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# Regulation Round Up

**Regulatory & Compliance** on **June 2022**

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

Key developments in June 2022:

### 30 June

The Financial Conduct Authority ("**FCA**") published a consultation paper (CP22/11) on winding down synthetic sterling LIBOR and USD LIBOR.

The Bank of England ("**BoE**") published a policy statement and a statement of policy on its approach to tiering incoming central counterparties under Article 25 of UK EMIR (EU/648/2012).

The BoE published a policy statement and statement of policy on its approach to comparable compliance under Article 25a of UK EMIR.

The BoE also published the following consultation papers:

- a consultation paper on the fees regime for incoming central counterparties; and
- a consultation paper on the fees regime for incoming central securities depositories.

The European Securities and Markets Authority ("**ESMA**") published a letter to the European Commission on the prioritisation of its 2022 deliverables.

The European Commission published a request for input from the European Supervisory Authorities relating to greenwashing risks and the supervision of sustainable finance policies.

The Prudential Regulation Authority ("**PRA**") (PS5/22) published a policy statement on its regulated fees and levies for 2022/23.

## 29 June

The Payment Systems Regulator ("**PSR**") published a consultation paper setting out its provisional decision on remedies for the card-acquiring market review.

The FCA published Primary Market Bulletin, 41, which sets out guidance for issuers of ESG-labelled use-of-proceeds debt instruments.

## 28 June

The European Banking Authority ("**EBA**") adopted a decision on how competent authorities supervising investment firms under Regulation 2019/2033 (Investment Firms Regulation) will transmit supervisory data.

ESMA published a statement on the publication of data relating to the trade transparency requirements set out in the Markets in Financial Instruments Regulation (600/2014).

The PRA published a letter setting out the conclusions of its review of the use of the standardised initial margin methodology model by large banks.

The Financial Ombudsman Service published its annual complaints data for 2021/22.

## 27 June

The Treasury replied to a written question regarding the progression of the UK as an attractive location for the operation of cryptocurrency companies by confirming that we will see the regulation and aspects of tax treatment of cryptoassets evolve.

The FCA published a portfolio letter setting out its supervisory strategy for mainstream consumer credit lenders.

The FCA published a portfolio letter setting out its supervisory strategy for the debt advisory sector.

The FCA published a portfolio letter setting out its supervisory strategy for lifetime mortgage providers.

The FCA published a policy statement (PS22/7) on regulated fees and levies rates for 2022/23.

ESMA published a letter it has sent to the European Commission setting out an overview of the market for ESG rating providers in the EU that reflects the outcome of its call for evidence on the market characteristics of ESG rating providers.

The PRA published a letter to firms on the timetable for submitting internal model and standardised approach pre-applications relating to its implementation of the Basel 3.1 market risk reforms.

## 24 June

HM Treasury published a review of the UK's anti-money laundering and the countering of terrorist financing regime.

## 23 June

The FCA published an update to its data strategy, which highlights its progression in improving its use of data and plans to recognise and prevent harm sooner.

The FCA published an evaluation paper discussing the lessons learned following the conclusion of its digital sandbox sustainability pilot, which was directed at developing technological solutions for enabling transparency in environmental, social and governance disclosure and reporting.

The House of Lords European Affairs Committee published the first report of session 2022-23 on the UK-EU relationship in financial services.

The House of Commons Treasury Committee published a report on future parliamentary scrutiny of financial services regulations, following the UK's withdrawal from the EU.

## 22 June

The Council and European Parliament reached a provisional political agreement on the proposed corporate sustainability reporting Directive (CSRD).

## 21 June

EBA published four draft principles to support supervisory efforts in assessing the representativeness of COVID-19-impacted data for banks using internal ratings based models.

The PRA published a consultation paper (CP6/22) proposing a set of five principles for banks which the PRA considers to be key in establishing an effective model risk management framework.

## 20 June

The European Parliament's Economic and Monetary Affairs Committee adopted its report on the proposed regulation to amend the Regulation on European long-term investment funds ((EU) 2015/760).

## 17 June

The Council of the EU published its general approach to the proposed Directive amending the Alternative Investment Fund Managers Directive (2011/61/EU) (AIFMD).

## 16 June

The House of Commons Treasury Committee published its first report of session 2022-23 on the future of UK financial services regulation.

## 15 June

The Basel Committee on Banking Supervision published a set of principles for the effective management and supervision of climate-related financial risks, following its November 2021 consultation.

## 14 June

The European Parliament published a draft motion for a resolution containing details of an objection to a proposal by the European Commission for a Complementary Climate Delegated Act (C(2022) 631) whereby certain nuclear and natural gas energy activities may be included in the list of environmentally sustainable economic activities for the purposes of the EU Taxonomy Regulation ((EU) 2020/852).

The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2022 have been laid before the Parliament and published, together with an explanatory memorandum.

The FCA published a guidance consultation paper (GC22/2) on updated guidance for firms on branch and ATM closures and conversions.

## 13 June

The House of Commons European Scrutiny Committee launched a "Regulating after Brexit" inquiry looking at the opportunities and challenges associated with policy and law-making following Brexit.

## 10 June

The FCA published its quarterly consultation paper (CP22/10) on various changes to its Handbook of Rules and Guidance.

## 9 June

The European Commission published a letter sent to the European Supervisory Authorities regarding amendments to regulatory technical standards under the Sustainable Finance Disclosure Regulation (EU 2019/2088).

## 8 June

EBA published a consultation paper (CP/2022/07) relating to draft regulatory technical standards on the identification of a group of connected clients for the purposes of Article 4 of the Capital Requirements Regulation (575/2013/EU).

## 7 June

The Department for Business, Energy and Industrial Strategy published a letter on corporate sustainability due diligence from Lord Callanan, Minister for Business, Energy and Corporate Responsibility, to Darren Jones MP, Chair of the BEIS Committee.

## 6 June

Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology was published in the EU's Official Journal.

## 2 June

Three European Supervisory Authorities (namely, the EBA, the European Insurance and Occupational Pensions Authority and ESMA) published a statement clarifying aspects of the draft regulatory technical standards issued under the Sustainable Finance Disclosure Regulation (EU/2019/2088).

## 1 June

ESMA published a speech delivered by Verena Ross, ESMA Chair, at the Convention of the Federation of European Securities Exchanges.

**Related Professionals**

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