

Regulation Round Up

Regulatory & Compliance on **October 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 October 2023:

31 October

Fund Tokenisation: The Financial Conduct Authority (“**FCA**”) published a [press release](#) announcing that it has joined the Monetary Authority of Singapore’s Project Guardian, a collaborative initiative with the financial industry that explores fund and asset tokenisation use cases and decentralised finance.

Capital Requirements: The Prudential Regulation Authority (“**PRA**”) published a [discussion paper \(DP3/23\)](#) on capital requirements relating to securitisations.

Cryptoassets: The Committee on Payments and Market Infrastructures (“**CPMI**”) published a [report](#) on considerations for the use of stablecoin arrangements in cross-border payments.

Cryptoassets: HM Treasury published a [response](#) to its consultation paper on managing the failure of systemic digital settlement asset (including stablecoin) firms.

Market Abuse: The FCA published issue 75 of its Market Watch [newsletter](#), which sets out its observations on market soundings and minimising the risk of insider dealing and unlawful disclosure.

30 October

Cryptoassets: HM Treasury published a [response](#) to its consultation paper and call for evidence on the UK regulatory approach to cryptoassets.

Cryptoassets: HM Treasury [published an update](#) on its plans for the regulation of fiat-backed stablecoins.

27 October

FCA Handbook: The FCA published [Handbook Notice 113](#), which sets out changes to the FCA Handbook.

MiFID II / MiFIR: The European Securities and Markets Authority (“**ESMA**”) published an updated version of its [Q&As](#) on transparency topics under the Markets in Financial Instruments Directive (2014/65/EU) (“**MiFID II**”) and the Markets in Financial Instruments Regulation (600/2014) (“**MiFIR**”).

26 October

ECCTA: The Economic Crime and Corporate Transparency Act (“**ECCTA**”) received Royal Assent. Please refer to our dedicated article on this topic [here](#).

FCA Regulation Round-up: The FCA published its [regulation round-up](#) for October 2023.

AI: The PRA and FCA published a [feedback statement](#) (PRA FS2/23 / FCA FS23/6) on the use of artificial intelligence (“**AI**”) and machine learning in financial services, following their October 2022 [discussion paper](#) (PRA DP5/22 / FCA DP 22/4) on this topic.

25 October

Edinburgh Reforms: HM Treasury published a [letter](#) from Jeremy Hunt, Chancellor of the Exchequer, to Harriet Baldwin, Chair of the House of Commons Treasury Committee, providing a breakdown of progress in implementation of the Edinburgh Reforms.

ESG: ESMA published a [report](#) (ESMA32-992851010-1098) on a fact-finding exercise it has conducted on corporate reporting practices under the Taxonomy Regulation ((EU) 2020/852).

ESG: ESMA published a [report](#) on disclosures of climate-related matters in financial statements (ESMA32-1283113657-1041).

Cryptoassets: The FCA published a [statement](#) warning about common issues with cryptoasset marketing.

24 October

UK / EU Collaboration: HM Treasury published a [policy paper](#) setting out a joint statement with the European Commission on the first EU-UK Financial Regulatory Forum, which was held on 19 October 2023.

Bonus Cap: The PRA and the FCA jointly published a [policy statement](#) (PS9/23 / PS23/15) on the ratio between fixed and variable components of total remuneration (i.e. the " **Bonus Cap**").

Systemic Importance: The PRA published a [policy statement](#) (PS13/23) on updating binding technical standards in the on shored version of Commission Delegated Regulation (EU) No 1222/2014 on the methodology for identifying global systemically important institutions ("**G-SIIs**").

20 October

ESG: Two Commission Notices under the EU Taxonomy Regulation ((EU) 2020/852) and the EU Taxonomy Climate Delegated Act ((EU) 2021/2139) have been published in the Official Journal of the European Union ([here](#) and [here](#)).

Cryptoassets: The European Banking Authority ("**EBA**") and ESMA published a [joint consultation paper](#) on two sets of guidelines on suitability assessments of the management body and holders of qualifying holdings under the Regulation on markets in cryptoassets ((EU) 2023/1114) ("**MiCA**").

19 October

Cryptoassets Regulation: The EBA launched consultations ([here](#), [here](#), and [here](#)) on regulatory technical standards ("**RTS**") and guidelines under MICA.

Securitisation: [European Commission delegated regulation \(EU\) 2023/2175](#) supplementing the EU Securitisation Regulation ((EU) 2017/2402) with regard to RTS specifying in greater detail the risk retention requirements for originators, sponsors, original lenders and servicers has been published in the Official Journal of the European Union.

MiFID II / MiFIR: The Council of the EU published final compromise texts ([here](#) and [here](#)) for proposed amendments to MiFIR and MiFID II that reflect the provisional political agreement that was reached with the European Parliament in June 2023.

EBA Priorities: The EBA published its [Supervisory Examination Programme for 2024](#) (EBA/REP/2023/35).

17 October

Cryptoassets: The Basel Committee on Banking Supervision published a [consultation](#) (BCBS556) on banks' disclosure of cryptoasset exposures.

European Commission Priorities: The European Commission published its [Work Programme](#) for 2024 (COM(2023) 638 final).

International Competitiveness: The FCA published a [speech](#) given by Nikhil Rathi, FCA Chief Executive, in which he focused on the FCA's new secondary objective to support international competitiveness and growth over the medium to long term.

13 October

MiFID II / MiFIR: ESMA published an updated version of its [Q&As](#) on market structures under the MiFID II and the MiFIR.

ESG: The Financial Stability Board (“**FSB**”) published its [2023 progress report](#) on climate-related disclosures.

12 October

ESG: The EBA published a [report](#) on the role of environmental and social risks in the prudential framework (EBA/REP/2023/34).

TCFD: The Task Force on Climate-related Financial Disclosures (“**TCFD**”) published its [sixth and final status report](#).

Asset Management Regulation: The FCA published a [speech](#) by Ashley Alder, FCA Chair, on its priorities for updating and improving the UK regime for asset managers.

11 October

EURIBOR: The European Money Markets Institute published a [consultation paper](#) on proposed changes to the hybrid methodology for EURIBOR.

Financial Stability: The FSB published its [2023 annual report](#) on promoting global financial stability.

10 October

ESG: The European Parliament's Economic and Monetary Affairs Committee published a [draft report](#) on the European Commission's legislative proposal for a Regulation on the transparency and integrity of ESG rating activities.

Market-Based Finance: The Bank of England published a [Financial Stability in Focus](#) publication setting out the approach of the Financial Policy Committee (“**FPC**”) to assessing risks in market-based finance and the ways it intends to develop this approach.

Financial Policy Committee: The Bank of England published the [financial policy summary and record](#) of the meetings of its FPC on 26 September and 5 October 2023.

09 October

ESG: The UK Transition Plan Taskforce published its [final disclosure framework](#) for climate transition plans and accompanying implementation guidance. Please refer to our dedicated article on this topic [here](#).

Payments: The FSB published a [consolidated progress report](#) for 2023 on the G20 roadmap for enhancing cross-border payments, together with a key performance indicators monitoring report.

06 October

AI: The FCA published a [speech](#) by Jessica Rusu, FCA Chief Data, Information and Intelligence Officer on AI in financial services.

05 October

Securities Settlement: ESMA published a [call for evidence](#) on the potential impact of shortening the securities settlement cycle.

Cryptoassets: ESMA launched a [consultation](#) on its second set of RTS and implementing technical standards (“**ITS**”) under MICA

ESG: The Green Technical Advisory Group published a [report](#) on creating an institutional home for the UK green taxonomy.

PRIIPS: The European Parliament's Economic and Monetary Affairs Committee published a [draft report](#) (PE753.665v01-00) on the European Commission's legislative proposal for amendments to the Regulation on key information documents for packaged retail and insurance-based investment products (1286/2014) ("**PRIIPs Regulation**").

Retail Investment Protection: The European Parliament's Economic and Monetary Affairs Committee published a [draft report](#) (PE753.711v01-00) on the European Commission's legislative proposal for a Directive on retail investment protection (2023/0167(COD)).

03 October

ESG / MiFID II: ESMA [announced](#) that in 2024, it will launch and carry out a common supervisory action with national competent authorities on the integration of sustainability in firms' suitability assessment and product governance processes and procedures under MiFID II.

02 October

ESG: ESMA published a trends, risks and vulnerabilities [risk analysis report](#) (ESMA50-524821-2931) on ESG names and claims in the EU funds industry.

AI: The International Regulatory Strategy Group ("**IRSG**") [published its response](#) to the AI [white paper](#) that was published by the Department for Science, Innovation and Technology, and Office for Artificial Intelligence in March 2023.

UK / US Collaboration: HM Treasury published a [joint statement](#) by the UK-US Financial Regulatory Working Group following its eighth meeting, which took place on 6 September 2023.

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