

European Regulatory  
Timeline 2023

Proskauer

Key regulatory developments impacting  
UK and European financial services firms

Date in Force	Regulatory Development	Commentary
January 2023	<b>EU – SFDR Regulatory Technical Standards (SFDR RTS)</b> Firms in scope have to comply with the Level 2 regulation of the SFDR.	The delayed SFDR RTS providing details on disclosure requirements, including certain mandatory disclosure templates, will apply. The SFDR RTS aim to create a “single rulebook” for sustainability-related disclosures for SFDR pre-contractual and periodic product disclosures, including Taxonomy Regulation-related product disclosures and gas/nuclear related disclosures.
	<b>EU – Taxonomy Regulation</b> In-scope firms have to comply with the disclosure requirements set out in the delegated acts for the four outstanding economic objectives.	The Taxonomy technical screening criteria and regulatory technical standards for water, circular economy, pollution prevention & control, and biodiversity & ecosystems start to apply.
	<b>ESG – FCA’s Climate-related Disclosure Regime (Phase 2)</b> Certain in-scope have to comply with new requirements for climate-related financial information.	Certain UK asset managers, life insurers, and pension providers that are authorized by the FCA (with assets under management above a £5 billion exemption threshold) will have to comply with the new disclosure regime from 1 January 2023. The first public disclosures will need to be made by 30 June 2024.
	<b>UK PRIIPS Regulation</b> New Key Information Document (KID) requirements must be complied with.	Firms marketing to “retail clients” for the purposes of MiFID II will need to follow updated rules in the UK on the preparation of their KIDs. The model-based “Performance Scenarios” section of the KID must be amended to a more narrative-based “Investment Performance Information” section.
	<b>LIBOR</b> The FCA’s consultation paper on synthetic USD LIBOR closes to comments.	The FCA published a consultation paper (CP22/11) on its proposal to require the 1-, 3- and 6-month US dollar LIBOR settings to be published on a synthetic basis until end-September 2024. The FCA expects to announce its final decision towards the end of the Q1 or early in Q2 2023.
	<b>Greenwashing</b> The European Supervisory Authorities’ (ESAs) joint call for evidence on greenwashing closes to comments.	The ESAs’ Call for Evidence seeks to gather input from stakeholders on how to understand the key features, drivers and risks associated with greenwashing and to collect examples of potential greenwashing practices. Contributions will feed into the ESAs’ findings for their progress reports due in May 2023, and final reports due in May 2024.
	<b>Big Tech</b> The FCA’s discussion paper on Big Tech’s entry and expansion in retail financial services closes to comments.	The FCA is seeking comments on how Big Tech’s entry and expansion in retail financial services could affect competition (DP22/5). The discussion will inform the FCA’s development of an effective competition approach for Big Tech firms in UK financial services.
	<b>Cross-border interchange fees (IFs)</b> The UK Payment Systems Regulator’s (PSR) consultation paper on cross-border IFs closes to comments.	The PSR published a consultation paper (MR22/2.4) on how the recent increases in UK-EEA card-not-present (CNP) cross-border IFs may be affecting UK service users. The PSR expects to publish its interim findings in the second half of 2023, and the final report by the end of 2023.
	<b>UK Sustainability Disclosure Requirements</b> TThe FCA’s consultation paper on sustainability disclosure requirements and investment labels closes to comments.	Like the SFDR, the SDR seeks to ensure accurate representation of financial products that claim to be sustainable, by introducing labelling and disclosure requirements. The FCA plans to publish its final rules and guidance in a policy statement by the end of the first half of 2023.

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January 2023	Q1	<b>EU – Capital Requirements Regulation (CRR)</b> The Council of the EU and European Parliament will scrutinise the RTS for the calculation of certain risk-weighted exposure amounts.	<p>In November 2022, the European Commission published RTS supplementing the CRR. The provisions in the RTS specify how institutions are to calculate the risk-weighted exposure of collective investment undertakings under the mandate based approach, where one or more of the inputs required for that calculation are not available.</p> <p>The Council of the EU and European Parliament will scrutinise the RTS, prior to negotiations and final publication.</p>
	Q1	<b>UK Ring-fencing reforms</b> HM Treasury's call for evidence on reforms to the UK's ring-fencing regime expected to be published.	<p>The UK Government announced that it intends to publish a call for evidence to review the practicalities of aligning the ring-fencing and resolution regimes.</p>
	Q1	<b>Senior Managers and Certification Regime (“SMCR”)</b> HM Treasury's call for evidence on reforms to the UK's ring-fencing regime expected to be published.	<p>The UK Government announced it will review the SMCR, beginning with a call for evidence on the legislative framework. The FCA and PRA will also conduct their own reviews.</p>
	Early 2023	<b>Long-Term Asset Funds (LTAFs)</b> The FCA intends to publish final rules on broadening retail access to LTAFs.	<p>The FCA consulted (CP22/14) on its draft rules to market LTAFs to a wider group of retail investors and pension schemes. The resultant policy statement and final rules are intended to broaden access to LTAFs, while ensuring adequate investor protections.</p>
	2023	<b>Insurance Resolution</b> The PRA intends to consult on a resolution framework for insurers.	<p>As part of its priority to oversee life and general insurers in 2023, the PRA will consult on requirements for insurers to prepare exit plans. Attention will be placed on how the insurance sector is able to provide financial protection and security to policyholders at all times.</p>
February 2023	1 February 2023	<b>Financial Promotions</b> The FCA's updated rules for financial promotions come into force.	<p>Following the implementation of the risk warning and risk summary rules relating to the promotion of high-risk investments, which have been effective since 1 December 2022, the remaining financial promotion rules set out in PS22/10 will come into force. This will include further competence and monitoring requirements applicable to any firm that approves financial promotions directed at retail clients.</p>
	7 February 2023	<b>Financial Promotions</b> The FCA's consultation paper on introducing a gateway for firms who approve financial promotions closes to comments	<p>The FCA published a consultation paper (CP22/27) on its proposal to operate a new gateway, so that all firms wanting to continue approving financial promotions for unauthorised persons will need to apply for permission. The FCA plans to publish its final rules and guidance in a policy statement by the end of the first half of 2023.</p>
	17 February 2023	<b>MiFID II Passporting</b> ESMA's consultation on a review of technical standards relating to passporting under Article 34 of MiFID II closes to comments.	<p>This relates to the information that investment firms are required to provide in order to exercise the use of the financial services passport under MiFID II. ESMA expects to publish a final report and submission of the draft technical standards to the European Commission for endorsement by the end of 2023.</p>
	17 February 2023	<b>Payment Accounts Regulations (PARs)</b> HM Treasury's consultation paper on the PARs closes to comments.	<p>The UK Government is reviewing the PARs, which onshored the EU's Payments Accounts Directive. The consultation is seeking views on the requirements intended to improve the comparability of fees connected with payment accounts.</p>
	20 February 2023	<b>ESG Fund Names</b> ESMA's consultation on guidelines on funds' names using ESG or sustainability-related terms closes to comments.	<p>The purpose of the guidelines is to specify criteria to assess whether the name of a fund containing terms, acronyms or abbreviations suggesting that the fund focuses on investments that have, or investments whose issuers have, ESG or sustainability features, are fair, clear and not misleading.</p> <p>ESMA expects to publish the final version of the guidelines by Q2 or Q3 2023. The guidelines will apply three months after the date of their publication on ESMA's website, although a transitional period of six months will apply for those funds already existing before that date.</p>
	28 February 2023	<b>Appointed Representatives (ARs)</b> EDeadline for principal firms to respond to the FCA's information request on ARs.	<p>The FCA published its final rules (PS22/11) on improving the AR regime. As part of this, the FCA sent principal firms a compulsory “section 165” data request asking for more information about existing AR arrangements.</p>
March 2023	3 March 2023	<b>UK Retail Disclosures</b> HM Treasury's consultation on a new UK retail disclosure regime closes to comments.	<p>The UK Government plans to repeal the PRIIPS Regulation in favour of a new UK retail disclosure framework, as they view the current regime as not fit for purpose. It is not currently clear when the new regime will come into force.</p>
	5 March 2023	<b>UK Short Selling</b> HM Treasury's call for evidence on the onshored Short Selling Regulation closes to comments.	<p>The UK Government plans to repeal the onshored Short Selling Regulation. The replacement regulation aims to be tailored to UK markets and bolster its competitiveness. It is not currently clear when the new rules will come into force.</p>

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March 2023	7 March 2023	<b>UK Retail Disclosures</b> The FCA's discussion paper on a future disclosure framework for retail investments closes to comments.	<p>The FCA published a discussion paper (DP22/6) on the future disclosure framework for retail investments. This complements HM Treasury's consultation paper (referred to above) and aligns with HM Treasury's vision for a new UK retail disclosure regime.</p> <p>The FCA states that distribution of retail investments has changed in recent years, and disclosure regulations have not always reflected this. It has seen a trend towards online investment, and subsequently an increase in digital distribution of disclosure.</p>
	17 March 2023	<b>Consumer Credit Act UK Reform</b> HM Treasury's consultation paper on the Consumer Credit Act closes to comments.	<p>The UK Government is seeking to help facilitate innovation in the credit sector and increase accessibility of credit products. Its focus is on shaping the regulatory environment to benefit customer communications, customer protections and sanctions for non-compliant firms.</p>
	20 March 2023	<b>ISO 20022</b> SWIFT begins global ISO 20022 migration.	<p>Following a push from the global community, SWIFT has aligned its ISO 20022 migration for cross-border payments and reporting (CBPR+) with the European Central Bank's (ECB) updated timetable to ease implementation.</p>
	20 March 2023	<b>EU – Wholesale Payments</b> The ECB's new real-time gross settlement (RTGS) system and central liquidity management model – T2, is expected to launch.	<p>The consolidated platform brings together the RTGS system and the securities settlement platform run by the Eurosystem, contributing to the further harmonisation of European financial markets.</p>
	Spring	<b>Baseline Financial Resilience</b> The FCA's Policy Statement on a new financial resilience regulatory return for solo-regulated firms is expected to be published.	<p>The FCA published a consultation paper (CP22/19) on its proposals to replace the FCA Financial Resilience Survey with a regulatory return. The consultation paper closed in December 2022.</p> <p>The final rules are intended to reduce the administrative and financial burden that an ad hoc survey places on firms, as well as increase the quality and consistency of financial resilience data received.</p>
	Spring	<b>UK Corporate Transparency Reform</b> The second Economic Crime and Corporate Transparency Bill is expected to receive Royal Assent.	<p>The UK Government has introduced legislation that will reform the corporate governance regime in the UK. This follows concerns that the UK's current regime was facilitating criminal behaviour, through convoluted corporate structures that masked economic crimes such as money laundering.</p> <p>Changes introduced in the legislation include limitations on the use of corporate directors, further transparency within limited partnership structures and increased scrutiny from the Registrar of Companies</p>
April 2023	April 2023	<b>ESG – Proposed Amendments to SFDR RTS</b> FThe ESAs due to respond to the EU Commission with amendments to the SFDR RTS relating to PAI indicators (although it is expected that there will be a delay to this of at least six months).	<p>The ESAs have stated that it will not be possible to meet the original deadline of April 2023 and, consequently, there will be at least a six-month delay for the delivery of the mandate. This means that the ESAs do not anticipate producing the proposed amendments before November 2023.</p>
	Q2	<b>Authorised Push Payment (APP) Scams</b> Final regulatory requirements expected to be published.	<p>The PSR's consultation paper (CP22/4) on APP scams closed to comments in November 2022. The PSR is expected to propose new measures to fight payment scams, based on payment service providers reimbursing the victims..</p>
	Q2	<b>EU – Digital Euro</b> European Commission to propose regulation to establish a digital euro.	<p>The initiative aims to establish and regulate essential aspects of the digital euro as a new form of central bank money, which could be issued by the ECB / Eurosystem alongside banknotes and coins.</p>
	Q2 / Q3	<b>EU – AIFMD II</b> Final legislative expected to be agreed (effective date expected to be in 2025).	<p>The draft text of AIFMD II was published by the European Commission in November 2021, covering topics including loan origination, delegation and liquidity management. In summer 2022, this was followed by the European Parliament's draft report and a "compromise text" published by the Council of the EU, with proposed amendments.</p> <p>The European Parliament is expected to finalise its report on AIFMD II shortly, following which trilogue negotiations will be entered into to finalise the legislative text. The final text is expected to be published in Q2 or Q3 2023, which will begin the two-year transitional period for EU Member States to implement the rules.</p>
	End of April	<b>FCA Consumer Duty</b> "Manufacturers" to have completed reviews for existing open products and services.	<p>In July 2022, the FCA published final rules (PS22/9) for a new "Consumer Duty", to set higher and clearer standards of consumer protection across financial services.</p> <p>"Manufactures" – firms that create, develop, design, issue, operate or underwrite a product or service – must complete reviews of their existing products / services, to confirm their compliance with the Consumer Duty. This information should also be shared with their "distributors" – firms that offer, sell, recommend, advise on, propose or provide a product or service – in order to confirm their compliance as well.</p>

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June 2023	30 June 2023	<b>ESG – FCA’s Climate-related Disclosure Regime (Phase 1)</b> First public disclosures of climate-related financial information by largest firms in scope.	The FCA’s rules on climate-related disclosures have been applicable from 1 January 2022 for the largest UK asset managers, life insurers, and pension providers that are authorized by the FCA (generally firms with more than £50 billion in assets under management (or £25 billion assets under administration for asset owners)). The first public disclosures will need to be made by 30 June 2023.
	30 June 2023	<b>ESG – SFDR RTS PAI Reporting</b> In-scope firms to make first PAI statement under the SFDR RTS.	Financial market participants that are required to publish the statements referred in Article 4(1)(a), 4(3) or 4(4) of the SFDR will have to comply with the disclosure requirements on PAI on sustainability factors set out in the SFDR RTS by 30 June 2023.
	Mid-2023	<b>UK Ring-fencing reforms</b> HM Treasury’s consultation paper on reforms to the UK’s ring-fencing regime expected to be published.	The UK Government has announced that it will consult in mid-2023 on reforms to improve the functionality of the ring-fencing regime. The proposes reforms will be in line with the recommendations from Keith Skeoch’s review of the ring-fencing regime and propriety trading, published in March 2022.
July 2023	July	<b>PSR Annual Report</b> The PSR is expected to publish its annual report.	The annual report will set out how the PSR made a difference over the past financial year.
	31 July 2023	<b>FCA Consumer Duty</b> Rules come into force for products and services.	Following the reviews conducted by the end of April, firms have until the end of July to remedy any shortcomings and meet their obligations under the Consumer Duty.
September 2023	1 September 2023	<b>Money Laundering – Cryptoassets</b> Rules relating to the treatment of cryptoassets under UK money laundering regulations come into force.	Cryptoasset businesses will be required to share identifying information about the sender and recipient (payer and payee) of a wire transfer, in the payment message.
	September 2023	<b>Taskforce on Nature-related Financial Disclosures (TNFD)</b> Risk management and disclosure framework expected.	Building on a model developed by the Taskforce on Climate-Related Financial Disclosures, a framework is being developed for how organisations can address environmental risks and opportunities.
November 2023	30 November 2023	<b>Appointed Representatives</b> Deadline for principals to have carried out their first annual review of their ARs.	As part of the FCA’s rules (PS22/11) on improving the AR regime. Firms must conduct a review of each of their ARs, at least every 12 months. This consists of (i) the fitness and propriety of senior management at the ARs; (ii) financial position of the ARs; and (iii) adequacy of the principal’s controls and resources to effectively oversee its ARs.
	By end 2023	<b>EU – Retail Payment</b> European Commission to have progressed EU Retail Payments strategy.	The European Commission is expected to have (i) assessed feasibility of a label for eligible pan-EU payment solutions; (ii) explored potential to deployment of EU specifications for contactless card-based payments; and (iii) supported modernisation of merchant payment acceptance facilities.
	By end 2023	<b>EU – Climate Risk</b> ECB deadline for banks to include account for climate and environmental risk.	<p>The ECB expects banks to include climate and environmental risks in their governance, strategy and risk management. Deadlines will be closely monitored, and enforcement action for non-compliance will be taken.</p> <p>By the end of 2024, banks are expected to meet all remaining supervisory expectations on climate and environmental risks, including full integration in the Internal Capital Adequacy Assessment Process (ICAAP) and stress testing.</p>

The information in this timeline is current as of January 2023.  
For more information on any of the topics, please reach out to the Proskauer Regulatory Team.



# Proskauer Regulatory Team



**Oliver R. Howley**  
Partner, Corporate  
ohowley@proskauer.com  
+44.20.7280.2127



**John Verwey**  
Partner, Regulatory  
jverwey@proskauer.com  
+44.20.7280.2033



**Andrew Wingfield**  
Partner, Corporate  
awingfield@proskauer.com  
+44.20.7280.2021



**Amar D. Unadkat**  
Special Regulatory Counsel  
aunadkat@proskauer.com  
+44.20.7280.2144



**Michael Singh**  
Associate, Regulatory  
msingh@proskauer.com  
+44.20.7280.2269



**Sulaiman I. Malik**  
Associate, Regulatory  
smalik@proskauer.com  
+44.20.7280.2081