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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 June 2021:

30 June

The Financial Conduct Authority ("FCA") published a [webpage](#) setting out the findings and next steps following its multi-firm review into authorised fund managers ("AFMs") that delegate investment management to third parties outside their corporate group (known as host AFMs or host authorised corporate directors).

The [Markets in Financial Instruments \(Capital Markets\) \(Amendment\) Regulations 2021 \(SI 2021/774\)](#) were published, together with an [explanatory memorandum](#).

The government introduced the [Subsidy Control Bill](#) to Parliament. The Department for Business, Energy and Industrial Strategy has also published the government's response to its February 2021 consultation on the proposed design of the new UK subsidy control regime. The Subsidy Control Bill sets out the framework for a UK subsidy control regime that meets the UK's international commitments, particularly the detailed commitments in the subsidies chapter of the UK-EU Trade and Co-operation Agreement ("TCA").

29 June

The FCA published its first [policy statement](#) on the implementation of the Investment Firms Prudential Regime ("IFPR") (PS21/6). [For more details please refer to our note](#).

The European Banking Authority ("EBA") published a [report](#) outlining the results and conclusions of its market analysis of the current RegTech landscape in the EU. It has also published an "at a glance" [factsheet](#) on RegTech and steps firms can take.

The Bank of England ("BoE") published a [consultation](#) by the Financial Policy Committee and the Prudential Regulation Authority ("PRA") (CP14/21), on changes to the UK leverage ratio framework.

European Securities and Markets Authority ("ESMA") published a [webpage](#) with official translations of its guidelines on stress test scenarios (ESMA34-49-291) produced under Article 28 of the Regulation on money market funds (EU/2017/1131) ("MMF Regulation").

28 June

HM Treasury published a [draft version](#) of the Financial Services and Markets Act 2000 (PRA-regulated Activities) (Amendment) Order 2021 and [explanatory information](#).

25 June

The European Banking Authority ("EBA") published its [final report](#) (EBA/ITS/2021/04) setting out final draft implementing technical standards on supervisory disclosure under Article 57(4) of the Investment Firms Directive ((EU) 2019/2034) ("IFD").

The FCA published [Handbook Notice 89](#), which sets out changes to the FCA Handbook made by the FCA board on 24 June 2021.

24 June

HM Treasury published a [call for evidence](#) to inform its review of the retained EU law version of the Securitisation Regulation ((EU) 2017/2402) ("**UK Securitisation Regulation**").

The FCA has published its [34th Primary Market Bulletin](#), a special edition that consults on proposed changes to the FCA Knowledge Base in relation to the prospectus regime.

23 June

The EBA published a [report](#) (EBA/REP/2021/18) on management and supervision of ESG risks for credit institutions and investment firms.

ESMA published a [webpage](#) with the official translations of its guidelines (ESMA34-32-701) to address leverage risks under Article 25 of the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**").

The European Parliament adopted, in plenary, its [first reading position](#) (P9_TC1-COD(2020)0145) on the proposed codified regulation on cross-border payments.

22 June

The [Financial Services Act 2021 \(Commencement No 2\) Regulations 2021 \(SI 2021/739\)](#) were made and published on [legislation.gov.uk](#).

The European Commission published a [webpage](#) announcing the launch of a consultation on the Distance Marketing of Consumer Financial Services Directive (2002/65/EC).

The FCA published a [consultation paper](#) on enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (CP21/17).

The FCA published a [speech](#) by Nikhil Rath, FCA Chief Executive, on building a regulatory environment for the future.

HM Treasury published the [response](#) to its consultation on the regulatory framework for approval of financial promotions.

The FCA published a [consultation paper](#) (CP 21/18) on extending climate-related disclosure requirements to certain standard listed companies and seeking views on ESG topics in capital markets.

21 June

The PRA published a [consultation paper](#) (CP12/21) on the further implementation of the regulatory framework for financial holding companies.

The European Commission adopted [draft Delegated Regulation](#) (C(2021) 4273) supplementing Payment Services Directive ((EU) 2015/2366) (PSD2) with regulatory technical standards on the framework for home-host co-operation and information exchange.

18 June

The [Payment and Electronic Money Institution Insolvency Regulations 2021 \(SI 2021/716\)](#) and [explanatory memorandum](#) were published.

16 June

The European Commission published the [EU Taxonomy Compass](#) and a new [webpage](#) relating to this, which provides a visual representation of the content of the EU Taxonomy starting with the Taxonomy Climate Delegated Act.

The Global Financial Markets Association published a [paper](#) containing a set of global guiding principles for developing climate finance taxonomies.

The UK government published the [report](#) produced by the Taskforce on Innovation, Growth and Regulatory Reform, which was commissioned by the UK government to identify post-Brexit regulatory reforms, has produced its report, which contains recommendations relating to the financial services sector.

15 June

The European Commission adopted a [Delegated Regulation](#) amending Commission Delegated Regulation (EU) 2018/990 in respect of requirements for assets received by money market funds as part of reverse repurchase agreements (C(2021) 4143) (Amending Regulation).

[Commission Implementing Regulation \(EU\) 2021/955](#) laying down implementing technical standards produced under Articles 5(3), 10(3) and 13(3) of the Regulation on the cross-border distribution of collective investment undertakings (EU/2019/1156) ("**Cross-Border Regulation**") has been published.

14 June

The Alan Turing Institute published a [report](#) on artificial intelligence in financial services, which was commissioned by the FCA.

The PRA published a [statement](#) providing an update on its approach to authorising firms that are currently within the temporary permissions regime.

11 June

The BoE and Bank for International Settlements published a [press release](#) announcing the launch of a new BIS Innovation Hub London Centre.

The EBA published a [report](#) (EBA/REP/2021/16) on payment service providers' readiness to apply strong customer authentication for e-commerce card-based payments transactions.

10 June

The FCA published a [new webpage](#) providing details of the 13 firms that were successful in applying to begin testing in the seventh cohort of the regulatory sandbox.

The Basel Committee on Banking Supervision ("**BCBS**") published a [consultative document](#) (BCBS519) on the prudential treatment of banks' cryptoasset exposures.

The EBA published its [final report](#) (EBA/GL/2021/03) containing revised guidelines on major incident reporting under the revised Payment Services Directive ((EU) 2015/2366) ("**PSD2**").

The Payments Systems Regulator published a [consultation paper](#) (CP21/7) setting out its proposed strategy for the next five years.

9 June

The European Commission published a [staff working document](#) containing a toolkit of indicators for monitoring progress on the Capital Markets Union (SWD(2021) 544).

HM Treasury published a [press release](#) announcing the establishment of the Green Technical Advisory Group ("**GTAG**"). It has also published the [terms of reference](#) and a [membership list](#) for the GTAG.

8 June

The BoE launched its Climate Biennial Exploratory Scenario ("**CBES**") with the publication of [key elements](#) of the CBES and [final guidance](#) for participants.

7 June

The [Financial Services Act 2021 \(Commencement No 1\) Regulations 2021 \(SI 2021/671\)](#) were published.

The Task Force on Climate-related Financial Disclosures ("**TCFD**") published a [consultation](#) on its [Proposed Guidance on Climate-related Metrics, Targets, and Transition Plans](#).

The International Regulatory Strategy Group published a [report](#) on ESG and global progress on social standards.

The Network for Greening the Financial System (“**NGFS**”) published a new [set of climate scenarios](#) and a [website](#), which aims to act as a portal to NGFS scenarios.

The EBA published a [consultation paper](#) (EBA/CP/2021/23) on regulatory technical standards on the reclassification of investment firms as credit institutions.

The BoE published a [discussion paper](#) on new forms of digital money.

4 June

The European Central Bank (“**ECB**”) published an [opinion](#) (CON/2021/20) on the proposal for a Regulation on digital operational resilience for the financial sector (“**DORA**”) (2020/0266 (COD)) and related proposal for a Directive that clarifies and amends certain existing EU financial services Directives to align them with the proposed Regulation (2020/0268 (COD)).

The EBA published a [consultation paper](#) (EBA/CP/2021/22) on draft regulatory technical standards under Article 6(7) of the Regulation on European crowdfunding service providers for business ((EU) 2020/1503) (“**ECSPP**” or “**Crowdfunding Regulation**”).

The European Commission updated a [webpage](#) to confirm it has adopted Commission Delegated Regulation supplementing the Regulation on the establishment of a framework to facilitate sustainable investment (EU/2020/852) (“**Taxonomy Regulation**”) relating to climate change mitigation and adaptation (known as the “**Taxonomy Climate Delegated Act**”).

3 June

The BoE published a [speech](#) by Andrew Bailey, BoE Governor, about tackling climate change.

The FCA published a [press release](#) announcing that it has extended the temporary registration regime for certain existing cryptoasset businesses.

The PRA published a [policy statement](#) on the transition to the Sterling Overnight Index Average (“**SONIA**”), under the Solvency II Directive (2009/138/EC) (“**Solvency II**”) regime (PS12/21).

2 June

The European Commission adopted a [Delegated Regulation](#) supplementing EMIR ((EU) 648/2012), which specifies the conditions under which commercial terms for clearing services for OTC derivatives are to be considered to be fair, reasonable, non-discriminatory and transparent (“**FRANDT**”).

1 June

The PRA published a [policy statement](#) (PS11/21), which confirms its final policy relating to temporary, long-term absences by senior managers under the Senior Managers and Certification Regime (“**SM&CR**”).

The FCA updated its [webpage](#) on applying for authorisation to include information for firms if they are changing their legal status.

HM Treasury published a [press release](#) announcing that the current exemption for UCITS funds from the requirements of the retained EU law version of the PRIIPs Regulation ((EU) 1286/2014) (“**UK PRIIPs Regulation**”) will be extended by five years to 31 December 2026.

ESMA published its [final report](#) (ESMA70-156-4305) containing guidelines on MiFID II Directive (EU/2014/65) (“**MiFID II**”) market data obligations.

