

Regulation Round Up

Regulatory & Compliance on May 2020

27 May

The Financial Conduct Authority (“**FCA**”) published a new [webpage](#) that explains that it is allowing firms to defer individuals' uncompleted continuing professional development (“**CPD**”) hours to the next CPD year in the light of the COVID-19 pandemic.

The Prudential Regulation Authority (“**PRA**”) published a [policy statement](#) (PS14/20) and [supervisory statement](#) (SS1/20) on the prudent person principle under the Solvency II Directive (2009/138/EC).

The FCA published [issue 63](#) of Market Watch, its newsletter on market conduct and transaction reporting issues. The newsletter is intended to highlight that firms need to be more vigilant where there is an increase in the likelihood of potential leaks and rumours in the current market, and as more businesses are heading to the market to recapitalize or raise other funds, the FCA notes that there is far more inside information circulating than is usual. Firms are advised to consider whether their existing procedures, systems and controls are still appropriate. Please see [our update](#) on this.

The FCA published its 28th [Primary Market Bulletin](#), focusing on issues arising from the COVID-19 pandemic.

22 May

The PRA issued a [statement](#) on guidance on the application of regulatory capital and International Financial Reporting Standard 9 requirements to payment holidays granted or extended to address the challenges of the COVID-19 pandemic.

The Bank of England published a [speech](#) on regulatory views and life beyond Solvency II.

The PRA published a [policy statement](#) on updating its requirements on the authorisation and supervision of insurance special purpose vehicles (PS13/30).

The FCA published a [guidance consultation](#) on mortgages and COVID-19.

21 May

The House of Commons Treasury Committee published a [letter](#) responding to a number of questions relating to the FCA's support for borrowers and small and medium-sized enterprises during the COVID-19 pandemic.

The Financial Services Compensation Scheme (“**FSCS**”) published a [press release](#) announcing its final levy for 2020/21 at £649 million.

20 May

The European Central Bank (“**ECB**”) published an [opinion](#) on the proposed Regulation containing amendments to the Capital Requirements Regulation (575/2013/EU) (“**CRR**”) as regards adjustments in response to the COVID-19 pandemic.

The ECB published for consultation a draft version of a [guide](#) on climate-related and environmental risks for banks in the single supervisory mechanism.

19 May

The UK government published a suite of [draft legal texts](#) to accompany its policy paper: “*The future relationship with the EU*”, published in February 2020.

15 May

The FCA published a [statement](#) about how it is engaging with policyholders and insurance intermediaries on business interruption insurance and its High Court test case.

14 May

The PRA published a [policy statement](#) on probability of default and loss given default estimation for credit risk (PS11/20).

The PRA published a [policy statement](#) (PS12/20) setting out its response to feedback received on some of the proposals in its October 2019 occasional paper in respect of retirement interest-only mortgages.

The FCA published a [statement](#) on the new insolvency and corporate governance measures designed to help businesses affected by COVID-19.

The FCA announced that it intends to pilot a ‘digital sandbox’ in order to enhance regulatory support to innovative firms, such as fintech and regtech businesses, tackling challenges caused by the COVID-19 pandemic. Please see [our update](#) on this.

The FCA published its [finalised guidance](#) for insurance and premium finance firms on COVID-19 and customers in temporary financial difficulty.

13 May

The FCA published a [statement](#) on how firms should handle post and paper documents during the COVID-19 pandemic.

11 May

ESMA published an updated [webpage](#) on the COVID-19 pandemic.

7 May

The FCA updated its [statement](#) on how firms should handle complaints during the COVID-19 pandemic.

The Bank of England published a [market notice](#) in relation to its approach to collateral referencing LIBOR for use in the Sterling Monetary Framework.

The FCA updated its [webpage](#) on its guidance consultation for insurance and premium finance firms on COVID-19 and customers in temporary financial difficulty to confirm the date on which the guidance will come into force.

The PRA published a [direction](#) for modification by consent that modifies rules in the Resolution Assessment Part of the PRA Rulebook.

The PRA published a [statement](#) on the conversion of Pillar 2A capital requirements from a risk weighted assets percentage to a nominal amount.

The PRA published a [joint statement](#) with the Bank of England on the impact of COVID-19 on resolution measures.

The European Commission adopted a [Delegated Regulation](#) that amends the list of high-risk countries with strategic anti-money laundering and counter-terrorist financing deficiencies produced under Article 9(2) of the Fourth Money Laundering Directive (2015/849/EU) ("**MLD4**").

The European Commission published a [staff working document](#) setting out a new methodology for identifying high-risk third countries with strategic anti-money laundering (AML) and counter-terrorist financing deficiencies under Article 9(2) of MLD4.

The PRA published a [statement](#) on reprioritising work in light of the COVID-19 pandemic.

The FCA updated its [webpage](#) on the Payment Accounts Directive (2014/92/EU) to include information on reporting under the Payment Accounts Regulations 2015 (SI 2015/2038).

6 May

ESMA published a [consultation](#) on the functioning of the SME growth markets regime under the Markets in Financial Instruments Directive II (2014/65/EU) (“**MiFID II**”) and on the amendments to the Market Abuse Regulation for the promotion of the use of SME growth markets.

An amended [draft](#) of the Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 was published.

The FCA published a [new webpage](#) on firms' financial crime systems and controls during the COVID-19 pandemic.

The FCA published an [updated version](#) of its webpage providing information for firms on COVID-19.

The FCA published a [speech](#) on its response so far to COVID-19, as well as touching on Brexit.

5 May

The FCA updated its COVID-19 information for firms [webpage](#) to set out its expectations of firms handling requests from customers to withdraw funds in accounts with restrictions on access in the light of the pandemic.

The Financial Action Task Force published a [report](#) on COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses.

The FCA updated its [webpage](#) on its expectations of general insurance firms in the light of the COVID-19 pandemic to address customers' temporary inability to access the insured premises.

4 May

The FCA published a new digital sandbox webpage announcing that it intends to bring forward its plans to develop a digital sandbox to provide enhanced regulatory support to innovative firms tackling challenges caused by the COVID-19 pandemic. Please see our [update](#) in relation to this.

The FCA published an updated version of its [statement](#) on the UK Coronavirus Business Interruption Loan Scheme and the new Bounce Back Loan Scheme, setting out its approach to the regulation of firms relating to these loan schemes.

The PRA published a [statement](#) on credit risk mitigation eligibility and leverage ratio treatment of loans under HM Treasury's recently launched Bounce Bank Loan Scheme.

The EBA published its [final report](#) on draft implementing technical standards on specific reporting requirements for market risk under Article 433b of the Capital Requirements Regulation (575/2013/EU) ("**CRR**").

The EBA published a [final report](#) containing guidelines on the determination of the weighted average maturity of the contractual payments due under the tranche of a securitisation transaction.

1 May

The Financial Services and Markets Act 2000 (Regulated Activities) (Coronavirus) (Amendment) Order 2020 was [published](#).

The FCA published a [guidance consultation](#) for insurance and premium finance firms on COVID-19 and customers in temporary financial difficulty. The draft guidance sets out actions firms should take when they identify a customer in financial difficulties associated with COVID-19.

The FCA published a [guidance consultation](#) for insurance firms on COVID-19 and product value.

The FCA published a statement about business interruption insurance cover and COVID-19, in which it announced its intention to obtain a court declaration to resolve contractual uncertainty. Please see [our update](#) on this.

The FCA published a [statement](#) on mortgage prisoners and a letter to mortgage lenders and administrators managing closed mortgage books on variable rate mortgages, in the light of the impact of COVID-19.

Related Professionals

- **Andrew Wingfield**

Partner

- **Richard Bull**

Partner

- **John Verwey**

Partner