Proskauer

Regulation Round Up

Regulatory & Compliance on **May 2022**

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

Key developments in May 2022:

31 May

The European Securities and Markets Authority ("**ESMA**") published a Supervisory Briefing to ensure convergence across the European Union in the supervision of investment funds with sustainability features, and in combating greenwashing by investment funds.

ESMA published a final report (ESMA34-45-1673) on the review of costs and fees for investment funds, which was carried out with national competent authorities during 2021.

The International Sustainability Standards Board launched a consultation on its first two proposed standards. One focusing on general sustainability-related disclosure requirements and the other on climate-related disclosure requirements.

26 May

The Financial Conduct Authority ("**FCA**") published a discussion paper (DP22/2) laying down its response to feedback regarding the July 2021 consultation (CP21/21) in relation to the listing regime and asks for additional feedback on potential reforms.

25 May

ESMA published a Commission Decision (C(2022) 3051) and Annex containing a set of answers about the Sustainable Finance Disclosure Regulation ((*EU*) 2019/2088) ("**SFDR**" or "**Disclosure Regulation**") and the Regulation on the establishment of a framework to facilitate sustainable investment (EU/2020/852) ("**Taxonomy Regulation**"), which the European Commission adopted on 13 May 2022.

The EU Commission launched a consultation to help with the evaluation of the rules for financial benchmarks administered outside the EU.

ESMA published its final report on the MiFID2 framework and the best execution of reports by investment firms.

24 May

The EU Commission adopted an Implementing Regulation which amends the implementing technical standards on benchmark portfolios, reporting templates and reporting instructions for reporting under the Capital Requirements Directive.

The Commission Delegated Regulation (EU) 2022/803 was published. It specifies the rules of procedure for ESMA's power to impose fines or periodic penalty payments on data reporting service providers.

23 May

The EU Commission published a report on the functioning of the European Supervisory Authorities, comprising the ESMA, the European Banking Authority ("**EBA**") and the European Insurance and Occupational Pensions Authority.

The EU Council agreed its stance on the EU Commission's suggested amendments to the Regulation on European long-term investment funds (*(EU)* 2015/760) ("ELTIF Regulation") (2021/0377(COD)). The EU Council has also published the final compromise text adopted as the mandate (8840/1/22).

The Bank of England ("**BoE**") and FCA published a joint discussion paper (DP22/1) on the money market fund policy reform.

20 May

ESMA published an updated version of its Q&As (ESMA34-32-352) on the application of the Alternative Investment Fund Managers Directive (EU/2011/61) ("**AIFMD**").

The Commission Delegated Regulation (EU) 2022/786 was published in the Official Journal. This amends the Liquidity Coverage Ratio Delegated Regulation under the Capital Requirements Regulation.

The FCA has published a speech by Charles Randell, FCA Chair, on regulating finance for the whole of the UK. Among other things, it covers the importance of partnerships and policy cohesion, and the regulation of issuing and trading purely speculative crypto tokens.

19 May

The Network for Greening the Financial System published two documents (one and two) to help central banks and regulators in their monitoring of the financial sector and in their central bank operations.

The FCA published a policy statement (PS22/5) on its new cancellation and variation power.

18 May

The EU Parliament's Committee on Economic and Monetary Affairs ("**ECON**") published a draft report on the Commission's proposal for a directive that will amend the AIFMD and the Collective Investment in Transferable Securities ("**UCITS**") Directive ("**AIFMD2**").

17 May

The EU Commission adopted a Delegated Regulation which lays out the regulatory technical standards on emerging markets and advanced economies under the Capital Requirements Regulation.

The ESMA published a consultation paper on draft technical standards in regard to cross-border marketing and management of funds in the EU under the Undertakings for the UCITS Directive and AIFMD.

16 May

ESMA published six final reports on the central counterparties resolution regime under the CCP Recovery and Resolution Regulation.

ESMA issued a public statement on the implications of Russia's invasion of Ukraine on investment fund portfolios and fund managers' responsibilities to investors.

13 May

ESMA published a document (JC 2022 26) from the Joint Committee of the European Supervisory Authorities listing questions for the European Commission about the interpretation of the SFDR and the Taxonomy Regulation.

12 May

The EU Commission adopted a Delegated Regulation that amends the regulatory technical standards on the specification of the calculation of specific and general credit risk adjustments under the CRR.

The UK Department for Business, Energy and Industrial Strategy published a call for evidence on updating the UK government's July 2019 Green Finance Strategy.

11 May

The EU Parliament came to a provisional political agreement with the EU Council on the EU Commission’s proposed Digital Operational Resilience Act.

The EBA published its annual report on the convergence of supervisory practices for 2021.

The UK Government launched a call for evidence to support the development of an update to the UK’s Green Finance Strategy.

The Wolfsberg Group published a document containing FAQs on how negative news screening can enhance financial institutions' awareness of potential financial crime risk posed by both existing and prospective customers.

9 May

The Joint Committee of the European Supervisory Authorities published a joint supervisory statement concerning the What is this product? Section of the key information document (“**KID**”) requirements for packaged retail and insurance-based investment products (“**PRIIPs**”).

6 May

ESMA published a letter from the European Commission to the European Supervisory Authorities requesting that they propose amendments to the adopted Commission Delegated Regulation (C(2022) 1931 final) supplementing the Sustainable Finance Disclosure Regulation (*(EU) 2019/2088*) with regard to regulatory technical standards on content and presentation of information ("**SFDR RTS**").

The Prudential Regulation Authority ("**PRA**") published its policy statement (PS4/22) laying out its expectations of firms engaged in trading activities which may affect their financial stability and ability to carry out a wind-down of these activities.

The PRA has published a statement setting out its view on the EBA guidelines relating to the management of non-performing exposures and forborne exposures.

5 May

The EBA published an update to its implementing technical standards on data collection for the 2023 supervisory benchmarking exercise of the internal approaches used in market and credit risk and IFRS9 accounting**.**

The FCA published a speech given by Nikhil Rathi, FCA Chief Executive, on how to capitalise on innovation.

The FCA published a new webpage setting out the findings from its investment platforms costs and charges review.

3 May

The EBA published its reply to the EU Commission's call for advice on its analysis of the macro-prudential framework.

The EBA published updated guidelines for assessing equivalence of professional secrecy and confidentiality regimes of third country authorities, to widen scope and purpose of the assessment.

ESMA published translations in the official EU languages, including the English language version, of its updated guidelines on stress test scenarios under the Regulation on money market funds (*(EU) 2017/1131*) ("**MMF Regulation**") (ESMA34-49-446).

2 May

The EBA published a discussion paper on the part environmental risks play in the prudential framework for credit institutions and investment firms.

The Joint Committee of the European Supervisory Authorities published a report (JC 2022 20) setting out their technical advice to the European Commission in response to a call for advice on the Commission's review of the PRIIPs Regulation (EU/*1286/2014*).

Related Professionals

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