

European Regulatory Timeline 2020

Key regulatory developments impacting UK and European financial services firms

	Date in Force	Regulatory Development	Commentary
January 2020	10 January 2020	Financial Crime Fifth Money Laundering Directive ("MLD5") to be implemented by EEA Member States, including the UK.	MLD5 contains a series of amendments to the fourth money laundering directive ("MLD4"), which strengthen the rules to protect against money laundering, terrorist financing and increase the transparency of financial transactions.
	10 January 2020	FinTech & Financial Crime The FCA will become the anti-money laundering and counter terrorist financing supervisor of UK cryptoasset businesses.	All UK cryptoasset businesses carrying on activities which are in scope of the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), are required to register with the FCA from 10 January 2020.
	31 January 2020	Brexit UK is scheduled to leave the EU on this date (subject to any further extensions) that may be agreed between the UK and the EU.	Upon leaving the EU, the UK is scheduled to enter into an "implementation period" from 1 February 2020 for 11 months.
March 2020	14 March 2020	FinTech Payments Certain firms will be required to implement strong customer authentication for online banking.	<p>The Payment Services Regulations 2017 ("PSRs") sets out rules in relation to strong customer authentication ("SCA"), which are intended to enhance the security of payments and limit fraud during this authentication process.</p> <p>As part of this, some firms have until 14 March 2020 to implement SCA for online banking.</p>
April 2020	1 April 2020	Funds Delegated Regulations clarifying depositaries' safe-keeping obligations under the AIFMD and UCITS Directives will start to apply.	<p>The Delegated Regulations:</p> <ul style="list-style-type: none"> • specify depositaries' duties in relation to safekeeping of AIFs / UCITS assets; • require that where a depositary delegates safe-keeping functions to third parties (custodians) the assets also need to be segregated at the level of the delegate; and • how the relevant obligations will be fulfilled.
	11 April 2020	Securities Financing Transactions Regulation (SFTR) First phase of reporting to go live.	First phase of reporting provisions for securities financing transactions, to commence on 11 April 2020.
	19 April 2020	FinTech & Payments The Transparency rules in relation to card-based payments and credit transfers will apply.	Regulation 2019/518 was adopted in March 2019 which amends the rules relating to certain charges on cross-border payments in the EU and currency conversion charges. As part of this, new transparency rules have been introduced, including rules in relation to card-based payments and credit transfers which will apply from 19 April 2020.
June 2020	18 June 2020	EMIR Mandatory reporting introduced for NFC-s by FC's and by AIFM or UCITS management companies under EMIR Refit.	<p>The EMIR Refit Regulation was introduced in June 2019 and while some requirements were immediately introduced, others will take effect in 2020.</p> <p>From 18 June 2020, FCs entering into OTC derivatives with NFC-s will be required to report the transactions on behalf of the NFC- unless the NFC-elects in advance to make its own report. EU fund managers will also be required to report on behalf of funds from that date.</p>
July 2020	10 July 2020	Financial Crime EEA Member States required to apply anonymous pre-paid card requirements.	EEA Member States required to apply Article 23(3) of the fourth money laundering directive ("MLD 4") (as amended by MLD 5), in relation to anonymous pre-paid cards.
	11 July 2020	SFTR SFTR reporting requirements commence for central counterparties ("CCPs") and central securities depository ("CSD") firms.	Further reporting requirements under the SFTR are being phased in on this date.
	21 July 2020	Prospectus Regulation Grandfathering period ends.	The Prospectus Regulation repeals the Prospectus Directive, though the requirements to comply with the new regime for existing prospectuses will apply from the end of the grandfathering period.

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September 2020	3 September 2020	Shareholder Rights Directive II The Shareholder Rights Directive II ("SRD II") must be complied with in full.	The first phase of SRD II was implemented in June 2019 and the remaining requirements are to be implemented on 3 September 2020.
	30 September 2020	Funds ESMA guidelines on liquidity stress testing in UCITS and AIFs will start to apply.	ESMA issued guidelines in September 2019 in relation to liquidity stress tests of investment funds. These will apply from 30 September 2020
October 2020	10 October 2020	FinTech & Financial Crime Deadline for cryptoasset firms to complete FCA applications for registration under the MLRs 2017 (as amended).	Cryptoassets businesses are able to submit applications for registration under amended MLRs 2017 to the FCA. The deadline to do this is 10 October 2020 for the applications to be determined by 10 January 2021
	11 October 2020	SFTR Reporting requirements commence for other financial counterparties (including UCITS and AIFs).	Further reporting requirements under the SFTR are being phased in.
December 2020	December 2020 (or Q4 2020)	IFR/IFD The European Banking Authority ("EBA") is expected to finalise the first sets of draft regulatory technical standards under the Investment Firms Directive ("IFD") and Investment Firms Regulation ("IFR").	The IFR and IFD are expected to be implemented by Member States from June 2021. The new regime will establish a revised framework for prudential requirements for EU investment firms.
	7 December 2020	SMCR Senior Managers Regime comes into force for benchmark administrators.	Firms that carry on benchmark administration will become subject to the FCA's Senior Managers Regime as of 7 December 2020.
	9 December 2020	SMCR FCA solo-regulated firms to certify relevant employees and train non-SMCR staff on conduct rules.	Under the grandfathering provisions of the SMCR, FCA solo-regulated firms are required to complete fitness and propriety assessments and certify relevant employees, and train non-SMCR staff on the conduct rules by 9 December 2020. Firms will also need to upload information into the FCA's new financial services directory by this date.
	27 December 2020	IFR/IFD Deadline for systemically important EU investment firms to apply for authorisation as credit institutions.	Article 62 of the IFD inserts a new provision in the CRD IV Directive relating to the authorisation of systemically important firms. Existing systemically important investment firms must apply for authorisation under Article 8 of the CRD IV Directive by 27 December 2020.
	28 December 2020	CRD V Deadline for EEA Member States to apply measures implementing the CRD V Directive.	CRR II and CRD V will amend the current CRR and CRD IV Directive. Member States are required to apply the CRD V Directive from 28 December 2020.
	31 December 2020	Brexit Transitional period (if agreed) will end, unless it is extended (as may be agreed between the UK and the EU).	While the UK is set to leave the EU on 31 January 2020 (unless extended), it may be agreed that a transitional period (as contemplated under the draft withdrawal agreement) will take effect until 31 December 2020 (unless further extended).

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