

# Regulation Round Up

June 2019

## 1 June

HM Treasury published a [consultation paper](#) (dated May 2019) on the regulation of pre-paid funeral plans. HM Treasury intends to bring all funeral plan providers within the remit of the FCA.

## 3 June

The Financial Stability Board ("**FSB**") published a [discussion paper](#) on public disclosures on resolution planning and resolvability.

The FSB published a [discussion paper](#) on the solvent wind-down of derivatives and trading portfolios.

The European Insurance and Occupational Pensions Authority ("**EIOPA**") published a [consultation paper](#) on an opinion on integrating sustainability in relation to the Solvency II Directive (2009/138/EC) ("**Solvency II**").

The European Securities and Markets Authority ("**ESMA**") published a [press release](#) announcing the launch of a common supervisory action with national competent authorities relating to the appropriateness requirements under Directive (2014/65/EU) ("**MiFID II**").

ESMA published a [supervisory briefing](#) on ensuring compliance with the pre-trade transparency requirements in commodity derivatives set out in the Regulation (600/2014/EU) ("**MiFIR**").

## 4 June

The European Banking Authority ("**EBA**") published a [letter](#) from the European Commission relating to the Commission's call for advice on the benchmarking of national loan enforcement frameworks (including insolvency frameworks) from a bank creditor perspective.

The Financial Conduct Authority ("**FCA**") published a [Dear CEO letter](#) that it has sent to claims management companies ("**CMCs**") that are within the FCA's CMS temporary permission regime.

The FCA published a [policy statement](#) (PS19/14) relating to peer to peer lending and investment-based crowdfunding platforms.

The Office of the Complaints Commissioner published a [final report](#) (FCA00484).

ESMA published a press release announcing that it had updated its [Q&As](#) on the application of the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**"), in relation to Depositaries.

The International Organisation of Securities Commissions ("**IOSCO**") published a [report](#) on market fragmentation and cross-border regulation.

## 5 June

The FCA published a [press release](#) announcing that it has signed a joint agreement with the Dutch Authority for the Financial Markets in which they agree to work more closely to protect and enhance the integrity and stability of both countries' financial systems.

The FCA published a [press release](#) announcing that Baroness Zahida Manzoor CBE has been appointed by the FCA as the new Financial Ombudsman Service ("**FOS**") Chair. The appointment has been approved by the FCA board and HM Treasury.

The Treasury Committee launched an [inquiry](#) into decarbonisation of the UK economy and green finance.

IOSCO published a [report](#) by its Growth and Emerging Market Committee on emerging markets and the role of regulators in their efforts relating to sustainable finance.

The Prudential Regulation Authority ("**PRA**") and the FCA published a [joint statement](#) on firms' preparations for transition from the London Interbank Offered Rate ("**LIBOR**") to overnight risk-free rates. The statement sets out key themes, good practice and next steps for firms.

## 6 June

The Financial Services Board ("**FSB**") published a [report](#) on the financial stability, regulatory and governance implications on the use of decentralised financial technologies.

The PRA published its [annual report](#) for the year ended 28 February 2019.

The Payment Systems Regulator ("**PSR**") published a [consultation paper](#) (CP19/5) calling for views on its review of the structure of LIK interchange fees.

The FCA published a [policy statement](#) (PS19/15) on changes to its Handbook relating to the application of the Securitisation (Amendment) (EU Exit) Regulations 2019 and the Securitisation Regulations 2018.

## **7 June**

The PRA published a [consultation paper](#) (CP12/19) in relation to changes to the prescribed responsibility requirements under the senior managers and certification regime ("**SM&CR**") to reflect resolution assessments.

The FCA published a [policy statement](#) (PS19/16) setting out its final rules and guidance on overdrafts. The aim of these reforms is to make overdrafts simpler, fairer, and easier to manage and will protect the millions of consumers that use overdrafts, particularly more vulnerable consumers. Please see [here](#) for our Proskauer alert on this topic.

The FCA published its quarterly [consultation paper](#) (CP19/9).

The FSB published a [consultative document](#) seeking feedback on a report on the evaluation of the effects of financial regulatory reforms on small and medium-sized enterprise financing.

The FCA published an [updated version](#) of its approach document on payment services and electronic money.

The following legislative acts were published in the Official Journal of the EU:

[Regulation](#) 2019/876/EU ("**CRR II**"); and

[Directive](#) 2019/878/EU ("**CRD V**").

The PRA published an [occasional consultation paper](#) (CP13/19) proposing minor amendments to its rules.

## 10 June

UK Finance published a set of [principles](#) outlining the approach that a bank should adopt when communicating a decision to a customer that it cannot offer, or continue with, the provision of its service.

The FCA published its [thematic review](#) (TR19/4) on understanding the money laundering risks in the capital markets. Although the review is primarily aimed at assisting firms with developing appropriate compliance arrangements, it also identifies some areas in which the FCA has found a lack of awareness of risks and provides firms with clear reminders of their obligations under UK financial services and anti-money laundering rules.

The PRA published a [direction for modification](#) by consent, modifying rules 7.1 and 7.5 of the Definition of Capital part of the PRA Rulebook.

## 11 June

The Financial Services (Miscellaneous) (Amendment) (EU Exit) (No 2) Regulations 2019 were [published](#).

ESMA published its [final report](#) on frequent batch auctions for equity instruments under MiFID II.

## 12 June

The PRA published a Dear CEO [letter](#) that communicates the findings of its review of fast-growing deposit-taking firms. The review included a variety of firms with different business models and activities so the expectations expressed in the letter may well apply to a range of challenger banks and disruptor businesses in the finance sector including the growing number of FinTech businesses with full banking permissions in the UK.

The FCA published a [policy statement](#) (PS19/17) on "buy now pay later" offers. These are essentially credit offers with a product feature that gives the consumer a promotional period during which they are not generally required to make repayments. If the consumer does not repay the entire amount within the promotional period, interest will usually be charged on the original credit amount or the unpaid part of that amount from the date of purchase.

The FCA published its [webpage](#) on notifications and exemptions under the Regulation on OTC derivatives, central counterparties and trade repositories (648/2012/EU) ("**EMIR**") to reflect the EMIR Refit Regulation (2019/834/EU).

## **13 June**

The Bank of England, FCA and the Monetary Authority of Singapore published a joint [press release](#) announcing their intention to work together to strengthen cybersecurity in their financial sectors.

The FCA published a [consultation paper](#) (CP19/20) on its framework for assessing adequate financial resources. The consultation provides further guidance on the meaning of 'adequate financial resources' in relation to the FCA's threshold conditions and FCA's Principles for Businesses.

The PRA published a [policy statement](#) (PS12/19) on regulatory fees and levies for 2019/20.

## **14 June**

The Council of the European Union published a [press release](#) announcing that it has adopted the Regulation and Directive on the cross-border distribution of collective investment funds at first reading.

ESMA published an updated [version](#) of its Q&As relating to the implementation of EMIR.

## **17 June**

The PRA published a [policy statement](#) (PS13/19) on Pillar 2 liquidity and updates to the framework.

## **18 June**

IOSCO published the [final report](#) of its cyber taskforce. The report seeks to promote sound cyber practices across all IOSCO members.

The European Commission published the following reports produced by its technical expert group on sustainable finance:

?? [technical report](#) on taxonomy;

?? [second report](#) on an EU green bond standard; and

?? [interim report](#) on EU climate benchmarks and benchmarks' environmental, social and governance disclosures.

Commission Delegated Regulation (2019/981/EU) amending the Solvency II Delegated Regulation (2015/35/EU) was [published](#) in the Official Journal of the EU.

The PRA published a [Dear CEO Letter](#) on the 2019 insurance stress test.

The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) (Amendment) Regulations 2019 were [published](#).

## **19 June**

HM Treasury published the [response](#) to its consultation on a breathing space and statutory debt repayment plan to protect individuals with problem debt.

The FCA published a [webpage](#) setting out the results of data received from firms carrying out defined benefit ("DB") transfers on the size and value of the DB pensions advice market.

The EBA published a [consultation paper](#) on draft guidelines on loan origination and monitoring.

The FCA published its [perimeter report](#) 2018/19.

The Association of British Insurers published a [speech](#) on some of the key strategic issues facing the insurance and long term savings sector.

The Bank of England published a [speech](#) on making impactful change on diversity across the financial services sector as a whole and in the London Market.

The PRA published a [letter](#) sent to chief actuaries of life insurers.

ESMA published a [speech](#) on developments in data and reporting.

## **20 June**

The European Central Bank ("ECB") published a [speech](#) on the importance of culture and governance for good banking.

HM Treasury published a [speech](#) highlighting the key issues for the financial services sector.

The PRA updated its [webpage](#) on the quality of capital instruments under Solvency II.

HM Treasury published a [speech](#) given by Philip Hammond, Chancellor of the Exchequer, in which Mr Hammond announced that HM Treasury will be leading a review of the payments landscape. He also reiterated the importance of the financial services industry for the UK.

The Bank of England published its [response](#) to a report on the future of finance.

## **21 June**

The EBA published an [opinion](#) on elements of strong customer authentication under the revised Payment Services Directive (2015/2366/EU) ("PSD2").

## **25 June**

The FCA published a [report](#) of the Global Financial Innovation Network, in which it reflects on its work in the year since its establishment.

HM Treasury published a [press release](#) reporting on an industry workshop which it undertook with the FCA to generate innovative ideas in the InsurTech sector to increase the uptake of contents insurance.

HM Treasury published a [letter](#) which provides an update on its review of policy on mini-bonds.

The PRA published a [consultation paper](#) (CP14/19) on Pillar 2 liquidity: PRA110 reporting frequency threshold.

The FCA and the US Commodity Futures Trading Commission published a [joint statement](#) on their efforts to address opportunistic strategies in the credit derivatives markets.

The ECB published a [speech](#) on priorities and challenges in European capital markets.

HM Treasury issued an [advisory note](#) identifying countries where enhanced due diligence for anti-money laundering and terrorist financing controls should be applied.

The FCA published a [consultation paper](#) (CP19/12) on changes to its Decision Making and Penalties Manual ("**DEPP**") and Enforcement Guide to reflect new responsibilities over proxy advisors.

The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 were [published](#).

## **26 June**

The PRA published a [speech](#) on the benefits of flexibility in bank regulation.

## **27 June**

The Bank of England published a [discussion paper](#) to seek initial feedback on its approach to the risk management of collateral that references the London Interbank Offered Rate for use in the Sterling Monetary Framework.

UK Finance published a [report](#) on artificial intelligence in financial services.

The European Commission published a [report](#) on the group supervision and capital management provisions under Solvency II.

The PSR published its latest [report](#) on access to payment systems and the governance of payment system operators.

The FCA [published](#) the terms of reference for a market study to examine the credit information market.

## **27 June**

The FCA published a [statement](#) responding to the EBA's recent opinion on strong customer authentication under PSD2.

[Related Professionals](#)

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