Proskauer

Regulation Round Up

Regulatory & Compliance on **April 2023**

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

Key developments in April 2023:

28 April

FCA Handbook: The Financial Conduct Authority ("**FCA**") published Handbook Notice 109, which sets out changes to the FCA Handbook made by the FCA board.

EMIR 3: The European Central Bank ("**ECB**") published an opinion (COM(2022) 697) on the legislative proposal amending EMIR (548/2012) to mitigate excessive exposures to third-country central counterparties ("**CCPs**") and improve the efficiency of EU clearing markets ("**EMIR 3**"), following requests from the European Parliament and Council of the EU.

27 April

CRD IV: The European Banking Authority ("**EBA**") published an opinion (EBA/Op/2023/03) on the European Commission's amendments relating to the final draft regulatory technical standards ("**RTS**") specifying supervisory shock scenarios, common modelling and parametric assumptions and what constitutes a large decline for the calculation of the economic value of equity and of the net interest income in accordance with Article 98(5a) of the CRD IV Directive (2013/36/EU) ("**CRD IV**").

LIBOR Transition: The Financial Stability Board ("**FSB**") published a statement encouraging market participants to make their final preparations for USD LIBOR transition.

26 April

Cryptoassets: The Council of the EU published an information note (8351/23) from its General Secretariat to its Permanent Representatives Committee ("**COREPER**") inviting COREPER to confirm its agreement to the European Parliament's first reading position on the proposed regulation on information accompanying transfers of funds and certain cryptoassets.

Market Conduct: The FCA published Issue 73 of Market Watch, its newsletter on market conduct and transaction reporting issues.

Fintech: The FCA published a speech by Emily Shepperd, FCA Chief Operating Officer and Executive Director of Authorisations, on how regulation can help the UK lead in Fintech.

Asset Management Taskforce: HM Treasury published a press release announcing it has re-established its Asset Management Taskforce, following the UK Government's announcement of its Edinburgh Reforms package, which aims to drive growth and competitiveness in the financial services sector.

25 April

Digital Assets: The FCA published a speech by Sarah Pritchard, FCA Executive Director of Markets and Executive Director of International, on the regulation of digital assets in the UK.

FCA/Treasury Committee Interaction: The House of Commons Treasury Committee published a letter from the FCA, responding to a number of questions on the work of the FCA.

CRR: EBA published a final report (EBA/RTS/2023/02) on draft RTS on the determination by originator institutions of the exposure value of synthetic excess spread under Article 248(4) of the Capital Requirements Regulation (575/2013) ("**CRR**").

24 April

CRD IV/IFD: The EBA published a consultation paper (EBACP/2023/08) on draft guidelines on the benchmarking of diversity practices including diversity policies and gender pay gap under CRD IV and the Investment Firms Directive ((EU) 2019/2034).

LDI: The FCA published guidance and recommendations for liability driven investment ("**LDI**") asset managers.

23 April

Securitisation: The EBA published a consultation on its draft guidelines on the criteria for on-balance-sheet securitisations to be eligible as simple, transparent and standardised securitisations under article 26 of the EU Securitisation Regulation (*2017/2402*).

21 April

Cryptoassets: The European Parliament published the provisional edition of the text of the legislative resolutions it adopted at first reading on the proposed regulation on markets in cryptoassets ("**MiCA**") (P9_TA(2023)0117) and the proposed regulation on information accompanying transfers of funds and certain cryptoassets. An accompanying press release was also published.

20 April

CRR: The European Commission adopted a Delegated Regulation (C(2023)2585) supplementing the CRR regarding RTS on the calculation of the own funds requirements for market risk for non-trading book positions subject to foreign exchange risk or commodity risk and the treatment of those positions for the purposes of the regulatory back-testing requirements and the profit and loss attribution requirement under the alternative internal model approach.

19 April

CSDR: The European Commission adopted a Delegated Regulation (C(2023) 2484 final) under the Central Securities Depositories Regulation (909/2014) ("**CSDR**") amending the RTS laid down in Commission Delegated Regulation (EU) 2018/1229 regarding the penalty mechanism for settlement fails relating to cleared transactions submitted by CCPs for settlement.

AML: The European Parliament has published a press release announcing that it has approved its negotiating mandates for three pieces of draft legislation relating to strengthening and modernising the EU anti-money laundering ("**AML**") and counter-terrorist financing framework.

CRR: Commission Delegated Regulation (EU) 2023/827 laying down regulatory RTS amending Delegated Regulation (EU) No 241/2014 as regards the prior permission to reduce own funds and the requirements related to eligible liabilities instruments under CRR was published in the Official Journal of the European Union.

18 April

BRRD: The European Commission published a legislative proposal that it has adopted for Directive-making targeted amendments to the Bank Recovery and Resolution Directive (2014/59/EU) ("**BRRD**") and the Single Resolution Mechanism Regulation (806/2014) concerning the minimum requirement for own funds and eligible liabilities (COM(2023) 229).

17 April

Insider Dealing: The draft Insider Dealing (Securities and Regulated Markets) Order 2023 was published. The draft instrument supplements the Criminal Justice Act 1993 to align the securities and markets on which the criminal offence of insider dealing can be committed under Part 5 of the CJA with those to which the UK Market Abuse Regulation applies.

Artificial Intelligence: The FCA published a speech given by Jessica Rusu, FCA Chief Data, Information and Intelligence Officer, on innovation, artificial intelligence ("**AI**") and the future of financial regulation.

14 April

ESG: The European Commission published an internal Commission Decision (C(2023) 2281 final) on the answers to be provided to questions relating to the application of the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("**SFDR**") submitted on 9 September 2022 by the European Supervisory Authorities ("**ESAs**") and amending Commission Decisions of 6 July 2021 and 13 May 2022.

12 April

ESG: The ESAs published a joint consultation paper (JC 2023 09) on proposed amendments to the RTS on content and presentation of principal adverse impacts ("**PAI**") and financial product disclosures in Commission Delegated Regulation (EU) 2022/1288, which supplements the SFDR.

5 April

FCA Business Plan: The FCA published its 2023/24 Business Plan, which sets out its business priorities for the year ahead.

ESG: the European Commission published a consultation on two proposed delegated regulations relating to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("**Taxonomy Regulation**")

3 April

Investment Research: HM Treasury published a call for evidence for the Investment Research Review.

LIBOR: The FCA announced its decision to require LIBOR's administrator, ICE Benchmark Administration Limited, to continue the publication of the one-, three- and six-month US dollar LIBOR settings for a short period after 30 June 2023 using a synthetic methodology.

Liquid Assets: The Bank of England and the Prudential Regulation Authority published a joint feedback statement (FS1/23) on supporting liquid asset usability in the context of the prudential liquidity framework.

Related Professionals

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