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Regulation Round Up

Regulatory & Compliance on **October 2021**

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

28 October

The Financial Stability Board published its final report on the lessons learnt from the COVID-19 pandemic from a financial stability perspective.

The Financial Conduct Authority ("**FCA**") published a report on climate change adaption.

The Prudential Regulation Authority ("**PRA**") published a report on climate-related financial risk management and the role of capital requirements.

European Securities and Markets Authority ("**ESMA**") published a statement on making investment recommendations on social media.

26 October

The Network for Greening the Financial System published a progress report on implementation of its guide for supervisors on integrating climate-related and environmental risks into prudential supervision.

25 October

The FCA published a policy statement on a new authorised fund regime for investing in long-term assets (PS21/14).

22 October

The Financial Action Task Force published a consultation paper on amendments to recommendation 24 on transparency and beneficial ownership of legal persons.

The European Supervisory Authorities (that is, the EBA, EIOPA and ESMA) published a joint final report (JC 2021 50) on draft regulatory technical standards (amending RTS) regarding the content and presentation of sustainability disclosures under Articles 8(4), 9(6) and 11(5) of the Sustainable Finance Disclosure Regulation (*(EU) 2019/2088*) ("**SFDR**").

The FCA published a press release announcing the publication of final rules and related material relating to its first two policy statements on the Investment Firms Prudential Regime ("**IFPR**").

21 October

The Climate Financial Risk Forum published a second set of guides to help the financial industry effectively manage climate-related financial risks.

The FCA published its perimeter report 2020/21.

The Joint Committee of the European Supervisory Authorities published a call for evidence to assist it in providing advice to the European Commission relating to the Commission's review of the PRIIPs Regulation (*1286/2014*).

The International Capital Market Association published an updated version of its guide to reporting repo transactions under both the EU and UK versions of the Regulation on reporting and transparency of securities financing transactions ("**SFTR**").

HM Treasury published a consultation paper on regulating interest free buy-now-pay-later credit products.

20 October

The Association for Financial Markets in Europe ("**AFME**") published a paper on firms' monitoring of financial transactions for suspicion of money laundering (commonly known as anti-money laundering transaction monitoring).

Commission Delegated Regulation (EU) 2021/1833 supplementing the MiFID II Directive (*2014/65/EU*) by specifying the criteria for establishing when an activity is to be considered to be ancillary to the main business at group level was published.

19 October

The European Commission published a communication outlining its work programme for 2022. This update focuses on the financial services aspects of the programme.

The Network for Greening the Financial System published a progress report on global supervisory and central bank climate scenario exercises.

The European Banking Authority ("**EBA**") published its final report (EBA/RTS/2021/08) on draft regulatory technical standards on the disclosure of the investment policy by investment firms under the Investment Firms Regulation (*(EU) 2019/2033*) ("**IFR**").

18 October

HM Treasury published a policy paper, Greening Finance: A Roadmap to Sustainable Investing. Some information about timing and future consultations is set out in the paper, including:

- November 2021: A series of discussion papers will be published focussing on Sustainability Disclosure Requirements.
- Q1 2022: A consultation on climate change mitigation and climate change adaptation criteria under the UK green taxonomy will be published.
- During 2022: The government plans on updating the Green Finance Strategy, including setting out an indicative sectoral transition pathway to 2050 to align the financial system with the UK's net zero commitment.

The European Parliament's Economic and Monetary Affairs Committee published draft reports on the use of KIDs under the PRIIPS Regulation (EU/1286/2014) and amendments of the UCITS Directive (2009/65/EC).

The Financial Stability Board ("**FSB**") published a speech by the FSB Chair, that among other things, considers how the FSB will address ongoing and future financial stability challenges in 2022 and beyond.

15 October

The Packaged Retail and Insurance-based Investment Products (UCITS Exemption) (Amendment) Regulations 2021 (SI 2021/1149) were published, together with an explanatory memorandum.

The FCA published a new webpage setting out Q&As on the FCA's new powers under the retained EU law version of the Benchmarks Regulation (*(EU) 2016/1011*) ("**UK BMR**").

13 October

The Bank of England ("BoE") published a speech by Jon Cunliffe, BoE Deputy Governor, Financial Stability, on the impact of "crypto" on the stability of the UK financial system.

The EBA published a press release announcing it has repealed its guidelines on the security of internet payments.

11 October

HM Treasury published its response to the call for evidence on the Payments Landscape Review.

8 October

The BoE published the financial policy summary and record of the meeting of its Financial Policy Committee.

The Network for Greening the Financial System ("NGFS") published an interim report on biodiversity and financial stability.

7 October

The European Parliament published a press release that it rejected the two objections on the European Commission Delegated Regulation supplementing the Taxonomy Regulation ((EU) 2020/852) relating to climate change mitigation and adaptation (C(2021)2800) (known as the Taxonomy Climate Delegated Act). The Taxonomy Climate Delegated Act will now be examined by the Council of the EU.

The Financial Stability Board published a progress report on the regulation, supervision and oversight of global stablecoin arrangements.

5 October

The ECB published a speech on the need for banks to incorporate climate risks into their risk governance frameworks.

4 October

The European Commission published a joint statement by members of the EU-US Financial Regulatory Forum following a meeting held on 29 and 30 September 2021.

The Organisation for Economic Co-operation and Development has published two reports as part of its work on sustainable finance and climate transition:

- ESG investing and climate transition: Market practices, issues and policy considerations, and
- Financial markets and climate transition: Opportunities, challenges and policy implications.

1 October

The FCA published Handbook Notice 91.

ESMA published a call for evidence on the European Commission's mandate on certain aspects relating to retail investor protection (ESMA35-43-2827).

Related Professionals

- **John Verwey**
  Partner
- **Michael Singh**
  Associate