

# Regulation Round Up

**Regulatory & Compliance** on **November 2020**

## **30 November**

The Prudential Regulation Authority (“**PRA**”) published a [statement](#) about its forthcoming policy statement on implementing the CRD V Directive ((EU) 2019/878).

HM Treasury updated its [webpage](#) on a call for evidence relating to its review of Solvency II for insurance firms. The deadline for responding to the call for evidence has been extended to 19 February 2021.

## **27 November**

The Financial Conduct Authority (“**FCA**”) has published [Handbook Notice 82](#).

## **26 November**

A [draft version](#) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2020 was published, together with a [draft explanatory memorandum](#).

The FCA published a [speech](#) by Jonathan Davidson, FCA Executive Director of Supervision: Retail and Authorisations, on the business of social purpose.

[Commission Implementing Decision \(EU\) 2020/1766](#) on the temporary equivalence of the UK's regulatory framework for central securities depositories under the Central Securities Depositories Regulation (909/2014) (“**CSDR**”) has been published in the Official Journal of the EU.

## **25 November**

The Financial Markets Law Committee [responded](#) to a call for evidence on UK's future international regulatory co-operation strategy.

The House of Commons European Scrutiny Committee published its [29th report](#) of the 2019-21 session.

The Bank of England (“**BoE**”) [announced](#) future changes to firms' submission of statistical data.

Financial Services Compensation Scheme (“**FSCS**”) published its [outlook newsletter](#) and provides an overview of the levy position.

City of London Corporation [announced](#) the launch of a new Taskforce to improve socio-economic diversity in financial and professional services sectors.

The [Bearer Certificates \(Collective Investment Schemes\) Regulations 2020 \(SI 2020/1346\)](#) were published, with an [explanatory memorandum](#).

European Parliament adopted the first reading position on the [proposed Directive](#) amending MiFID II Directive (EU/2014/65) (“**MiFID II**”).

European Securities and Markets Authority (“**ESMA**”) published a [public statement](#) (ESMA70-155-8842) on the impact of the end of the Brexit transition period on the derivatives trading obligation under Article 28 of the Markets in Financial Instruments Regulation (EU/600/2014) (“**MiFIR**”).

## **24 November**

The FCA published a [press release](#) in which it sets out the benefits of RegData, its new data collection platform.

The European Commission and the Financial Services Agency of Japan published a [joint statement](#) on the second meeting of the joint EU-Japan Regulatory Forum, which took place on 20 November 2020.

The Asset Management Taskforce published a [report](#) on integrating stewardship into investment process.

## **23 November**

The FCA updated its [webpage](#) on the digital sandbox pilot.

The Financial Stability Board (“**FSB**”) published a [report](#) on the implications of climate change for financial stability.

The FCA updated its [webpage](#) on the Financial Services Register to confirm that the directory persons data submitted by dual-regulated firms under the Senior Managers and Certification Regime (“**SM&CR**”) is now live.

The FCA updated its [webpage](#) on its business interruption insurance test case.

ESMA published a [final report](#) (ESMA70-156-3883) on regulatory technical standards supplementing the European Market Infrastructure Regulation on derivatives, central counterparties and trade repositories (EU/648/2012) (“**EMIR**”), on the clearing obligation regarding intragroup transactions, and novations from UK to EU counterparties.

The FCA published a [speech](#) by Richard Monks, FCA Director of Strategy, on building trust in sustainable investments.

The FCA updated its [webpage](#) on reporting simple, transparent and standardised securitisations.

The Islamic Finance Standards Board (“**IFSB**”) published the following sets of FAQs relating to four of its standards:

[Guiding principles on corporate governance for institutions offering only Islamic financial services](#) (IIFS) (IFSB-3).

[Guiding principles on governance for Islamic collective investment schemes](#) (ICIS) (IFSB-6).

[Standard on risk management for takful undertakings](#) (IFSB-14).

[Technical note on financial inclusion and Islamic finance](#) (TN-3).

## 20 November

The FCA published a [press release](#) announcing that it, HM Treasury and BoE intend to convene a working group to facilitate investment in productive finance.

Treasury Committee launched a further [inquiry](#) into future of UK's financial services post-Brexit.

European Commission published a [consultation](#) on the Delegated Regulation on climate change mitigation and adaptation under Regulation on the establishment of a framework to facilitate sustainable investment (EU/2020/852) (“**Taxonomy Regulation**”). It has also published a [press release](#) on the consultation and updated its [webpage](#) on the EU taxonomy for sustainable activities.

The FCA updated its [Q&As](#) about conduct risk during LIBOR transition.

[Commission Delegated Regulation \(EU\) 2020/1732](#), which supplements Regulation (EU/2017/2402) (“**Securitisation Regulation**”) on fees charged by ESMA to securitisation repositories, was published in the Official Journal of the EU.

## 19 November

The FCA published a [consultation paper](#) on proposed policy changes to the way it will raise regulated fees and levies rates for 2021/22 (CP20/22).

The Financial Ombudsman Service (“**FOS**”) published [issue 155](#) of ombudsman news.

FSCS and Serious Fraud Office agreed on a [memorandum of understanding](#).

The FCA published a [new webpage](#) for investment managers, clarifying the process for reporting income for FSCS levy calculations.

ESMA published a [speech](#) by Verena Ross, ESMA Executive Director, on future challenges for fund managers.

## 18 November

The [Financial Services and Economic and Monetary Policy \(Consequential Amendments\) \(EU Exit\) Regulations 2020 \(SI 2020/1301\)](#) were published, together with an [explanatory memorandum](#).

The FSB published its [ninth report](#) on the implementation of its resolution reforms.

The FCA published a [press release](#) warning firms of the need to be responsible when handling client data.

The Committee on Economic and Monetary Affairs published a [report](#) on a proposed Directive amending MiFID II.

## 17 November

The FSB published a [letter](#) to G20 leaders on ongoing COVID-19 work and future initiatives, a [report](#) on financial stability impact and policy responses, and a [report](#) setting out the findings of its holistic review of the March 2020 market turmoil.

## 16 November

The [Financial Services \(Gibraltar\) \(Amendment\) \(EU Exit\) Regulations 2020 \(SI 2020/1274\)](#) (2020 Regulations) were published, together with an [explanatory memorandum](#).

HM Treasury published a [statement](#) made jointly with the FCA and the Prudential Regulation Authority (“**PRA**”) on the introduction of the Investment Firms Prudential Regime (“IFPR”) and the implementation of Basel standards reflecting the CRR II Regulation (EU/2019/876) (“CRR II”). Please also refer to the Proskauer [update](#) on this topic.

The [Payment Services and Electronic Money \(Amendment\) Regulations 2020 \(SI 2020/1275\)](#) were published, together with an [explanatory memorandum](#).

## 13 November

The FCA published a [statement](#) providing an update on work that it intends to either stop or postpone in the light of the ongoing impact of COVID-19 and economic conditions.

The PRA and the BoE updated their [webpage](#) on their temporary transitional power to announce the publication of revised versions of the following guidance documents on their use of the transitional directions:

??PRA Rulebook.

??Capital Requirements Regulation.

??The Solvency 2 and Insurance (Amendment) (EU Exit) Regulations 2018.

??The Securitisation Regulation.

??Guidance on the BoE’s use of the transitional direction as FMI competent authority.

The FSB published its [annual report](#) on the implementation and effects of the G20 financial regulatory reforms.

The PRA published a [statement](#) on the application of its temporary transitional power (TTP) to legislation relating to the implementation of the CRD V Directive (EU/2019/878) (“**CRD V**”) and the Bank Recovery and Resolution Directive (EU/2014/59) (“**BRRD**”).

UK Finance published a [white paper](#) on sustainable finance.

ESMA published a [press release](#) on the identification of its EU strategic supervisory priorities for national competent authorities (NCAs).

The BoE published [information](#) on the Climate Biennial Exploratory Scenario, which it plans to launch in June 2021.

## **12 November**

ESMA published a [report](#) on the European Systemic Risk Board's recommendation on liquidity risk in investment funds (ESMA34-39-1119).

ESMA published its third [annual report](#) (ESMA34-45-934) on penalties and measures issued under the UCITS Directive (2009/65/EC) in 2019, and its first [annual report](#) (ESMA34-32-548) on penalties and measures issued under the Alternative Investment Fund Managers Directive (EU/2011/61) (“**AIFMD**”) in 2018 and 2019.

## **11 November**

The FCA updated its [webpage](#) on firms' preparations for the end of the transition period to set out considerations for EEA firms conducting business in the UK.

The FCA published [Primary Market Bulletin 31](#).

The European Court of Auditors published a [report](#) on the Capital Markets Union (“**CMU**”).

The UK Government [announced](#) its long-awaited and far-reaching proposed reforms to its existing powers to scrutinise foreign investment in the UK. Please also refer to the Proskauer [update](#) on this topic.

## **10 November**

The following equivalence directions relating to the equivalence of EEA member states were published on [legislation.gov.uk](#):

[The Benchmarks Regulation Equivalence Directions 2020](#).

[The Central Securities Depositories Regulation Equivalence Directions 2020.](#)

[The Credit Rating Agencies Regulation Equivalence Directions 2020.](#)

[The Short Selling Regulation Equivalence Directions 2020.](#)

[The European Market Infrastructure Regulation \(Article 2A\) Equivalence Directions 2020.](#)

[The European Market Infrastructure Regulation \(Article 13\) Equivalence Directions 2020.](#)

[The Capital Requirements Regulation Equivalence Directions 2020.](#)

[The Solvency 2 Regulation Equivalence Directions 2020.](#)

ESMA has published an updated:

[Statement](#) on issues affecting reporting under EMIR (648/2012) and the Regulation on reporting and transparency of securities financing transactions (EU/2015/2365) (“**SFTR**”) (ESMA74-362-881).

[Statement](#) on the use of UK data in ESMA databases and performance of MiFID II calculations (ESMA70-155-10958).

[Statement](#) on ESMA's data operational plan (ESMA65-8-7497).

## 9 November

HM Treasury Rishi Sunak, Chancellor of the Exchequer, made a [statement](#) in the House of Commons on financial services and a related [guidance document](#) was published.

UK government's Task Force on Climate-related Financial Disclosures [published](#) an interim report and a roadmap on mandatory climate-related disclosures.

HM Treasury published a [summary of responses](#), together with its own responses, to its consultation paper on market access arrangements for financial services between the UK and Gibraltar.

The Financial Services Bill 2019-21 had its [second reading](#) in the House of Commons.

The BoE published a [speech](#) by Andrew Bailey, BoE Governor, about tackling climate change and regulatory expectations.

The FCA published a [speech](#) by Nikhil Rathi, FCA Chief Executive, about rising to the climate challenge.

The Council of the EU published a [cover note](#) attaching the European Commission's staff working document (SWD (2020) 261 final) on its evaluation of the Distance Marketing Directive (EC/2002/65) (“**DMD**”).

Both the [FCA](#) and [PRA](#) published updated information about the COVID-19 pandemic and workplace arrangements.

The FSB published a [discussion paper](#) on regulatory and supervisory issues relating to outsourcing and third-party relationships.

The European Banking Authority (“EBA”) published a [press release](#) reminding financial institutions of the need for readiness in view of the Brexit transition period ending on 31 December 2020.

ESMA published a [consultation paper](#) (ESMA34-39-926) on draft guidelines for funds' marketing communications under Article 4 of the Regulation on the cross-border distribution of collective investment undertakings (EU/2019/1156) (“**Cross-Border Regulation**”).

ESMA published a [decision](#) on MiFIR assessments of third country trading venues (ESMA70-155-11210).

## 6 November

The FCA published a new [webpage](#) providing links to dedicated Brexit websites hosted by financial regulators in EEA member states.

ESMA published a [consultation paper](#) (ESMA70-156-2477) on draft guidelines on obligations relating to market data under the MiFID II and MiFIR.

ESMA published an updated version of

[its Q&As](#) on investor protection and intermediaries (ESMA35-43-349) under MiFID II and the MiFIR.

[its Q&As](#) (ESMA70-145-114, version 17) on the Benchmarks Regulation (EU/2016/1011) (“**BMR**”).

its [Q&As](#) (ESMA74-362-893) designed to provide greater clarity to market participants on how to comply with their reporting requirements under the SFTR.

ESMA published updated [guidance](#) (ESMA70-155-10587) on the Annex to its opinion determining transparency for third-country trading venues.

## 5 November

ESMA published a [consultation paper](#) (ESMA30-379-325) setting out draft advice to the European Commission on Article 8 of the Taxonomy Regulation specifying the content, methodology and presentation of the key performance indicators that non-financial undertakings and asset managers are required to disclose.

UK Finance published a [document](#) containing information to assist financial institutions and other firms comply with UK sanctions legislation both in the UK or overseas.

ESMA published a [webpage](#) with official translations, including the English [version](#) (ESMA34-39-992), of its guidelines on performance fees in UCITS and certain types of alternative investment funds (“**AIFs**”).

The FCA published a [policy statement](#) summarising feedback received on its consultation paper CP20/12 and setting out its decision regarding the proposed delay to the implementation of the mandatory European Single Electronic Format requirements for annual financial reporting under the Transparency Directive.

ESMA published a [final report](#) (ESMA70-156-3729) to the European Commission on internalised settlement under the Central Securities Depositories Regulation (909/2014) (CSDR).

Pay.UK published a [paper](#) providing an overview of the UK consumer protection landscape relating to disputed transactions.

## 4 November

The EBA published an [opinion](#) (EBA/Op/2020/18) on how prudential supervisors should take money laundering and terrorist financing risks into account in the supervisory review and evaluation process (“**SREP**”).

The FCA published a [statement](#) about its approach to the share trading obligation under MiFIR after the end of the transition period.

The FCA published a [speech](#) given by Jonathan Davidson, FCA Executive Director of Supervision: Retail and Authorisations, on the FCA's expectations around forbearance, operational challenges and the importance of vulnerability in the credit market in the light of the COVID-19 pandemic.

FCA started a [consultation](#) and draft guidance to enhance support to consumer credit borrowers.

### **3 November**

The EBA published a [discussion paper](#) (EBA/DP/2020/03) (dated 30 October 2020) on incorporating environmental, social and governance (“**ESG**”) risks into the governance, risk management and supervision of credit institutions and investment firms.

The House of Lords EU Services Sub-Committee published a [call for evidence](#) relating to its ongoing inquiry into financial services after Brexit.

The FCA published a [policy statement](#) (PS20/13) on amendments to the open banking identification requirements (“**eIDAS certificate**”). The FCA has also published a [statement](#) about the changes in PS20/13.

HM Treasury clarified the UK’s approach to the Regulation on European crowdfunding service providers in a [letter](#).

### **2 November**

The FCA updated its [webpage](#) on its business interruption insurance test case (claim number FL-2020-000018) to announce that the Supreme Court has granted permission to appeal the High Court judgment of the test case.

The FCA published a [call for input](#) on its review into change and innovation in the unsecured credit market.

[Related Professionals](#)

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