Proskauer

Regulation Round Up

Regulatory & Compliance on **September 2021**

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

30 September

The Council of the EU published a cover note publishing the Joint Committee of European Supervisory Authorities ("**ESAs**") 2022 work programme.

The Prudential Regulation Authority ("**PRA**") published a Dear CFO letter providing thematic feedback from its review of written auditor reports received in 2021 and subsequent discussions with firms, auditors and other global regulators.

The Bank of England, PRA and Financial Conduct Authority ("**FCA**") published a joint Dear Senior Management Function Letter on thematic findings from the 2021 annual cycle of CBEST assessments conducted on participating banks, insurers and financial market infrastructures. The letter is addressed to the individuals at the relevant firms who hold the senior management function with responsibility for cyber.

UK Finance published a report containing guidance on the meaning of "public officials" for the purposes of anti-bribery and corruption compliance.

The European Securities and Markets Authority ("**ESMA**") published updated Q&As on transparency topics under the MiFID II Directive (2014/65/EU) ("**MiFID II**") and the Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**").

The FCA published a portfolio letter (dated 16 September 2021) on its wealth management and stockbroking supervision strategy.

The Financial Stability Board ("**FSB**") published a report setting out a Financial Stability Surveillance Framework to assess and capture new and emerging global financial system vulnerabilities.

29 September

The Bank of England published a consultation paper setting out its proposal to add overnight index swaps that reference TONA to the scope of contracts that are subject to the derivatives clearing obligation.

The Bank of England published a policy statement on modifying the scope of contracts that are subject to the derivatives clearing obligation to reflect the ongoing reforms to interest rate benchmarks.

The FCA published a consultation paper (CP21/29) on proposed decisions on the use of LIBOR.

The Payment Systems Regulator ("**PSR**") published a policy statement on updating its guidance on its approach as a competent authority for the EU Interchange Fee Regulation (EU/2015/751) (PS21/1).

28 September

The European Commission published four Delegated Regulation adopting four regulatory technical standards in respect of prudential requirements for investment firms under the Investment Firms Regulation (EU/2019/2033):

- RTS that specify adjustments to the K-factor "daily trading flow" (K-DTF) coefficients;
- RTS that specify the methods for measuring the K-factors referred to in Article 15 of the IFR;
- RTS specifying the amount of total margin for the calculation of the K-factor "clear margin given"; and
- RTS specifying the notion of segregated accounts to ensure client money's protection in the event of an investment firm's failure.

The PRA published a consultation paper (CP19/21) proposing new rules on the application of prudential liquidity requirements to domestic liquidity sub-groups.

ESMA published its 2022 work programme, setting out its key priorities and objectives.

24 September

The FCA published a speech on measuring and assessing culture, the role of purpose and the importance of diversity and inclusion.

HM Treasury published a consultation paper on a review of the Bank of England's cash ratio deposit scheme.

The Joint Money Laundering Steering Group ("**JMLSG**") published a press release announcing proposed revisions to Chapter 5.7 (Monitoring customer activity) in Part I of its anti-money laundering and counter-terrorist financing guidance for the financial services sector.

The JMLSG published a revised version of Sector 15 (trade finance) in Part II of its anti-money laundering and counter-terrorist financing guidance for the financial services sector.

ESMA published a consultation paper on a review of the MiFID II framework on best execution reports.

ESMA published a consultation paper on its review of certain aspects of the Short Selling Regulation (EU/236/2021).

ESMA published its final report on guidelines on methodology, oversight function and record keeping under the Benchmarks Regulation (EU/2016/1011).

23 September

The Markets in Financial Instruments, Benchmarks and Financial Promotions (Amendment) (EU Exit) Regulations 2021 was published.

The Capital Requirements Regulation (Amendment) Regulations 2021 was published.

22 September

The FCA published a speech on its challenges and priorities.

The PRA's Sam Woods gave a speech on the PRA's future work.

The PRA published a speech providing an update on the review of the UK Solvency II regime

21 September

The EBA published a report on the use of digital platforms in the EU banking and payments sector.

ESMA published a speech on how investor protection safeguards should reflect increased retail participation in capital markets.

The Association for Financial Markets in Europe published an FCA speech on LIBOR transition.

20 September

The Treasury Committee published responses to its July 2021 report on the future framework for regulation of financial services. The responses include feedback from the HM Treasury, PRA and Bank of England.

The Investment Association published guidance on the FCA's guiding principles on ESG and sustainable investment funds.

16 September

The FCA published its Regulation Round-Up for September 2021, including updates on senior managers regime applications and controlled functions applications by appointed representatives, as well as details on changes to the appointed representatives notification process.

15 September

The FCA published a document providing more detail on its consumer investments strategy. It plans to publish the strategy in early 2022.

The Financial Services and Markets Act 2000 (Prudential Regulation of FCA Investment Firms) (Definitions for the purposes of Part 9C) Regulations 2021 (SI 2021/1046) were published.

The PRA published a policy statement (PS20/21) setting out final rules relating to the application of existing consolidated prudential requirements to financial holding companies and mixed financial holding companies that have been approved or designated in accordance with the Financial Services and Markets Act 2000.

14 September

The European Commission adopted a Delegated Regulation and Annex containing regulatory technical standards on co-operation arrangements with third-countries under Article 26(3) of the Market Abuse Regulation (596/2014).

13 September

The European Insurance and Occupational Pensions Authority ("**EIOPA**") published its criteria for assessing the independence of supervisory authorities.

10 September

The PRA published a Dear CEO Letter providing feedback on the PRA's findings from its review of firms' regulatory reporting, reinforcing the message that firms should show how they deliver regulatory reporting of sufficient quality.

8 September

The European Systemic Risk Board published a note on monitoring the financial stability implications of support measures to protect the real economy from the effects of the COVID-19 pandemic.

The PRA published a consultation paper (CP18/21) on the identification of material risk takers ("MRTs") for the purposes of its remuneration regime.

7 September

The European Commission adopted a Delegated Regulation and Annexes amending the regulatory technical standards laid down in Commission Delegated Regulation 2017/653 on key information documents ("**KID**") for packaged retail and insurance-based investment products ("**PRIIPs**").

The International Organisation of Securities Commissions ("**IOSCO**") published a final report on the use of artificial intelligence and machine learning by market intermediaries and asset managers.

6 September

HM Treasury published a revised draft of the Markets in Financial Instruments, Benchmarks and Financial Promotions (Amendment) (EU Exit) Regulations 2021.

HM Treasury published a consultation paper on amending the Banking Act 2009 to reflect the UK Investment Firms Prudential Regime ("**IFPR**").

3 September

The FCA published its latest quarterly consultation paper (CP21/27). The FCA invites comments on proposed changes to various sections of the FCA Handbook.

The PRA published a statement on remuneration benchmarking and high-earners 2020 submissions.

1 September

The FCA updated its webpage on authorisation applications for pre-paid funeral plans firms. The FCA confirms that applications for authorisation are now open.

The PRA published a letter responding to HM Treasury's March 2021 letter setting out the PRA's remit, recommendations and priorities.

The FCA published a statement on reviewing its finalised guidance on pension transfers redress (FG17/9).

Related Professionals

- **Richard Bull**
  Partner
- **John Verwey**
  Partner
- **Andrew Wingfield**
  Partner
- **Michael Singh**
  Associate