Proskauer

Regulation Round Up

Regulatory & Compliance on **February 2022**

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

28 February

The Financial Conduct Authority ("**FCA**") published Handbook Notice 96 that sets out changes made to the FCA Handbook. This includes changes to technical standards on transaction reporting and the EU Exit Passport Regulations.

The EU Platform on Sustainable Finance published its final report on a social taxonomy.

25 February

The European Banking Authority ("**EBA**") published its report in response to the implementation of the European Systematic Risk Board recommendation on identifying legal entities.

24 February

EBA published its final report on draft guidelines concerning the limited network exclusion under the Payment Services Directive ((EU) 2015/2366).

23 February

The European Securities and Markets Authority ("**ESMA**") initiated a call for evidence on the methodology to assess climate risk with a new stress testing framework for Central Counterparties.

The Financial Services Culture Board and the Financial Services Skills Commission published a report on piloting a common approach to measuring inclusion across the UK financial services sector.

The FCA published a statement on the new financial sanctions relating to Russia.

22 February

The European Court of Auditors ("**ECA**") published a report on the EU investment funds framework following an audit conducted between 2016 – 2021.

21 February

International Regulatory Strategy Group provided a joint report on ESG ratings' current challenges and gives suggestions on how the industry, regulators and policy makers can ensure ESG integrity and efficiency.

19 February

The FCA issued a consultation that sets out their proposals to strengthen financial promotion rules for high-risk investments (including cryptoassets).

18 February

The FCA has changed how to make a change of control notification via their webpage. This is a result of the increase in number of section 178 notifications made under the Financial Services and Markets Act 2000, which has caused delays between submission and allocation to a case officer.

17 February

The Financial Stability Board ("**FSB**") published a letter from Klaas Knot, the FSB Chair, to G20 leaders in preparation for the 2022 summit. The letter includes the FSB's future policy

16 February

The EU Commission adopted a Delegated Regulation that lays out the rules of procedure for ESMA's power to impose fines or periodic penalty payments on data reporting service providers.

The EU Commission adopted two Delegated Regulations (one and two) which focus on the fees and rules of procedure for ESMA when supervising particular benchmark administrators.

ESMA published its opinion on the review of the Regulation on money market funds (EU/2017/1131) ("**MMF Regulation**") and its implementing measures.

The FSB published a report laying out their opinion on new developments in the cryptoasset markets and the potential repercussions for the stability of global finance.

15 February

ESMA published its response to the EU Commission's targeted consultation on the Listing Act.

The European System of Central Banks ("**ESCB**") issued renewed statements of commitment to the FX Global Code.

14 February

Commission Delegated Regulation (EU) 2022/192 and Commission Implementing Regulation (EU) 2022/193, were published in the Official Journal. They focus on passport notifications under the Capital Requirements Directive.

The European Parliament's Economic and Monetary Affairs Committee ("**ECON**") published a draft report on the EU Commission's proposal to increase the rules on information that accompany the transfer of funds that relate to specific cryptoassets.

11 February

The EBA issued an opinion on the EU Commission's suggested amendments to the final draft RTS which specifies the process for calculating fixed overhead requirements for investment firms under the Investment Firms Regulation.

10 February

ESMA published its Sustainable Finance Roadmap 2022-2024 that sets out deliverables in sustainable finance and how this might be implemented over the coming years.

The European Central Bank ("**ECB**") published the results of its supervisory review and evaluation process (SREP) for 2021.

HM Treasury ("**HMT**") published an overview of responses and the UK Government's findings on its review of the UK funds regime.

9 February

The Bank of England ("**BoE**"), FCA, and Working Group on Sterling Risk-Free Reference Rates issued a joint press release on finalising LIBOR transition.

8 February

The European Commission announced the extension of the time limit equivalence for UK central counterparties ("**CCPs**").

The European Commission initiated a consultation and call for evidence on the EU's central clearing framework to receive feedback on potential steps to increase the attractiveness of clearing at EU CCPs.

ESMA launched a common supervisory action ("**CSA**") on the application by firms of the MiFID II Directive (EU/2014/65) ("**MiFID II**") requirements on costs and charges.

7 February

The Prudential Regulation Authority ("**PRA**") published a consultation paper on its proposed amendments to the PRA Rulebook, in particular references to own funds and eligible liabilities under the Capital Requirements Regulation (EU/575/2013) ("**CRR**"). The PRA also issued a supervisory statement on the definition of capital for CRR firms (SS7/13).

4 February

The House of Lords EU Affairs Committee launched an inquiry on the relationship between UK and EU in the financial services market.

3 February

ESMA launched a Call for Evidence on ESG ratings. This is to inform the EU Commission's planned consultation on the reliability, comparability and transparency of ESG ratings and how to resolve future ESG related issues.

ESMA commenced its Simple, Transparent and Standardised Register that aims to help the notification of STS securitisations by reporting entities to ESMA via new automated process.

ESMA published their fourth annual statistical report on liquidity concerns regarding AIFs.

2 February

The European Commission reached political agreement and approved in principle a draft Complementary Climate Delegated Act setting out the conditions under which nuclear and natural gas energy activities can be included in the list of economic activities covered by the Regulation on the establishment of a framework to facilitate sustainable investment (EU/2020/852) ("**Taxonomy Regulation**").

The EBA published its final draft RTS on the list of countries that constitute as advanced economies when calculating the equity risk under the alternative standardised approach ("**FRTB-SA**").

ESMA published a supervisory briefing (ESMA35-43-2900) setting out its expectations under the MiFID II framework for firms that use tied agents.

1 February

ESMA sent a letter to the European Commission regarding its views on the clearing obligation for Pension Scheme Arrangements. ESMA recommends an end of the current exemption from the clearing obligation with a one year implementation period.

Related Professionals

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