Proskauer

Regulation Round Up

Regulatory & Compliance on **January 2024**

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

Key developments in January 2024:

31 January

UK Securitisation Regime: HM Treasury published The Securitisation Regulations 2024 , together with an explanatory memorandum.

Cryptoassets: The House of Commons Treasury Committee published a report setting out the response of HM Treasury and the Bank of England to the committee's report on the digital pound.

30 January

UK Prospectus Regime: The Public Offers and Admissions to Trading Regulations 2024 were published. The regulations were made on 29 January, 2024. The regulations will replace retained EU law relating to the prospectus regime and create a UK framework for public offers and admissions to trading.

Regulatory Enforcement: The Bank of England and the Prudential Regulation Authority ("**PRA**") published a policy statement (PS1/24) on their approach to enforcement.

ESG: The European Central Bank ("**ECB**") published a press release announcing that it is expanding its work on climate change.

FinTech: The European Banking Authority ("**EBA**") published a speech on FinTech and the EBA's thematic priorities relating to digital finance.

Conduct / Reporting: The Financial Conduct Authority ("**FCA**") published Issue 76 of Market Watch, its newsletter on market conduct and transaction reporting issues.

Overseas Funds Regime: The House of Commons published a written statement by Bim Afolami, Economic Secretary to HM Treasury, on the overseas funds regime ("**OFR**") and the UK's equivalence assessment of EEA states.

29 January

Cryptoassets: The European Securities and Markets Authority ("**ESMA**") published a consultation paper (ESMA35-1872330276-1619) on draft guidelines on reverse solicitation under the Regulation on markets in cryptoassets ((EU) 2023/1114) ("**MiCA**").

Cryptoassets: ESMA launched a consultation (ESMA75-453128700-52) on draft guidelines on the conditions and criteria for the qualification of cryptoassets as financial instruments under MiCA.

ESG: The EU Platform on Sustainable Finance published a report containing a compendium of market practices, examining how the EU taxonomy and sustainable finance framework are helping financial and non-financial actors transition to net zero.

26 January

FCA Handbook: The FCA published Handbook Notice 115, which sets out changes to the FCA Handbook made by the FCA board on 14 December, 2023 and 10 and 25 January, 2024.

25 January

Ring-Fencing Regime: HM Treasury published a report by the PRA, setting out the conclusions of its review of its rules on ring-fencing, which was conducted throughout 2023.

Cryptoassets: The Bank of England and HM Treasury published a response to their joint consultation paper setting out their assessment of the case for a retail central bank digital currency.

24 January

Consumer Technology: The FCA published a speech by Nikhil Rathi, FCA Chief Executive, on making consumer technology a force for good.

Financial Stability Board: The Financial Stability Board published its work programme for 2024.

23 January

AML: The Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) Regulations 2024 (SI 2024/69) have been made and came into force on 23 January, 2024. The Regulations make amendments to section 33(3)(a) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) by amending the definition of "high-risk third country."

ESG: The Network for Greening the Financial System ("**NGFS**") published a technical document on the NGFS scenarios, providing information on their purpose, use cases and guidance on where institutional adaptations are required.

ESG: The ECB published a report on the results of an assessment of the alignment of the EU banking sector with the EU climate objectives, together with a related blog post by Frank Elderson, ECB Executive Board Member and Supervisory Board Vice-Chair.

22 January

ESMA consultations: ESMA published a table providing an overview of the consultations it has planned for 2024.

18 January

AML: The European Commission published Commission Delegated Regulation (EU) 2024/163, removing the Cayman Islands from the EU AML "blacklist" from 7 February, 2024.

ESG: The EBA published a consultation paper (EBA/CP/2024/02) setting out draft guidelines on the management of ESG risks under Article 87a(5) of the CRD IV Directive (2013/36/EU) as amended by the proposed CRD VI Directive (2021/0341(COD)).

Capital Requirements: The EBA published a consultation paper (EBA/CP/2024/03) proposing amendments to Commission Implementing Regulation (EU) 2016/2070 on the benchmarking of credit risk, market risk and IFRS9 models for the 2025 benchmarking exercise under the CRD IV Directive (2013/36/EU) (CRD IV).

AML: The Council of the EU and the European Parliament have reached a political agreement on the proposed AML Regulation and the proposed Sixth Money Laundering Directive.

16 January

Capital Requirements: The EBA published a consultation paper (EBA/CP/2024/001) on targeted amendments to Commission Delegated Regulation (EU) 2016/10, which sets out requirements for the prudent valuation of fair-valued financial instruments and was developed under the Capital Requirements Regulation (575/2013) ("**CRR**").

Market Data and Trade Transparency: The European Parliament announced that it has adopted at first reading the proposed amendments to the Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") (2021/0385 (COD)) and the Markets in Financial Instruments Directive (2014/65/EU) ("**MiFID II**") (2021/0384 (COD)), which were introduced primarily to improve access to market data and trade transparency.

15 January

Investment-Based Crowdfunding: The FCA published a portfolio strategy letter for firms that are active in the investment-based crowdfunding market.

12 January

ESG: The Joint Committee of the ESAs published an updated version of its Q&As (JC 2023 18) on the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("**SFDR**") and on Commission Delegated Regulation (EU) 2022/1288, which supplements the SFDR with regard to RTS on content and presentation of information.

11 January

Special Resolution Regime: HM Treasury published a consultation paper setting out the government's proposals to enhance and keep up to date the UK's special resolution regime.

Algorithmic Trading: ESMA launched a common supervisory action with national competent authorities to assess the implementation of pre-trade controls by investment firms using algorithmic trading techniques.

10 January

FCA Rule Review Framework: The FCA published the final version of its Rule Review Framework.

AML: HM Government published guidance to set out the government position on money laundering reporting obligations in the Proceeds of Crime Act 2002, as amended by the Economic Crime and Corporate Transparency Act 2023.

Special Resolution Regime: HM Treasury published the Code of Practice for the special resolution regime for central counterparties under Schedule 11 to the Financial Services and Markets Act 2023.

09 January

Capital Requirements: The EBA published a final report on RTS ITS on supervisory colleges under the CRD IV Directive (2013/36/EU).

08 January

Trade Transparency: ESMA published an updated version of its manual (ESMA74-2134169708-6870) on post-trade transparency under MiFID II and MiFIR.

Trade Transparency: ESMA published an updated version of its opinion (ESMA70-155-6641) on the assessment of pre-trade transparency waivers for equity and non-equity instruments under MiFIR.

02 January

ESG: Commission Delegated Regulation (EU) 2023/2772 of 31 July, 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards to support the Corporate Sustainability Reporting Directive 2022 ((EU) 2022/2464) was published in the Official Journal of the European Union.

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