Proskauer

Regulation Round Up

July 2019

1 July

The Financial Conduct Authority ("**FCA**") published a policy statement (PS19/19) setting out the final 2019/20 regulatory fees and levies.

The European Insurance and Occupational Pensions Authority ("**EIOPA**") published a consultation paper on guidelines on outsourcing to cloud service providers.

The FCA published a policy statement (PS19/18) on restricting contract for difference ("**CFD**") products and CFD-like options sold to retail clients.

2 July

The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2019 was published.

The FCA published a speech, given by its Executive Director of Strategy and Competition, on regulating financial innovation.

The Financial Ombudsman Service ("**FOS**") published a consultation paper on the future of its funding.

The FCA, the Financial Reporting Council, the Prudential Regulation Authority ("**PRA**") and the Pensions Regulator issued a joint declaration on climate change in which they recognise climate change as a major issue presenting far-reaching financial risks.

3 July

The FCA published a consultation paper (CP19/22) on prohibiting the sale, marketing and distribution to retail clients of derivatives and exchange traded notes referencing certain types of cryptoassets by firms acting in, or from, the UK.

4 July

The FCA published a webpage setting out the findings of its review of safeguarding arrangements of non-bank payment service providers.

5 July

The ECB updated its FAQs on the procedure for the relocation of banks to the euro area in the context of Brexit.

The Financial Action Task Force ("**FATF**") published a report setting out terrorist financing risk assessment guidance.

The FCA updated its webpage on the senior managers and certification regime ("**SM&CR**") for FCA solo-regulated firms to provide an update on timings for submitting Form O (notification of change to firm classification under the SM&CR).

8 July

The European Banking Authority ("**EBA**") published a report on the impact of FinTech on payment institutions' and e-money institutions' business models.

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.

9 July

The FCA published its Enforcement Annual Performance Report for 2018/2019, which provides an overview of the FCA's enforcement activities during this period, focusing on its essential enforcement developments and achievements.

10 July

The FCA published a statement providing an update on tis final rules to extend the SM&CR to solo-regulated firms.

11 July

The FCA published its findings, on a webpage, following a review of business continuity planning among a number of small and medium-sized retail banks, payments institutions and e-money institutions.

The Bank of England ("**BoE**") published the financial policy summary and record of the meetings of its Financial Policy Committee.

The European Securities and Markets Authority ("**ESMA**") published an updated version of its Q&As on investor protection and intermediaries topics under Directive 2014/65/EU ("**MiFID II**") and Regulation 600/2014/EU ("**MiFIR**").

12 July

The UK Government has published the Economic Crime Plan 2019-22.

EIOPA published a consultation paper on the harmonisation of national insurance guarantee schemes in the context of proposals for the Solvency II 2020 review. In the consultation, EIOPA seeks feedback on draft technical advice to the European Commission on the establishment of national IGSs in EU member states. Its view is that every member state should have a national IGS in place for the protection of policyholders in the event of insurance failures.

The PRA published a letter to chairs of remuneration committees on its expectations concerning the implementation of the remuneration requirements under the Solvency II Delegated Regulation 2015/35/EU.

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

- Directive 2019/1160/EU amending the UCITS Directive (2009/65/EC) and the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**") in relation to the cross-border distribution of collective investment undertakings; and
- Regulation 2019/1156/EU on facilitating cross-border distribution of collective investment undertakings and amending the European Venture Capital Funds Regulation (345/2013/EU), the European Social Entrepreneurship Funds Regulation (346/2013/EU) and the Regulation on key information documents for packaged retail and insurance-based investment products (1286/2014/EU) ("**PRIIPs Regulation**").

ESMA published a statement reminding firms that market, distribute or sell contracts for differences to retail clients about some restrictions that apply in this regard.

ESMA published a report on the licensing of FinTech business models.

ESMA published a consultation on the draft guidelines on disclosure requirements under the new Prospectus Regulation.

15 July

The FCA published a consultation paper on helping customers with pre-existing medical conditions have better access to travel insurance (CP19/23).

The FCA published the final Prospectus Regulation Rules Instrument 2019.

ESMA published a consultation paper setting out draft guidelines on aspects of the compliance functions requirements under the MiFID II package of measures. ESMA re-iterated the importance of this function.

16 July

The Association for Financial Markets in Europe published a briefing outlining remaining risks for the financial services sector in the event of a no-deal Brexit.

The FCA published a speech, given by its Executive Director of Strategy and Competition, on the role of artificial intelligence in the future of regulation.

The FCA published a press release announcing its plan to move to a new platform for data collection systems, which will include replacing its Gabriel system.

ESMA published a consultation paper on draft guidelines on performance fees in UCITs.

The PRA published a consultation paper on amending its rules on large exposures to reciprocate certain French measures (CP15/19).

17 July

ESMA published a call for evidence on the impact of the disclosure requirements relating to inducements and costs and charges under MiFID II.

ESMA published a report on sanctions and measures imposed under MiFID II.

18 July

The Bank of England and Financial Services Act 2016 (Commencement No 6 and Transitional Provisions) Regulations 2019 (SI 2019/1136) were published

The FCA published a feedback statement (FS19/4) relating to its prior discussion paper on fair pricing in financial services.

HM Treasury published a memorandum of understanding between the BoE and the FCA.

The European Banking Authority ("**EBA**") published a report on regulatory perimeter, regulatory status and authorisation in relation to FinTech business. The report is part of the EBA's 2018/19 FinTech roadmap and delivers on an action points in the European Commission's FinTech action plan.

ISDA® updated its Brexit FAQs, relating to possible outcomes for the derivatives market post-Brexit.

19 July

HM Treasury published a call for evidence on regulatory co-ordination.

22 July

The FCA published a report on alternatives to high-cost credit, that examines the market for alternatives to high cost credit and sets outs the actions taken by the FCA to foster these alternatives.

The FCA published an updated webpage summarising the findings from its May 2019 call for input on evaluating the retail distribution review and the financial advice market review.

The PRA published a consultation paper on group availability of subordinated liabilities and preference shares under the Solvency II Directive (2009/138/EC) (CP16/19).

The EBA published an updated version of its report on the monitoring of common equity tier 1 instruments issued by EU institutions.

23 July

The PRA published a consultation paper (CP17/19) on counterparty credit risk: treatment of model limitations in banks' internal models.

The FCA published a guidance consultation on the fair treatment of vulnerable consumers (GC19/3). This sets out the FCA's view of what its Principles for Businesses require of firms to ensure that vulnerable consumers are consistently treated fairly across the financial services sector.

The PRA published a policy statement (PS14/19) on credit risk mitigation: eligibility of financial collateral (PS14/19).

The FCA published a Dear CEO letter (dated 13 June 2019) on its wealth management and stockbroking supervision strategy.

25 July

The PRA and BoE published a joint consultation paper (CP18/19) on changes to financial services legislation due to the extension of the Brexit deadline to 31 October 2019.

The FCA published a press release confirming its intention to extend the proposed duration of the directions issued under the temporary transitional power to 31 December 2020.

A draft version of the Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment etc and Transitional Provision) (EU Exit) (No 2) Regulations 2019 was published.

EIOPA published a consultation paper on its draft opinion on the supervision of remuneration principles in the insurance and reinsurance sector.

The Payment Systems Regulator published a consultation on proposed revisions to its powers and procedures guidance.

26 July

The FCA published a policy statement (PS19/210) setting out its final rules on extending the SM&CR to FCA solo-regulated firms.

30 July

The FCA published a policy statement (PS19/21), a consultation paper (CP19/25) and feedback statement (FS19/5) in relation to pension reform.

31 July

The PRA published a speech on its approach to enforcement.

The BoE published a policy statement on the fees regime for the supervision of financial market infrastructure.

The FCA published a consultation paper (CP19/26) on draft UK technical standards applicable to reporting simple, transparent and standardised securitisations.

The FCA published a policy statement (PS19/22) setting out its final guidance on cryptoassets.

Related Professionals

Andrew Wingfield
Partner

Richard Bull
Partner

John Verwey
Partner