Proskauer

Regulation Round Up

Regulatory & Compliance on **March 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 March 2024:

28 March

FCA Regulation Round-up: The FCA published its regulation round-up for March 2024.

26 March

AIFMD II: Directive (EU) 2024/927 amending the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**") and the UCITS Directive (2009/65/EC) ("**UCITS Directive**") relating to delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services, and loan origination by alternative investment funds has been published in the Official Journal of the European Union ("**EU**"). Please refer to our dedicated article on this topic here.

ELTIFs: The European Commission published a Communication to the Commission explaining that it intends to adopt, with amendments, ESMA's proposed regulatory technical standards ("**RTS**") under Regulations 9(3), 18(6), 19(5), 21(3) and 25(3) of the Regulation on European Long-Term Investment Funds ((EU) 2015/760) as amended by Regulation (EU) 2023/606.

Financial Promotions: The FCA published finalised guidance (FG24/1) on financial promotions on social media.

Cryptoassets: The Investment Association ("**IA**") published its second report on UK fund tokenisation written by the technology working group to HM Treasury's asset management taskforce.

25 March

Cryptoassets: ESMA published a final report (ESMA75-453128700-949) on draft technical standards specifying requirements for co-operation, exchange of information and notification between competent authorities, European Supervisory Authorities and third countries under the Regulation on markets in cryptoassets ((EU) 2023/1114) ("**MiCA**").

PRIIPS Regulation: the European Parliament's Economic and Monetary Affairs Committee ("**ECON**") published the report (PE753.665v02-00) it has adopted on the European Commission's legislative proposal for a Regulation making amendments to the Regulation on key information documents ("**KIDs**") for packaged retail and insurance-based investment products (1286/2014) ("**PRIIPs Regulation**") (2023/0166(COD)).

Alternative Investment Funds: The FCA published the findings from a review it carried out in 2023 of alternative investment fund managers that use the host model to manage alternative investment funds.

AIFMD: Four Delegated and Implementing Regulations concerning cross-border marketing and management notifications relating to the UCITS Directive and the AIFMD have been published in the Official Journal of the European Union (here, here, here, and here).

22 March

Smarter Regulatory Framework: HM Treasury published a document on the next phase of the Smarter Regulatory Framework, its project to replace assimilated law relating to financial services.

21 March

Market Transparency: ESMA published a communication on the transition to the new rules under the Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") to improve market access and transparency.

Retail Investment Package: ECON published a press release announcing it had adopted its draft report on the proposed Directive on retail investment protection (2023/0167(COD)). The proposed Directive will amend the MiFID II Directive (2014/65/EU) ("**MiFID II**"), the Insurance Distribution Directive ((EU) 2016/97), the Solvency II Directive (2009/138/EC), the UCITS Directive and the AIFMD.

19 March

ESG: The Council of the EU proposed a new compromise text for the Corporate Sustainability Due Diligence Directive, on which political agreement had previously been reached in December 2023.

FCA Business Plan: The FCA published its 2024/25 Business Plan, which sets out its business priorities for the year ahead.

15 March

Customer Duty: The FCA announced that it is to conduct a review into firms' treatment of customers in vulnerable circumstances.

PRIIPS Regulation: The Joint Committee of the European Supervisory Authorities published an updated version of its Q&As (JC 2023 22) on the key information document requirements for packaged retail and insurance-based investment products ("**PRIIPs**"), as laid down in Commission Delegated Regulation (EU) 2017/653.

14 March

FCA Regulatory Approach: The FCA published a speech given by Nikhil Rathi, FCA Chief Executive, on its regulatory approach to deliver for consumers, markets and competitiveness and its shift to outcomes-focused regulation.

11 March

AML: HM Treasury launched a consultation on improving the effectiveness of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692). The consultation runs until 9 June 2024 and covers four distinct areas.

08 March

ESG: The IA published a report on insights and suggested actions for asset managers following the commencement of reporting obligations of climate-related disclosures under the ESG sourcebook.

ESG: The House of Commons Treasury Committee published a report on the findings from its "Sexism in the City" inquiry.

Cryptoassets: The EBA published a consultation paper (EBA/CP/2024/09) on draft guidelines on redemption plans under Articles 47 and 55 of the MiCA.

05 March

Financial Sanctions: The Foreign, Commonwealth and Development Office published Post-Legislative Scrutiny Memorandum: Sanctions and Anti-Money Laundering Act 2018.

AML: The FCA published a Dear CEO letter sent to Annex I financial institutions concerning common control failings identified in anti-money laundering (AML) frameworks.

ESG: The European Commission adopted a delegated regulation supplementing the Securitisation Regulation ((EU) 2017/2402) with regard to regulatory technical standards specifying, for simple, transparent and standardised non-ABCP traditional securitisation, and for simple, transparent and standardised on-balance-sheet securitisation, the content, methodologies and presentation of information related to the principal adverse impacts of the assets financed by the underlying exposures on sustainability factors.

CRD IV: The European Commission adopted a Commission Implementing Regulation that amends Commission Implementing Regulation (EU) 650/2014 containing ITS on supervisory disclosure under the CRD IV Directive (2013/36/EU) ("**CRD IV**").

01 March

Alternative Investment Funds: The FCA published a portfolio letter providing an interim update on its supervisory strategy for the asset management and alternatives portfolios.

Corporate Transparency: The Economic Crime and Corporate Transparency Act 2023 (Commencement No. 2 and Transitional Provision) Regulations 2024 (SI 2024/269) have been made and published.

Financial Sanctions: The Treasury Committee launched an inquiry into the effectiveness of financial sanctions on Russia.

EMIR: The FCA published a consultation paper in which it, together with the Bank of England, seeks feedback on draft guidance in the form of Q&As on the revised reporting requirements under Article 9 of UK EMIR (648/2012).

FCA Handbook: The FCA published Handbook Notice 116 (dated February 2024), which sets out changes to the FCA Handbook made by the FCA board on 29 February 2024.

FCA Handbook: the FCA published its 43rd quarterly consultation paper (CP24/3), inviting comments on proposed changes to a number of FCA Handbook provisions.

Related Professionals

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