

Regulation Round Up

July 2017

3 July

The UK Financial Conduct Authority (FCA) published its [Policy Statement](#) (PS17/14) on implementation of Markets in Financial Instruments Directive II (MiFID II) in the UK. The PS sets out the final FCA rules relating to matters, including conduct of business and client assets. These will take effect on 3 January 2018, being the date upon which the requirements of MiFID II will become effective across the whole of the European Union.

The FCA published its sixth [Consultation Paper](#) on Markets in Financial Instruments Directive II (MiFID II) implementation and related issues (CP17/19). This CP addresses proposed changes to the Financial Services Compensation Scheme and to the FCA's Decision Procedures and Penalties Manual and its Enforcement Guide.

4 July

The EU Commission adopted guidelines on application of Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation [Guidelines](#). The purpose of the Guidelines is to help providers and distributors of in-scope investment products in how to comply with the Regulation from 1 January 2018 (the date when it comes into force).

The Joint Committee of the European Supervisory Authorities (European Banking Authority, European Insurance and Occupational Pensions Authority, and European Securities and Markets Authority (ESMA)) published [Q&As](#) relating to the key information document (KID) requirements for the PRIIPs Regulation and its Delegated Regulation).

5 July

ESMA published its first Q&As on the Benchmarks Regulation (BMR) (ESMA70-145-11) (5 July 2017) with an accompanying [press release](#). The Q&As include two answers regarding the transitional provisions under the BMR, clarifying which benchmarks supervised entities will be allowed to use after 1 January 2018 on the basis of the transitional provisions.

6 July

The FCA published [Guidance](#) (FG17/6) on the treatment of politically exposed persons for anti-money laundering purposes. The purpose of the guidance is to assist firms in meeting their regulatory obligations when opening new relationships or monitoring existing relationships with politically exposed persons (PEPs).

13 July

The FCA published its [Consultation Paper](#) (CP17/22) on draft authorisation and reporting forms as part of its implementation of the revised Payment Services Directive (PSD2). The deadline of implementing PSD II into national law is 13 January 2018.

The UK Government published a [policy paper](#) outlining the UK's position with regards to judicial and administrative proceedings that are ongoing at the point of exit from the European Union.

19 July

HM Treasury published its [response](#) to its consultation on implementing PSD2. The [statutory instrument](#) (the Payment Services Regulations 2017 (SI 2017/752) that transposes the PSD2 into UK law was also published.

21 July

The House of Lords started an [inquiry](#) into the fate of UK competition enforcement under Brexit. It will consider the opportunities for reshaping enforcement after Britain leaves the UK, and whether the authorities have the capacity to "cope with additional responsibilities and a greater caseload". A subcommittee tasked with the EU's internal market will run the inquiry. It has asked for submissions by 15 September and states that hearings will be held in September and October.

22 July

The FCA published its second [Consultation Paper](#) (CP17/23) on the implementation of the Insurance Distribution Directive (IDD). The consultation proposes a number of changes to the FCA Handbook. Comments on the consultation can be made until 20 October 2017. The implementation deadline for IDD into domestic law is 23 February 2018.

26 July

The FCA published [Consultation Paper](#) (CP17/25) on the extension of the senior managers and certification regime (SM&CR) to all firms authorised under the Financial Services and Markets Act 2000. Under the proposals, the existing approved person regime will be replaced with the extended SM&CR regime. Comments on the consultation papers can be made until 3 November 2017.

The FCA published a [Consultation Paper](#) (CP17/26) regarding the extension of the Senior Managers and Certification Regime applicable to insurers. Comments on the consultation paper can be made until 3 November 2017.

The PRA published a [Consultation Paper](#) (CP14/17) setting out its proposals for the extension of the Senior Managers & Certification Regime to all insurers. The PRA's conduct rules will extend to insurance companies' "material risk takers" and "key function holders". Comments on the consultation paper can be made until 3 November 2017.

The Brexit Competition Law Working Group (which is made up of competition law experts and is led by British economist John Vickers) released a [report](#) detailing its conclusions and recommendations for competition law regimes after Britain leaves the EU. The report contends that Brexit won't give cause for a radical overhaul of UK competition law or the role of regulators. Brexit also potentially raises issues for transitional arrangements between British and EU authorities, particularly in mergers that overlap with the date of Brexit. The report predicts that the CMA will have to file a substantial number of large and complex cases and will need additional resources to handle these, as well as antitrust enforcement.

31 July

The FCA published its [Consultation Paper](#) (CP17/27) on assessing creditworthiness in consumer credit. The CP sets out proposed changes to the FCA's rules and guidance. Comments on the CP must be submitted no later than 31 October 2017.

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