion rules for high-risk investments and firms approving financial promotions.

The Financial Services Bill 2019-21 received [Royal Assent](#). HM Treasury has published a [press release](#) on the Bill receiving Royal Assent. The [text](#) of the Financial Services Act 2021 has been published on legislation.gov.uk.

The European Central Bank (“ECB”) published a [speech](#) on bank’s role in greening the economy.

The PRA published a [discussion paper](#) (DP1/21) that explores the options for developing a simpler prudential framework for non-systemic banks and building societies.

The FCA published a [summary](#) of insights from its cyber co-ordination group meetings on current cyber risks and firms’ practices for responding to them.

The European Insurance and Occupational Pensions Authority (“EIOPA”) published a [discussion paper](#) on blockchain and smart contracts in insurance.

28 April

The FCA published a [consultation paper](#) (CP21/9) on changes to conduct and organisational requirements laid down in UK laws and regulations implementing the MiFID II Directive (EU/2014/65) (“MiFID II”).

The [Recognised Auction Platforms and Greenhouse Gas Emissions Trading Scheme Auctioning \(Amendment\) Regulations 2021 \(SI 2021/513\)](#) were published, together with an [explanatory memorandum](#).

27 April

The FCA published an [evaluation report](#) of its digital sandbox pilot.

26 April

The FCA published a [speech](#) on compliance, culture and evolving regulatory expectations.

The PRA published a [consultation paper](#) (CP9/21) to correct an error in the definition of "higher paid material risk taker" in the PRA Rulebook.

The [draft Payment and Electronic Money Institution Insolvency Regulations](#) were laid before Parliament, by which a new special administration regime is to be introduced for payment institutions and electronic money institutions.

23 April

The FCA published a [webpage](#) about climate change and sustainable finance.

The BoE updated a [webpage](#) with information on its Climate Biennial Exploratory Scenario.

The Working Group on Sterling Risk-Free Reference Rates released a [statement](#) on LIBOR transition and a [paper](#) on fallbacks in uncleared derivatives.

22 April

The FCA published a [speech](#) on changes needed to improve effective regulation, as well as a [speech](#) on why Black inclusion matters to the regulator.

The Commons Treasury Committee published its [Thirteenth Report of Session 2019-21](#) on net zero and the future of green finance, with a related [press release](#).

The PRA published a [statement](#) on its remuneration reporting templates for benchmarking and high earners.

The Payment Systems Regulator ("PSR") published a [consultation paper](#) on amending the guidance on its approach as a competent authority for the EU Interchange Fee Regulation ((EU) 2015/751) ("EU IFR") (CP21/5).

21 April

The European Commission published a [communication](#) on EU taxonomy, corporate sustainability reporting, sustainability preferences and fiduciary duties, and directing finance towards the European Green Deal (COM(2021) 188 final).

The European Commission adopted a [proposal](#) for a Corporate Sustainability Reporting Directive and delegated legislation integrating sustainability into the following frameworks:

- [Undertakings for Collective Investment in Transferable Securities Directive 2009/65/EC \("UCITS"\)](#) (C(2021) 2617 final);
- [Alternative Investment Fund Managers Directive \(EU/2011/61\) \("AIFMD"\)](#) (C(2021) 2615 final);
- [MiFID II](#) (C(2021) 2612 final) and [\(C\(2021\) 2616 final\)](#);
- [Solvency II Directive \(2009/138/EC\) \("Solvency II"\)](#) (C(2021) 2628 final); and
- [Insurance Distribution Directive](#) ((EU) 2016/97) (C(2021) 2614 final).

The European Commission agreed on the [EU Taxonomy Climate Delegated Act](#); it will be formally adopted only once it has been translated in all EU languages at the end of May.

The BoE published a [speech](#) as it launched its "meeting varied people" initiative.

The European Commission published a [roadmap](#) on a retail investment strategy for the EU (Ares(2021)2651854 20/04/2021).

A [list of amendments](#) made to the Financial Services Bill 2019-21 and [explanatory notes](#) were published on the UK Parliament website.

The [UK Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021 \(SI 2021/484\)](#) were made on 21 April 2021 and come into force on 22 April 2021.

The [Recognised Auction Platforms \(Amendment and Miscellaneous Provisions\) Regulations 2021 \(2021/494\)](#) were published, together with an [explanatory memorandum](#).

The BoE published an updated version of its [UK Money Markets Code](#).

20 April

The FCA published a [speech](#) on the need to level the playing field in financial innovation in the service of consumers and the market.

19 April

HM Treasury published a [press release](#) containing information about UK FinTech and financial services proposals.

The FCA published a [press release](#) announcing the appointment of new sustainability and technology directors.

The BoE updated its [webpage](#) on central bank digital currency and published a [statement](#) announcing that it's establishing a Central Bank Digital Currency Taskforce and external engagement groups.

The FCA published its second [consultation paper](#) on the Investment Firms Prudential Regime ("IFPR") (CP21/7). Please refer to our note on this update [here](#).

The UK government issued a [written statement](#) confirming how it will take forward the recommendations directed towards it by the UK Listing Review.

16 April

The European Commission published an [updated webpage](#) providing information on a mini-sweep of consumer credit websites.

15 April

The PRA published a [policy statement](#) (PS8/21) setting out its approach to non-systemic UK banks.

The European Banking Authority ("EBA") published a [final report](#) (EBA/RTS/2021/04) on draft regulatory technical standards on the methods of prudential consolidation under Article 18 of the Capital Requirements Regulation (EU/575/2013) ("CRR").

14 April

The PRA and FCA published a [joint statement](#) responding to The Financial Stability Board ("FSB") peer review report on the UK's implementation of the Principles and Standards (P&S) for Sound Compensation Practices.

The FSB published a [report](#) setting out the findings of a peer review of how the UK has implemented its Principles and Implementation Standards of Sound Compensation Practices.

[Commission Delegated Regulation \(EU\) 2021/598](#) in respect of regulatory technical standards for assigning risk weights to specialised lending exposures under Article 153(9) of the CRR was published.

The FCA and PRA published a [joint Dear CEO letter](#) on obtaining deposits through deposit aggregators.

13 April

The FCA published a [speech](#) by Nausicaa Delfas, FCA Executive Director of International, on the FCA's approach to regulating the UK as a global financial centre.

European Securities and Markets Authority ("ESMA") published an updated [statement](#) (ESMA74-362-1934) on the implementation of legal entity identifier) requirements for third-country issuers under the reporting regime set out in the Regulation on reporting and transparency of securities financing transactions ((EU) 2015/2365) ("SFTR").

The FCA published a [statement](#) relating to changes certain consumer credit firms will have to make to pre-contract consumer credit information forms post-Brexit.

12 April

The Lending Standards Board ("LSB") published a [blog](#) on the power of prevention in the fight against authorised push payment fraud.

9 April

The FCA updated its [website](#) to announce the launch of a new version of its Financial Services Register Extract Service ("RES"). It has also published a revised version of the Subscribers' Handbook for the RES.

ESMA published a [summary of conclusions](#) of the meeting of its Board of Supervisors on 23 February 2021, which includes minutes of an "exchange of views" with Nikhil Rathi on future co-operation between the FCA and ESMA.

The PRA published a [new webpage](#) on holding company approvals.

8 April

The G20 published a [communiqué](#) following a virtual meeting of finance ministers and central bank governors on 7 April 2021.

The PRA published a [consultation paper](#) (CP8/21) on its regulated fees and levies for 2021/22.

ESMA published a [review report](#) (dated 23 March 2021) on the functioning of organised trading facilities under Article 90(1)(a) of MiFID II (ESMA70-156-4225).

The LSB published an [updated version](#) of its Standards of Lending Practice for personal customers, together with a related [press release](#).

7 April

EBA published a [consultation paper](#) (EBA/CP/2021/14) on draft RTS on emerging markets and advanced economies under the CRR market risk framework.

The PRA published a [consultation paper](#) on credit risk and economic downturns.

ESMA published its [final report](#) on the functioning of the SME growth markets regime under the Markets in Financial Instruments Directive II.

6 April

The FCA published a [new webpage](#) showing the number of financial promotions that have been amended or withdrawn by firms due to non-compliance with its rules.

The BoE published a [statement](#) on the regulatory treatment of the UK Recovery Loan Scheme.

ESMA published an updated version of its Q&As on [market structures topics](#) (ESMA70-872942901-38) under MiFID II and Markets in Financial Instruments Regulation (EU/600/2014) (“**MiFIR**”).

ESMA published updated [Q&As](#) (ESMA74-362-893) (dated 23 March 2021) on complying with reporting requirements under the SFTR.

The FCA updated its [webpage](#) on the retained EU law version of the Regulation on reporting and transparency of securities financing transactions ((EU) 2015/2365) (“**UK SFTR**”) in relation to reporting legal entity identifiers of non-EEA third country issuers under the UK SFTR.

1 April

The FCA published [finalised guidance](#) on cancellations and refunds aimed at credit and debit card firms and insurance providers.

The Network for Greening the Financial System (“**NGFS**”) published a [report](#) on sustainable finance market dynamics.

The FCA published a [speech](#) by Mark Steward on the importance of purposeful anti-money laundering controls.

The BoE updated its payment and settlement [webpage](#) with information on omnibus accounts for payment systems operators and prefunding accounts.