

Regulation Round Up

Regulatory & Compliance on August 2021

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

31 August

The Financial Conduct Authority (“**FCA**”) published a [statement](#) reminding firms about potential financial crime risks linked to Afghanistan.

30 August

[Commission Delegated Regulation \(EU\) 2021/1415](#) supplementing the Securitisation Regulation ((EU) 2017/2402) on the co-operation and exchange of information between competent authorities and European Securities and Markets Authority (“**ESMA**”), European Insurance and Occupational Pensions Authority (“**EIOPA**”) and the European Banking Authority (“**EBA**”), was published.

27 August

The European Commission published a [study](#) assessing current practices for integrating ESG factors into the EU banking prudential framework, and also into banks' risk management, business strategies and investment policies.

UK Finance published a [press release](#) announcing that the national roll-out of the new £100 spending limit for contactless card payments will begin 15 October 2021.

26 August

The FCA published a [letter](#) with details of a framework for co-operation regarding supervision and enforcement in the area of credit rating agencies that it has agreed with the Financial Services Agency of Japan through an exchange of letters.

The FCA published a [portfolio strategy letter](#) (dated 25 May 2021) for loan-based peer-to-peer (“**P2P**”) crowdfunding platforms.

25 August

The FCA published a [portfolio letter](#) (dated 28 April 2021) it has sent to the boards of firms in its personal and commercial line insurer portfolio on its supervisory strategy.

24 August

The EBA published a [peer review report](#) (EBA/REP/2021/24) assessing the application by national competent authorities of the Joint Committee of the European Supervisory Authorities' guidelines on the prudential assessment of the acquisition of qualifying holdings.

23 August

[Commission Delegated Regulation \(EU\) 2021/1383](#) amending Delegated Regulation (EU) 2018/990 with regard to requirements for assets received by money market funds as part of reverse-repurchase agreements was published.

20 August

The FCA updated its [webpage](#) on strong customer authentication to provide an update on its approach to the EBA's view on inherence for the purposes of strong customer authentication.

19 August

The FCA published its [Regulation round-up](#) for August 2021, which includes the following items of interest: strong customer authentication and mobile-based authentication, Firm details and directory persons and FCA's sustainable-finance-innovation programme.

The FCA published a [portfolio letter](#) (dated 5 August 2021) it has sent to the boards of life insurance firms.

18 August

The FCA published a [policy statement](#) on revisions to its rules on insurance pricing practices (PS21/11).

17 August

The European Parliament's Economic and Monetary Affairs Committee published its [report](#) (PE689.571v03-00) on the proposed Regulation on a pilot regime for market infrastructures based on distributed ledger technology (2020/0267(COD)).

The FCA published a [portfolio strategy letter](#) for firms that are active in the investment-based crowdfunding market.

13 August

The European Commission has adopted two Delegated Regulations containing regulatory technical standards relating to [risk-takers](#) and [variable remuneration](#) that supplement the Investment Firms Directive ((EU) 2019/2034) (“**IFD**”).

The following Delegated Regulations supplementing the Benchmarks Regulation ((EU) 2016/1011) (“**BMR**”) were published:

- [Commission Delegated Regulation \(EU\) 2021/1348](#) supplementing the BMR with regard to regulatory technical standards (“**RTS**”) specifying the criteria under which competent authorities may require changes to the compliance statement of non-significant benchmarks.
- [Commission Delegated Regulation \(EU\) 2021/1349](#) supplementing the BMR with regard to RTS specifying the criteria for the competent authorities' compliance assessment regarding the mandatory administration of a critical benchmark.
- [Commission Delegated Regulation \(EU\) 2021/1350](#) supplementing the BMR with regard to RTS specifying the requirements to ensure that an administrator's governance arrangements are sufficiently robust.
- [Commission Delegated Regulation \(EU\) 2021/1351](#) supplementing the BMR with regard to RTS specifying the characteristics of the systems and controls for the identification and reporting of any conduct that may involve manipulation or attempted manipulation of a benchmark.
- [Commission Delegated Regulation \(EU\) 2021/1352](#) supplementing the BMR with regard to RTS specifying the conditions to ensure that the methodology for determining a benchmark complies with the quality requirements.

10 August

The FCA updated its [webpage](#) on the digital sandbox to provide further information about the second phase of the initiative, which will focus on providing support to innovators looking to develop and validate solutions in the area of environmental, social and governance data and disclosure.

The FCA published a [portfolio letter](#) it has sent to mortgage third-party administrators and firms that outsource to them.

6 August

The FCA published its [third consultation paper](#) on the Investment Firms Prudential Regime (IFPR) (CP21/26).

The FCA published the [text](#) of a memorandum of understanding with the US Securities and Exchange Commission (“**SEC**”) on consultation, co-operation and the exchange of information relating to the supervision and oversight of certain cross-border OTC-derivatives entities (covered firms) in connection with the use of substituted compliance.

ESMA published an updated version of its [Q&As](#) on the Market Abuse Regulation (EU/596/2014) (MAR) (ESMA70-145-111, Version 15).

5 August

The European Commission published a [consultation](#) on its legislative proposal for a Directive amending the UCITS Directive (2009/65/EC) as regards the use of key information documents (“**KIDs**”) by management companies of UCITS.

4 August

The European Commission published a [draft report](#) produced by the EU Platform on Sustainable Finance on preliminary recommendations for technical screening criteria for the EU taxonomy, with an accompanying [call for feedback](#).

3 August

The [Greenhouse Gas Emissions Trading Scheme Auctioning \(Amendment\) \(No 2\) Regulations 2021 \(SI 2021/917\)](#) were made on 3 August 2021 and come into force on 25 August 2021. They are accompanied by an [explanatory memorandum](#).

The FCA published a [Dear Remuneration Committee Chair letter](#) setting out its approach to remuneration for 2021/22 and highlighting areas for firms to consider.

The FCA published a new [form](#) to enable reports of whistleblowing to be made online.

2 August

[Commission Delegated Directive \(EU\) 2021/1269](#) amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability factors into MiFID II product governance obligations was published.

ESMA published a [call for advice](#) (dated 27 July 2021) from the European Commission relating to its Retail Investment Strategy for the EU.

ESMA published the [official translations](#), including the [English language version](#) (ESMA34-45-1272), of its guidelines for funds' marketing communications under Article 4 of the Regulation on the cross-border distribution of collective investment undertakings ((EU) 2019/1156).

The FCA published a [guide](#) to assist firms making a regulatory sandbox application.

Five Commission Delegated Regulations and one Commission Delegated Directive, collectively forming part of the European Commission's work on sustainable finance, have been published in the Official Journal of the European Union to facilitated the integration of sustainability factors:

- [Commission Delegated Regulation \(EU\) 2021/1253](#) (changes to organisational requirements and operating conditions for investment firms);
- [Commission Delegated Regulation \(EU\) 2021/1254](#) (changes to organisational requirements and operating conditions for investment firms and defined terms for the purposes of the MiFID II Directive);
- [Commission Delegated Regulation \(EU\) 2021/1255](#) (changes to be taken into account by alternative investment fund managers);
- [Commission Delegated Regulation \(EU\) 2021/1256](#) (changes to governance of insurance and reinsurance undertakings);
- [Commission Delegated Regulation \(EU\) 2021/1257](#) (changes to product oversight and governance requirements for insurance undertakings and investment advice for insurance-based investment products); and

- [Commission Delegated Directive \(EU\) 2021/1270](#) (changes to be taken into account for UCITS).

Related Professionals

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- **John Verwey**
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- **Michael Singh**
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