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# Regulation Round Up

**Regulatory & Compliance** on **April 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 April 2024:

### 30 April

**Financial Markets Infrastructure:** The Bank of England published a speech by Sasha Mills, Executive Director, Financial Market Infrastructure, on operational resilience and its expectations of financial market infrastructures ("**FMIs**").

### 29 April

**Liability Driven investing**: ESMA published technical advice to the national competent authorities in Ireland and Luxembourg on their imposition of an investment restriction on alternative investment fund managers established in Ireland and Luxembourg and managing GBP-denominated alternative investment funds that are pursuing a liability-driven investment funding strategy.

**UK / Switzerland Cooperation**: The House of Lords International Agreements Committee published a report on the UK-Switzerland agreement on the mutual recognition of financial services – the Berne Financial Services Agreement.

### 26 April

**UK Listing Reform**: The Financial Conduct Authority ("**FCA**") published its 48th Primary Market Bulletin, a special edition that consults on proposed changes to the FCA Knowledge Base in relation to the listing regime.

**Edinburgh Reforms**: HM Treasury published a detailed response (HC 723) to the House of Commons Treasury Committee's December 2023 report on the progress of the Edinburgh reforms.

**FCA Handbook**: The FCA published Handbook Notice 118, which sets out changes to the FCA Handbook made by the FCA board on 28 March 2024 and 25 April 2024.

**Public Investigations**: The FCA published its response to the House of Lords Financial Services Regulation Committee's letter criticising the FCA's proposal to publicise the identity of firms under investigation.

### 25 April

**MiFID II**: The European Parliament formally adopted at first reading a Regulation of the European Parliament and of the Council amending the EU Prospectus Regulation, the EU Market Abuse Regulation and EU MiFIR and a Directive of the European Parliament and of the Council amending MiFID II and repealing the Listing Directive. After lawyer-linguist review is completed and the new Parliament confirms the texts, the Council of the EU will adopt the finalised Regulation and Directive at a subsequent meeting in the Autumn.

**Financial Crime**: The FCA published a consultation paper (CP24/9) on proposed changes to its Financial Crime Guide: A firm's guide to countering financial crime risks in relation to sanctions, proliferation financing and transaction monitoring.

**FCA Reg Round-up**: The FCA published its regulation round-up for April 2024, which includes items on the consumer duty and changes to Form A and the SUP 15 notification form.

**ESG**: The European Parliament published a press release announcing that it had formally adopted the final text of the Corporate Sustainability Due Diligence Directive ("**CSDDD**").

**EMIR 3.0:** The European Parliament published a press release announcing that it had voted in plenary to adopt the proposed Regulation amending EMIR (648/2012) intended to mitigate excessive exposures to third-country central counterparties and improve the efficiency of EU clearing markets ("**EMIR 3.0**").

**ESG**: The European Parliament adopted the proposed Regulation on the transparency and integrity of environmental, social and governance rating activities (2023/0177(COD)).

**CRD III / CRD VI:** The European Parliament published a press release announcing that it had voted in plenary to adopt the proposed Regulation amending the Capital Requirements Regulation (575/2013) as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor ("**CRR III Regulation**"), and the proposed Directive amending the CRD IV Directive (2013/36/EU) as regards supervisory powers, sanctions, third-country branches and ESG risks ("**CRD VI Directive**").

### 23 April

**ESG**: The FCA published finalised guidance (FG24/3) on its new anti-greenwashing rule. Please refer to our dedicated article on this topic here.

**ESG:** The FCA published its consultation paper (CP24/8) on the extension of its Sustainability Disclosure Requirements to portfolio managers. Please refer to our dedicated article on this topic here.

**Private Equity Financing**: The Prudential Regulation Authority ("**PRA**") published a letter sent to bank chief risk officers concerning the outcome of the PRA's thematic review of private equity-related financing activities. It has also published a speech by Rebecca Jackson, Executive Director, Authorisations, Regulatory Technology and International Supervision, on the thematic review.

**Artificial Intelligence**: The Bank of England and the PRA have sent a joint letter to Michelle Donelan, Secretary of State for Science, Innovation and Technology, and Bim Afolami, Economic Secretary to the Treasury and City Minister, on their strategic approach to artificial intelligence ("**AI**").

### 22 April

**Financial Stability / Private Equity**: The Bank of England published a speech by Nathanaël Benjamin, Executive Director for Financial Stability Strategy and Risk, focusing on how the private equity market has grown in size, complexity and interconnectedness.

**ELTIF 2.0**: ESMA published an opinion on RTS under the Regulation on European Long-Term Investment Funds ((EU) 2015/760), as amended by Regulation (EU) 2023/606 ("**ELTIF 2.0**"). Please refer to our dedicated article on this topic here.

**Artificial Intelligence**: The FCA responded to the government's February 2024 response to the results of its consultation on its AI white paper.

**Cryptoassets**: The FCA published a speech by Nikhil Rathi, FCA Chief Executive, on navigating the UK's digital regulation landscape.

**18 April**

**Regulatory Cooperation:** HM Treasury published an updated memorandum of understanding between the Bank of England (exercising its prudential functions) and the FCA.

**17 April**

**ESG**: The Network for Greening the Financial System published three reports (here, here and here) on transition plans. The reports explore the role of transition plans in enabling the financial system to mobilise capital, manage climate-related financial risks and consider the relevance of transition plans to micro-prudential supervision.

**16 April**

**FCA Authorisation:** The FCA published a new webpage setting out common errors made by asset managers when applying for authorisation.

**12 April**

**IOSCO Workplan:** International Organization of Securities Commissions ("**IOSCO**") published its updated workplan March 2024 to March 2025.

**11 April**

**PRA Business Plan:** PRA published its Business Plan for 2024/25, which sets out the workplan to support delivery of its strategic priorities for the coming year as well as an overview of its budget for 2024/25.

**Investment Firms Regulation**: The EBA published a final report (EBA/GL/2024/03) on guidelines on the application of the group capital test for investment firm groups under the Investment Firms Regulation ((EU) 2019/2033) ("**IFR**").

**10 April**

**Investment Research**: The FCA published a consultation paper (CP24/7) on a new way of paying for investment research.

### 09 April

**ESG**: The UK Transition Plan Taskforce published guidance on seven sector deep dives, sector summary guidance and supporting resources.

**FCA Market Watch**: The FCA published Issue 78 of Market Watch, which sets out some of its recent supervisory observations covering the completeness and accuracy of instrument reference data.

### 08 April

**Ring-fencing**: The Financial Markets Law Committee published a report on the proposed smarter ring-fencing regime.

### 04 April

**ESG**: The EU Platform on Sustainable Finance published an intermediate report on monitoring capital flows to sustainable investment.

**Cryptoassets**: ESMA published a letter (ESMA75-117376770-460) from Verena Ross, ESMA Chair, to Mairead McGuinness, European Commissioner for Financial Services, Financial Stability and Capital Markets Union, on the implementation of the Regulation on a pilot regime for market infrastructures based on distributed ledger technology ((EU) 2022/858).

### 03 April

**Cryptoassets**: The Bank of England and the FCA jointly published a consultation paper (CP24/5) on their proposed approach to implementing and operating the Digital Securities Sandbox.

**Retail Investments**: The European Parliament's Economic and Monetary Affairs Committee published the text of its report (A9-0162/2024) on the proposed directive on retail investment protection.

### 02 April

**FCA Handbook**: The FCA published Handbook Notice 117, which sets out changes to the FCA Handbook made by the Executive Regulation and Policy Committee of the FCA on 4 March 2024 and the FCA board on 28 March 2024.

## Related Professionals

- **John Verwey**
  Partner
- **Andrew Wingfield**
  Partner
- **Mary Wilks**
  Partner
- **Oliver R. Howley**
  Partner
- **Richard Bull**
  Partner
- **Rachel E. Lowe**
  Partner
- **Sulaiman I. Malik**
  Associate
- **Michael Singh**
  Associate