Proskauer

Regulation Round Up

August 2019

1 August

The Financial Conduct Authority ("**FCA**") published an insight article on artificial intelligence ("**AI**") in the boardroom. The article considers various AI-related issues in the boardroom.

The Prudential Regulation Authority ("**PRA**") published a letter sent to the Chief Risk Officers at life insurers, on best practice in proxy modelling.

The FCA published issue 60 of Market Watch, its newsletter on market conduct and transaction reporting issues.

2 August

The House of Commons Treasury Committee published a report of session 2017-19 on the work of the FCA and the perimeter of regulation. The report contains recommendations to HM Treasury on the remit and powers of the FCA and follows the FCA's June 2019 perimeter report for 2018/19.

5 August

The FCA published its findings following a review into the embedding of the senior managers and certification regime ("**SMCR**") for deposit-taking firms and dual-regulated investment firms, which came into force in March 2016. Overall, the FCA found that the industry has made a concerted effort to implement the regime. The findings will also be of interest to FCA solo-regulated firms, for which the SM&CR comes into force on 9 December 2019.

The European Banking Authority ("**EBA**") published its advice to the European Commission following its assessment of the implementation of Basel III in the EU. The advice includes a quantitative analysis of the estimated impact based on data from 189 banks and summarises the main policy recommendations to the European Commission.

7 August

The FCA published a letter on the possibility of the UK establishing its own requirements for liquidity standards for UCITS at a higher standard than those specified in the UCITS Directive (2009/65/EC).

The PRA published a policy statement (PS18/19) on amendments to its regulatory reporting requirement for banks and building societies.

9 August

The Investment Association published a revised version of its model trust deed for charity-authorised investment funds ("**CAIFs**").

13 August

The Single Resolution Board ("**SRB**") published a memorandum of understanding ("**MoU**") between it and the European Commission in respect of co-operation and information exchange.

The FCA published a press release on strong customer authentication ("**SCA**" under the second Payment Services Directive (2015/2366/EU) ("**PSD2**").

14 August

The European Central Bank ("**ECB**") published an article on banks' preparations for a no-deal Brexit in October 2019. The ECB has found that banks have transferred significantly fewer activities, critical functions and staff to Eurozone entities than originally foreseen as part of their plans for Brexit. It now expects banks to accelerate the implementation of their plans.

16 August

Decision 2019/1349/EU of the ECB on procedures and conditions for the exercise by competent authorities of certain powers relating to the oversight of systemically important payment systems was published in the Official Journal of the EU.

20 August

The European Securities and Markets Authority ("**ESMA**") published a letter, sent jointly with the EBA, to the European Commission on cryptoassets.

The FCA published a Dear CEO letter on requirements for strong customer authentication under PSD2.

23 August

The FCA published a press release stating that claims management companies ("CMCs") must do more to ensure that their financial promotions do not mislead potential customers. The press release reminds firms of the key requirements that are designed to help consumers make an informed choice about whether they wish to use a CMC's services.

27 August

The FCA published an updated version of its webpage on CP19/14, its March 2019 consultation on proposed changes to responsible lending rules and guidance.

28 August

The FCA published a letter (dated 19 August 2019) sent to the Remuneration Committee Chairs of level 1 firms. The letter sets out the FCA's findings and observations from the 2018/19 remuneration round, and explains how it plans to assess firms throughout 2019/20.

The following decisions of the ECB were published in the Official Journal of the EU:

- Decision 2019/1376/EU of the ECB on delegation of the power to adopt decisions on passporting, acquisition of qualifying holdings and withdrawal of authorisations of credit institutions; and
- Decision 2019/1377/EU of the ECB on nominating heads of work units to adopt delegated decisions on passporting, acquisition of qualifying holdings and withdrawal of authorisations of credit institutions.

Related Professionals

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