Proskauer

Regulation Round Up

Regulatory & Compliance on **March 2020**

2 March

The European Banking Authority ("**EBA**") published a report assessing the Pillar 3 disclosures made by 12 systemically important credit institutions based on an end-2018 disclosure reference date.

HM Treasury published a letter (dated 27 February 2020) from Rishi Sunak, Chancellor of the Exchequer, to the European Commission outlining the United Kingdom ("**UK**")'s preparations for assessments of financial services equivalence.

The EBA published a letter (dated 25 February 2020) about additional analysis for the European Commission's call for advice on Basel III reforms.

The Prudential Regulation Authority ("**PRA**") published a policy statement (PS4/20) and an updated supervisory statement (SS24/15) on its approach to supervising liquidity and funding risks.

3 March

The EBA published a speech setting out its digital finance priorities for 2020. The EBA confirmed that it would focus its attention on three key areas, being:

- ???RegTech and SupTech;
- ???Platformisation; and
- ???Operational resilience.

The European Insurance and Occupational Pensions Authority ("**EIOPA**") published a speech on managing the risks of digital finance.

The Financial Conduct Authority ("**FCA**") published a report on the evolution of its approach to TechSprints and how it aims to foster innovation through collaboration.

4 March

The FCA published a policy statement (PS20/4) on changes to the permitted links rules in its Conduct of Business sourcebook (COBS).

The FCA published a statement on its expectations of firms in relation to COVID-19, with a particular focus on contingency planning and business continuity.

The PRA published a letter to chairs of regulated firms aiming to reinforce the importance it places on diversity for improving decision-making and providing effective challenge. It also reminds firms of the requirement to comply with PRA rules in relation to board diversity.

The FCA published a new webpage setting out the findings from its multi-fim review on outsourcing in the life insurance sector.

5 March

The FCA published a discussion paper on driving purposeful cultures (DP20/1).

The FCA published a speech on its approach to ensuring that firms treat vulnerable customers fairly.

The European Payments Council published a press release announcing the publication of various updated versions of its 2019 Single European Payments Area scheme rulebooks.

The EBA published a consultation paper on regulatory technical standards, implementing technical standards and guidelines on identification methodology for global systemically important institutions.

The House of Commons Treasury Committee published a report on the appointment of Andrew Bailey as the Governor of the Bank of England.

6 March

The European Central Bank published a letter (dated 3 March 2020) sent to banks in relation to its expectations in respect of COVID-19.

The Financial Action Task Force ("**FATF**") published guidance on digital identification.

The FCA published its 27th quarterly consultation paper (CP20/4).

The FCA published its non-legal changes document 2020, listing minor corrections and clarifications to the FCA Handbook.

The FCA published a consultation paper on proposals intended to enhance climate-related disclosures by listed issuers and clarify existing ESG disclosure obligations.

9 March

The FCA published a webpage on the comparison of banking providers' fraud controls.

The FCA published a consultation paper (CP20/5) on open-ended investment companies and changes to how they are listed.

The European Securities and Markets Authority ("**ESMA**") published a consultation paper on draft regulatory technical standards supplementing the Benchmarks Regulation (2016/1011/EU).

ESMA published its Annual Report 2019 and Work Programme 2020 in relation to its supervision of credit rating agencies, trade repositories and monitoring of third-country central clearing counterparties and central securities depositories.

The EU technical expert group on sustainable finance published its final report on the taxonomy for sustainable economic activities.

The FCA published call for input on accessing and using wholesale data.

10 March

The EBA published an opinion on the treatment of credit insurance in the prudential framework.

The PRA published a policy statement (PS5/20) on changes to the pre-issuance notification regime for regulatory capital instrument applicable to firms within scope of the Capital Requirements Regulation (575/2013/EU) ("**CRR**").

The Bank of England published a speech on the ideal post-EU regulatory framework.

The House of Commons Treasury Committee published a press release concerning correspondence on initiatives being undertaken or contemplated by the FCA and the Bank of England on climate risk and green finance.

The FCA published a report on research it commissioned into mortgage switching and how consumers can be encouraged to seek out better deals.

ESMA published a consultation paper on transparency regime for non-equity instruments and the trading obligation for derivatives under the Market in Financial Instruments Regulation (600/2014/EU) ("**MiFIR**").

11 March

The FCA published a summary of insights from its cyber co-ordination groups on current cyber risks and firms' practices for responding to them.

The Chancellor, Rishi Sunak, delivered the 2020 Budget.

HM Treasury published a letter setting out the remit and recommendations for the Financial Policy Committee for 2020/21.

HM Treasury published a consultation paper on market access arrangement for financial services between the UK and Gibraltar.

HM Treasury published its formal response to its call for evidence on regulatory co-ordination.

HM Treasury published a policy statement on prudential standards in the Financial Services Bill 2019-21.

HM Treasury published the formal response to its June 2019 consultation paper on its legislative approach to bringing pre-paid funeral plan providers and intermediaries within the FCA's remit.

The PRA published supervisory guidance on its expectations of firms following Bank of England measures taken to respond to the economic shock of COVID-19.

HM Treasury published a consultation paper on fund marketing and an overseas funds regime.

12 March

The European Commission published a consultation paper on its review of the regulatory framework for investment firms and market operators under Directive 2014/65/EU ("**MiFID II**") and MiFIR.

The European Central Bank ("**ECB**") published a press release announcing a number of measures to ensure that the banks it supervises can continue to fulfil their role in funding the real economy as the economic effects of COVID-19 become apparent.

ESMA issued a public statement making a series of recommendations in light of the continuing impact of the COVID-19 outbreak. It noted the impact on EU financial markets.

The FCA published a new webpage on LIBOR contractual triggers.

13 March

The PRA published a policy statement on its review of the capital regime for credit unions (PS6/20).

The Financial Ombudsman Service ("**FOS**") published issue 150 of ombudsman news.

The House of Commons Treasury Committee published the response of the government and the UK regulators to its report on IT failures in the financial services sector.

The European Commission published a report on the implementation of the Directive on Criminal Sanctions for Market Abuse (2014/57/EU).

16 March

The European Commission published a letter (dated 13 March 2020) on its approach on equivalence assessments and decisions.

The FCA published a FOS instrument: Exiting the European Union: Deferral of Commencement Instrument 2020 (FOS 2020/1).

The PRA published a policy statement (PS7/20) on its approach to adjusting for the reduction of loss absorbency where own fund instruments are taxed on conversation under the Solvency II Directive (2009/148/EC) and an updated supervisory statement (SS3/15).

ESMA published a decision that requires the holders of net short positions in shares traded on an EU regulated market to notify the relevant national competent authority if the position reaches or exceeds 0.1% of the issued share capital. Please see our update on this here.

17 March

The FCA announced on a new webpage that it has decided to extend the closing dates for its open consultations and calls for input to 1 October 2020 as part of its response to COVID-19.

The FCA published a new webpage containing information for firms on COVID-19.

The FCA published a statement on short selling bans and reporting.

The Joint Money Laundering Steering Group ("**JMLSG**") published for consultation the proposed text of a new chapter to be added to its guidance in respect of cryptoasset exchanges and custodian wallet providers.

EIOPA published a statement on actions to mitigate the impact of COVID-19 on the EU insurance sector.

The FCA published its 27th Primary Market Bulletin, focused on the COVID-19 pandemic.

18 March

The FCA published a statement on property fund suspensions resulting from the outbreak of COVID-19.

The European Commission published an impact inception assessment on its review of the Benchmarks Regulation (2016/1011/EU).

19 March

The FCA published a speech seeking input in relation to liquidity mismatch in respect of open-ended funds.

The FCA set out its expectations on a webpage in relation to general insurance firms in light of the COVID-19 pandemic.

20 March

The Bank of England and PRA published a statement on supervisory and prudential policy measures being taken in light of COVID-19.

The Financial Services and Markets Act 2000 (Exemption) (Amendment) Order 2020 (SI 2020/322) was published.

The Financial Stability Board published a press release announcing that it is co-ordinating financial sector work in response to the COVID-19 pandemic.

ESMA issued a public statement that clarifies issues relating to the application of requirements under Directive 2014/65/EU ("**MiFID II**") in respect of telephone recording in light of COVID-19.

The FCA published guidance for mortgage lenders, mortgage administrators, home purchase providers and home purchase administrators on their treatment of customers in the light of COVID-19.

The FCA published guidance for small business lenders.

The FCA published guidance and the PRA published a statement on the steps that firms should take to identify key workers in financial services.

ESMA published a press release announcing that it has extended response dates for all open consultations with a closing date on or after 16 March by four weeks in the light of COVID-19.

21 March

The FCA requested that all listed companies observe a moratorium on the publication of preliminary financial statements for at least two weeks.

23 March

The PRA published a statement on COVID-19 regulatory reporting amendments for UK insurers.

24 March

A draft version of the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment etc and Transitional Provision) (EU Exit) Regulations 2020 was published.

The PRA published a statement on COVID-19 regulatory reporting amendments for UK insurers.

25 March

The EBA published a statement on consumer and payment issues in light of COVID-19.

The EBA published a statement on the activities it is postponing in light of COVID-19.

HM Treasury published a letter on the impact of COVID-19 on bank lending.

The FCA published a statement on the impact of COVID-19 on firms' LIBOR transition plans.

The FCA updated its dedicated webpage on its directory of certified and assessed persons in the light of COVID-19.

The FCA updated its dedicated webpage setting out guidance for mortgage lenders and administrators, and home purchase providers and administrators, on the fair treatment of customers in the light of COVID-19.

26 March

The FCA published a press release outlining its expectations of FCA solo-regulated firms in the light of COVID-19.

The PRA published an occasional consultation paper (CP3/20) proposing minor amendments to its rules.

The Financial Reporting Council, FCA and PRA published a joint statement on corporate reporting in light of COVID-19.

The FCA published a statement of policy announcing temporary relief under which all listed companies that are required to comply with DTR 4.1 will be given an additional two months to publish their audited annual financial reports.

ESMA published a consultation paper on post-trade risk reduction (PTRR) services under the EMIR Refit Regulation (2019/834/EU).

27 March

ESMA published a consultation paper on guidelines under Article 25 of the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**").

The PRA published a policy statement (PS8/20) on the 2020/21 management expenses levy limit for the Financial Services Compensation Scheme ("**FSCS**").

The ECB published a recommendation to credit institutions on dividend distributions.

The FCA published a statement setting out how firms should prioritise who should need to travel to the office, and the responsibilities of senior managers in doing so, in the light of the COVID-19 pandemic.

30 March

The PRA published the following statements in light of the COVID-19 pandemic:

- a statement on its approach to value-at-risk back-testing exceptions to mitigate the possibility of excessively pro-cyclical market risk capital requirements; and
- a statement on calculating exposure under the internal models method counterparty credit risk.

ESMA published a call for evidence on the availability and use of credit rating information and data.

ESMA published a final report containing draft regulatory technical standards for central counterparty colleges under Regulation 2019/2099/EU ("**EMIR 2.2**").

31 March

The PRA published a statement on deposit takers' approach to dividend payments, share buybacks and cash bonuses in response to the Covid-19 pandemic. In particular, the PRA confirmed that it welcomes the decisions by the boards of the large UK banks to suspend dividends and buybacks on ordinary shares until the end of 2020, and to cancel payments of any outstanding 2019 dividends in response to the PRA's request.

ESMA published a consultation paper on draft implementing technical standards under the Regulation on the cross-border distribution of collective investment undertakings (2019/1156/EU).

The PRA published a statement on review of the effective value test parameter under the Solvency II Directive (2009/138/EC).

The FCA published an updated version of its statement on short selling bans and reporting.

Related Professionals

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