Proskauer

Regulation Round Up

Regulatory & Compliance on **April 2021**

Welcome to the Regulation Round Up, a regular bulletin highlighting the latest developments in UK and EU financial services regulation.

30 April

The Financial Conduct Authority ("**FCA**") published Handbook Notice 87, which sets out changes to the FCA Handbook made by the FCA board on 25 March and 29 April 2021.

FCA has published a consultation paper "Investor protection measures for special purpose acquisition companies: Proposed changes to the Listing Rules" (CP21/10), in which it proposes changes to the Listing Rules.

29 April

The Bank of England ("**BoE**") published a speech by Victoria Saporta, BoE Executive Director of Prudential Policy, in which she discusses the Prudential Regulation Authority ("**PRA**") changing approach to policymaking.

The FCA published a discussion paper (DP21/1) on strengthening its financial promotion rules for high-risk investments and firms approving financial promotions.

The Financial Services Bill 2019-21 received Royal Assent. HM Treasury has published a press release on the Bill receiving Royal Assent. The text of the Financial Services Act 2021 has been published on *legislation.gov.uk*.

The European Central Bank ("**ECB**") published a speech on bank's role in greening the economy.

The PRA published a discussion paper (DP1/21) that explores the options for developing a simpler prudential framework for non-systemic banks and building societies.

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

The European Insurance and Occupational Pensions Authority ("**EIOPA**") published a discussion paper on blockchain and smart contracts in insurance.

28 April

The FCA published a consultation paper (CP21/9) on changes to conduct and organisational requirements laid down in UK laws and regulations implementing the MiFID II Directive (EU/2014/65) ("**MiFID II**").

The Recognised Auction Platforms and Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2021 (SI 2021/513) were published, together with an explanatory memorandum.

27 April

The FCA published an evaluation report of its digital sandbox pilot.

26 April

The FCA published a speech on compliance, culture and evolving regulatory expectations.

The PRA published a consultation paper (CP9/21) to correct an error in the definition of "higher paid material risk taker" in the PRA Rulebook.

The draft Payment and Electronic Money Institution Insolvency Regulations were laid before Parliament, by which a new special administration regime is to be introduced for payment institutions and electronic money institutions.

23 April

The FCA published a webpage about climate change and sustainable finance.

The BoE updated a webpage with information on its Climate Biennial Exploratory Scenario.

The Working Group on Sterling Risk-Free Reference Rates released a statement on LIBOR transition and a paper on fallbacks in uncleared derivatives.

22 April

The FCA published a speech on changes needed to improve effective regulation, as well as a speech on why Black inclusion matters to the regulator.

The Commons Treasury Committee published its Thirteenth Report of Session 2019-21 on net zero and the future of green finance, with a related press release.

The PRA published a statement on its remuneration reporting templates for benchmarking and high earners.

The Payment Systems Regulator ("**PSR**") published a consultation paper on amending the guidance on its approach as a competent authority for the EU Interchange Fee Regulation ((EU) 2015/751) ("**EU IFR**") (CP21/5).

21 April

The European Commission published a communication on EU taxonomy, corporate sustainability reporting, sustainability preferences and fiduciary duties, and directing finance towards the European Green Deal (COM(2021) 188 final).

The European Commission adopted a proposal for a Corporate Sustainability Reporting Directive and delegated legislation integrating sustainability into the following frameworks:

- Undertakings for Collective Investment in Transferable Securities Directive 2009/65/EC ("UCITS") (C(2021) 2617 final);
- Alternative Investment Fund Managers Directive (EU/2011/61) ("**AIFMD**") (C(2021) 2615 final);
- MiFID II (C(2021) 2612 final) and (C(2021) 2616 final);
- Solvency II Directive (2009/138/EC) ("**Solvency II**") (C(2021) 2628 final); and
- Insurance Distribution Directive ((EU) 2016/97) (C(2021) 2614 final).

The European Commission agreed on the EU Taxonomy Climate Delegated Act; it will be formally adopted only once it has been translated in all EU languages at the end of May.

The BoE published a speech as it launched its "meeting varied people" initiative.

The European Commission published a roadmap on a retail investment strategy for the EU (Ares(2021)2651854 20/04/2021).

A list of amendments made to the Financial Services Bill 2019-21 and explanatory notes were published on the UK Parliament website.

The UK Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021 (SI 2021/484) were made on 21 April 2021 and come into force on 22 April 2021.

The Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021 (2021/494) were published, together with an explanatory memorandum.

The BoE published an updated version of its UK Money Markets Code.

20 April

The FCA published a speech on the need to level the playing field in financial innovation in the service of consumers and the market.

19 April

HM Treasury published a press release containing information about UK FinTech and financial services proposals.

The FCA published a press release announcing the appointment of new sustainability and technology directors.

The BoE updated its webpage on central bank digital currency and published a statement announcing that it's establishing a Central Bank Digital Currency Taskforce and external engagement groups.

The FCA published its second consultation paper on the Investment Firms Prudential Regime ("**IFPR**") (CP21/7). Please refer to our note on this update here.

The UK government issued a written statement confirming how it will take forward the recommendations directed towards it by the UK Listing Review.

16 April

The European Commission published an updated webpage providing information on a mini-sweep of consumer credit websites.

15 April

The PRA published a policy statement (PS8/21) setting out its approach to non-systemic UK banks.

The European Banking Authority ("**EBA**") published a final report (EBA/RTS/2021/04) on draft regulatory technical standards on the methods of prudential consolidation under Article 18 of the Capital Requirements Regulation (EU/575/2013) ("**CRR**").

14 April

The PRA and FCA published a joint statement responding to The Financial Stability Board ("FSB") peer review report on the UK's implementation of the Principles and Standards (P&S) for Sound Compensation Practices.

The FSB published a report setting out the findings of a peer review of how the UK has implemented its Principles and Implementation Standards of Sound Compensation Practices.

Commission Delegated Regulation (EU) 2021/598 in respect of regulatory technical standards for assigning risk weights to specialised lending exposures under Article 153(9) of the CRR was published.

The FCA and PRA published a joint Dear CEO letter on obtaining deposits through deposit aggregators.

13 April

The FCA published a speech by Nausicaa Delfas, FCA Executive Director of International, on the FCA's approach to regulating the UK as a global financial centre.

European Securities and Markets Authority ("**ESMA**") published an updated statement (ESMA74-362-1934) on the implementation of legal entity identifier) requirements for third-country issuers under the reporting regime set out in the Regulation on reporting and transparency of securities financing transactions ((EU) 2015/2365) ("**SFTR**").

The FCA published a statement relating to changes certain consumer credit firms will have to make to pre-contract consumer credit information forms post-Brexit.

12 April

The Lending Standards Board ("**LSB**") published a blog on the power of prevention in the fight against authorised push payment fraud.

9 April

The FCA updated its website to announce the launch of a new version of its Financial Services Register Extract Service ("**RES**"). It has also published a revised version of the Subscribers' Handbook for the RES.

ESMA published a summary of conclusions of the meeting of its Board of Supervisors on 23 February 2021, which includes minutes of an "exchange of views" with Nikhil Rathi on future co-operation between the FCA and ESMA.

The PRA published a new webpage on holding company approvals.

8 April

The G20 published a communique following a virtual meeting of finance ministers and central bank governors on 7 April 2021.

The PRA published a consultation paper (CP8/21) on its regulated fees and levies for 2021/22.

ESMA published a review report (dated 23 March 2021) on the functioning of organised trading facilities under Article 90(1)(a) of MiFID II (ESMA70-156-4225).

The LSB published an updated version of its Standards of Lending Practice for personal customers, together with a related press release.

7 April

EBA published a consultation paper (EBA/CP/2021/14) on draft RTS on emerging markets and advanced economies under the CRR market risk framework.

The PRA published a consultation paper on credit risk and economic downturns.

ESMA published its final report on the functioning of the SME growth markets regime under the Markets in Financial Instruments Directive II.

6 April

The FCA published a new webpage showing the number of financial promotions that have been amended or withdrawn by firms due to non-compliance with its rules.

The BoE published a statement on the regulatory treatment of the UK Recovery Loan Scheme.

ESMA published an updated version of its Q&As on market structures topics (ESMA70-872942901-38) under MiFID II and Markets in Financial Instruments Regulation (EU/600/2014) ("**MiFIR**").

ESMA published updated Q&As (ESMA74-362-893) (dated 23 March 2021) on complying with reporting requirements under the SFTR.

The FCA updated its webpage on the retained EU law version of the Regulation on reporting and transparency of securities financing transactions (*(EU) 2015/2365*) ("**UK SFTR**") in relation to reporting legal entity identifiers of non-EEA third country issuers under the UK SFTR.

1 April

The FCA published finalised guidance on cancellations and refunds aimed at credit and debit card firms and insurance providers.

The Network for Greening the Financial System ("**NGFS**") published a report on sustainable finance market dynamics.

The FCA published a speech by Mark Steward on the importance of purposeful anti-money laundering controls.

The BoE updated its payment and settlement webpage with information on omnibus accounts for payment systems operators and prefunding accounts.

Related Professionals

Richard Bull
Partner

John Verwey
Partner

???**Andrew Wingfield**

Partner

???**Michael Singh**

Associate