Proskauer

Regulation Round Up

Regulatory & Compliance on **April 2020**

Given the current impact of COVID-19 on the financial services industry, please tune in to our podcast discussion on the key considerations that businesses should be aware of while facing potential insolvency and other challenges caused by the pandemic.

30 April

The Bank of England and PRA published a joint statement, and the FCA published a statement, on the proposed use of the UK financial services regulators' temporary transitional power at the end of the Brexit transitional period.

The PRA published a policy statement on group availability of subordinated liabilities and preference shares under the Solvency II Directive (2009/138/EC) (PS10/20).

The FCA published a press release announcing a six-month extension to the deadline for firms' implementation of strong customer authentication for e-commerce under the Payment Services Regulations 2017, in light of Covid-19.

29 April

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

ESMA issued a no action letter regarding the new environmental, social and governance disclosure requirements for benchmark administrators under the Benchmarks Regulation (2016/1011/EU).

28 April

The FCA published a Dear CEO letter on ensuring the fair treatment of corporate customers preparing to raise equity finance.

The ECB published a report setting out a framework to assess cross-border spillover effects of macroprudential policies.

24 April

The European Commission published a communication to the European Parliament concerning the position of the Council of the EU on the adoption of the proposed Taxonomy Regulation.

The FCA published a press release announcing the publication of final versions of its temporary guidance for firms on:

- Motor finance agreements.
- High-cost short-term credit.
- Rent-to-own (RTO), buy-now pay-later (BNPL) and pawnbroking agreements.

The PRA published a statement on the regulatory treatment of the UK Coronavirus Business Interruption Loan Scheme and the UK Coronavirus Large Business Interruption Loan Scheme.

The FCA published a statement on the regulatory treatment of the UK Coronavirus Business Interruption Loan Scheme and the Bounce Back Loan Scheme.

23 April

The PRA published a follow-up note for insurance firms following its Dear CEO letter to banks that set out guidance on the International Financial Reporting Standard 9 (IFRS 9), capital requirements and loan covenants in the light of the COVID-19 pandemic.

22 April

The FCA published a new webpage that sets out temporary measures it has introduced for firms that are due to submit regulatory returns by 30 June 2020, in light of the Covid-19 pandemic.

The EBA published a statement on additional supervisory measures in the light of Covid-19.

The EBA published a statement on the application of the prudential framework on targeted aspects in the area of market risk in the light of the Covid-19.

The FCA updated its webpage on its expectations for funds in the light of the Covid-19 pandemic.

21 April

A draft of the Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 was published.

The FCA updated its Covid-19 information for firms webpage to explain how firms can comply with requirements to ensure that their employees complete appropriate qualifications during the crisis.

The FCA published a new webpage that sets out its position on the impact of the Covid-19 crisis on professional indemnity insurance for financial advisers.

20 April

The PRA published a questions and answers document (Q&A) on the use of liquidity and capital buffers during the period of economic disruption resulting from the Covid-19 pandemic.

The FCA published a new webpage that sets out its expectations of firms when dealing with the need for wet-ink signatures in light of Covid-19.

The Council of the EU published the following two texts:

- a final compromise text (5971/20 ADD 1) for the Regulation on European crowdfunding service providers for business (2018/0048(COD)); and
- a final compromise text (5971/20 ADD 2) for the Directive making amendments to the MiFID II Directive (2014/65/EU) relating to crowdfunding (2018/0047(COD).

17 April

The FCA published an updated version of its statement on expectations on financial resilience for FCA solo-regulated firms in the light of the Covid-19 pandemic.

The Council of the EU published a statement by EU finance ministers on continuing bank lending and maintaining a well-functioning insurance sector during the Covid-19 pandemic.

The Council of the EU published its adopted text on the Regulation on the establishment of a framework to facilitate sustainable investment (2018/0178(COD)) ("**Taxonomy Regulation**").

ESMA published a memorandum of understanding ("MoU") with the Monetary Authority of Singapore ("MAS").

16 April

The FCA published a press release announcing the publication of complaints data relating to the second half of 2019.

The FCA updated its webpage on information for firms on Covid-19 response to clarify its expectations of payment and retail banking firms in relation to the new currency conversion transparency requirements.

15 April

The European Central Bank ("**ECB**") published a webpage setting out an overview of macro-prudential measures taken by Eurozone national authorities in response to the Covid-19 pandemic.

The FCA published a Dear CEO letter to banks on lending to small and medium-sized enterprises in the context of the Covid-19 pandemic.

The EBA published a final report on guidelines on the equivalence of confidentiality regimes of non-EU authorities.

The FCA published a Dear CEO letter to insurance firms on their conduct relating to business interruption insurance for small and medium-sized enterprises during the Covid-19 pandemic.

9 April

The PRA published its business plan for 2020/21.

The PRA published a consultation paper (CP4/20) on its regulated fees and levies for 2020/21.

ESMA published a public statement on actions to mitigate the impact of Covid-19 on the deadlines for the publication of periodic reports by fund managers.

The FCA confirmed it is implementing a series of targeted temporary measures to offer rapid support to consumers impacted by Covid-19.

The PRA published a statement on its approach to firms' systemic risk buffer rates in light of Covid-19.

8 April

The PRA published a letter to directors, staff members and volunteers of PRA-regulated credit unions on Covid-19.

The FOS published its plans and budget for 2020/21.

The PRA published a statement welcoming the prudent decision of some insurance firms to pause dividend payments given the uncertainties surrounding Covid-19.

The European Commission published a consultation document on a renewed sustainable finance strategy.

The FCA published a statement of policy on listed companies and recapitalisation issues during the coronavirus crisis.

7 April

The FCA published a new webpage which provides guidance on how firms can avoid straying into making personal recommendations when bringing out the implications for customers of realising their investments or cancelling life assurance in the light of the Covid-19 pandemic.

The FCA published the COVID-19: Deferral of Commencement (Pension Transfers, Investment Pathways, Platform Switching, Access to Insurance) Instrument 2020 (FCA 2020/15).

The FCA published its 2020/21 business plan. Please see our update in relation to the same, here.

The FCA published a consultation paper on regulated fees and levies rates for 2020/21 (CP20/6).

The FCA published an addendum to its February 2020 policy statement on signposting travel insurance for customers with pre-existing medical conditions.

The FCA published its webpage which provides guidance for pension providers and deferred benefit transfer advisers in the light of the Covid-19 pandemic.

6 April

The FCA published a new webpage setting out its expectations for funds in the light of the Covid-19 pandemic.

The FCA published a new webpage setting out some of the queries it has received in relation to complying with the FCA's client assets rules, in light of the Covid-19 pandemic.

3 April

The UK government announced changes to the Coronavirus Business Interruption Loan Scheme, under which SMEs may obtain loans of up to £5 million, to help them deal with the impact of Covid-19.

ESMA published a final report containing guidelines on performance fees in UCITS and certain types of alternative investment funds.

The European Commission published a consultation document on a new Digital Finance Strategy for Europe.

The PRA and FCA jointly published a statement on the impact of Covid-19 on the Senior Managers and Certification Regime.

The European Commission published a consultation document on a Retail Payments Strategy for the EU.

The FCA updated its webpage on pensions information for firms on their Covid-19 response.

2 April

The Prudential Regulation Authority ("PRA") published a statement on amendments made to regulatory reporting and Pillar 3 disclosure requirements as a result of Covid-19.

The Financial Stability Board ("**FSB**") published a new webpage outlining its work to address the financial stability risks of Covid-19 and explaining how it is reprioritising its work programme for 2020 in the light of Covid-19.

The PRA published a policy statement (PS9/20) on income producing real estate loans and internal credit assessment for illiquid, unrated assets under the Solvency II Directive (2009/138/EC).

1 April

The Financial Action Task Force ("**FATF**") published a statement by its President on addressing Covid-19 financial crime risks. The statement includes the following items:

- addressing Covid-19-related financial crime risks by remaining vigilant;
- digital onboarding and simplified due diligence; and
- ongoing outreach and advice.

The Financial Conduct Authority ("FCA") published a Dear CEO letter it has sent in light of the Covid-19 pandemic to the CEOs of firms providing services to retail investors.

The FCA published FEES Manual (Financial Ombudsman Service Case Fees 2020/2021) Instrument 2020 (No 2) (FOS 2020/3). It revokes and replaces the FEES Manual (Financial Ombudsman Service Case Fees 2020/2021) Instrument 2020.

The House of Commons European Scrutiny Committee published a report, querying the government's position post-Brexit.

The European Insurance and Occupational Pensions Authority ("EIOPA") published a statement urging insurers and intermediaries to continue to take action to mitigate the impact of Covid-19 on consumers.

The European Securities and Markets Authority ("ESMA") published a review report on the impact of the application of position limits and position management provisions on commodity derivatives markets.

The FCA published a series of targeted temporary measures to offer rapid support to consumers impacted by Covid-19.

Related Professionals

- **Andrew Wingfield**
  Partner
- **Richard Bull**
  Partner
- **John Verwey**
  Partner