Proskauer

Regulation Round Up

Regulatory & Compliance on **May 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 May 2024:

31 May

ESG: The Financial Conduct Authority ("**FCA**") updated its webpage on the sustainability disclosure requirements ("**SDR**") and investments labelling regime. Among other things, the webpage has been updated to reflect that the anti-greenwashing rule and guidance has now come into force. Please refer to our dedicated article on this topic here.

30 May

Artificial Intelligence: The European Securities and Markets Authority ("**ESMA**") published a public statement (ESMA35-335435667-5924) on the use of artificial intelligence in the provision of retail investment services.

AML: The Council of the EU published a press release announcing that it has adopted the Regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("**AML Regulation**"), the Regulation establishing the Anti-Money Laundering Authority ("**AMLA Regulation**") and the Sixth Money Laundering Directive ("**MLD6**").

29 May

Market Abuse: ESMA has published a statement on good practices in relation to pre-close calls (that is, communication sessions between an issuer and analysts usually taking place immediately before the periods preceding an interim or a year-end financial report during which issuers refrain from providing any additional information or updates).

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

ESMA Priorities: ESMA published a letter from Verena Ross, ESMA Chair, to John Berrigan, Director General of the European Commission's Directorate Financial Services, Financial Stability and Capital Markets Union setting out a set of deliverables that could be de-prioritised or postponed.

24 May

Securitisation: The Securitisation Amendment Regulations 2024 (SI 2024/705) (Amendment Regulations) were published on legislation.gov.uk.

ESG: The Council of the EU formally adopted the final text of the Corporate Sustainability Due Diligence Directive.

Public Enforcement Investigations: The House of Lords Financial Services Regulation Committee published a letter summarising its concerns about the FCA's consultation proposals to publicise enforcement investigations (CP24/2).

23 May

FCA Handbook: The FCA published Handbook Notice 119, which sets out changes to the FCA Handbook made by the FCA board on 25 April 2024 and 23 May 2024.

MiFID II: ESMA published a consultation paper on proposed amendments to certain technical standards for commodity derivatives under Directive (EU) 2024/790 amending the MiFID II Directive (2014/65/EU).

MiFIR: ESMA published a consultation paper (ESMA74-2134169708-7225) on draft technical standards relating to consolidated tape providers and data reporting service providers under Regulation (EU) 2024/791 amending the Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow.

Asset Management Supervision: Ashley Alder, the Chair of the FCA, delivered a speech which outlined the regulator's agenda for the asset management sector. Please refer to our dedicated article on this topic here.

22 May

Primary Markets: The FCA published Primary Market Bulletin 49.

CRD VI / CRR III: The Council of the EU published a press release announcing that it has adopted the proposed Directive amending the CRD IV Directive (2013/36/EU) as regards supervisory powers, sanctions, third-country branches and ESG risks ("**CRD VI**") and 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**").

Capital Markets: ESMA published a position paper on building more effective and attractive capital markets in the EU that contains recommendations for legislative and regulatory reforms intended to strengthen EU capital markets and address the needs of European citizens and businesses.

Non-Bank Financial Intermediaries: The European Commission launched a targeted consultation on macro-prudential policies for non-bank financial intermediaries.

21 May

FinTech / Artificial Intelligence: The Bank of England published a speech by Randall Kroszner, an external member of the Bank of England's Financial Policy Committee, on balancing the productivity opportunities of FinTech and AI against the potential risks.

17 May

ESG: HM Treasury, the Department for Energy Security and Net Zero, the Department for Business and Trade and the Department for Environment, Food and Rural Affairs have published an implementation update relating to economy-wide sustainability disclosure requirements.

16 May

ESG: The Department for Business and Trade published a framework and terms of reference for the development of UK Sustainability Reporting Standards.

Financial Promotions: The FCA issued a press release announcing it has brought charges against nine individuals in relation to the alleged promotion on social media of an unauthorised foreign exchange trading scheme.

Digitalisation: The Basel Committee on Banking Supervision published a report (BCBS575) on the digitalisation of finance.

Consumer Duty: The FCA published Dear CEO letters on implementing the Consumer Duty for closed products and services, which it sent to firms in a number of sectors.

15 May

Capital Markets: The Eurogroup published a press release announcing that, at a meeting on 13 March 2024, it agreed to a high-level roadmap for follow-up to its March 2024 statement on the future of the capital markets union.

14 May

ESG: ESMA published a final report (ESMA34-472-440) on guidelines on funds' names using ESG or sustainability-related terms. Please refer to our dedicated to our dedicated article on this topic here.

ESG: The House of Commons Treasury Committee published a report containing responses from HM Treasury, the PRA and the FCA to the recommendations set out in its report following its “Sexism in the City” inquiry.

10 May

Digitalisation: The European Commission published a letter sent by Mairead McGuinness, European Commissioner for Financial Services, Financial Stability and Capital Markets Union, to Verena Ross, ESMA Chair, on implementation of the Regulation on a pilot regime for market infrastructures based on distributed ledger technology ((EU) 2022/858).

9 May

Market Abuse: The FCA published issue 79 of Market Watch, in which it considers market abuse surveillance failures.

8 May

International Competitiveness: The House of Lords Financial Services Regulation Committee published a press release announcing the launch of an inquiry into the FCA's and PRA's secondary objective of facilitating the UK economy's growth and international competitiveness.

Public Enforcement Investigations: The House of Commons Treasury Committee published a letter (dated 1 May) it has sent to the FCA raising questions in relation to the FCA's consultation proposals to publicise enforcement investigations (CP24/2).

7 May

Cryptoassets: The EBA published final reports containing three sets of final draft RTS and one set of final draft implementing technical standards ("**ITS**") under the Regulation on markets in cryptoassets ((EU) 2023/1114) ("**MiCA**").

Artificial Intelligence: The Bank of England published a speech given by Jonathan Hall, Financial Policy Committee External Member, on how developments in AI could affect financial stability.

3 May

ESG: The European Commission published a summary of the 2023 consultation on the EU Sustainable Finance Disclosure Regulation ((EU) 2019/2088). Please refer to our dedicated article on this topic here.

2 May

UK EMIR: The Bank of England published a document on Q&As on the revised reporting requirements under Article 9 of UK EMIR (648/2012) that it has developed jointly with the FCA.

Cryptoassets: A corrigendum amending MiCA has been published in the Official Journal of the European Union.

1 May

Overseas Funds Regime: HM Treasury and the FCA have jointly issued a roadmap for implementing the overseas funds regime ("**OFR**") for certain EEA funds.

Sanctions: The Office of Financial Sanctions Implementation ("**OFSI**") published FAQs on UK financial sanctions.

Securitisation: The FCA published a policy statement and final new securitisation rules (PS24/4) to replace the firm-facing provisions of the UK Securitisation Regulation. PS24/4 includes a legal instrument entitled the Securitisation (Smarter Regulatory Framework and Consequential Amendments) Instrument 2024.

Securitisation: The PRA published a policy statement (PS7/24) and its final new securitisation rules to replace retained EU law requirements in the UK Securitisation Regulation, for which it has supervisory responsibility.

For further information, please reach out to the Proskauer UK Regulatory team.

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