

The background features a network of glowing white lines connecting circular nodes. Three stylized human figures are positioned at nodes: one in the center (orange), one on the left (brown), and one on the right (orange). The top left corner contains the Dentons logo in a purple arrow shape.

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Global Financial Markets Regulatory Review

October 2018

Editorial note

Dentons is pleased to present the October 2018 edition of the Global Financial Markets Regulatory Review. This regularly published report provides key financial markets regulatory developments as well as other legal developments related to financial markets around the world. Reported items include proposed legislation, rule changes, disciplinary actions, litigation, and other news.

The report combines insights from Dentons lawyers with extensive financial markets experience located in major global financial centers. The reports for each country include links to further information and contact information for Dentons professionals.

Because of our international footprint of more than 9000 lawyers in 170 offices, located in 75 countries, Dentons can service most cross border legal issues faced by global companies. We hope you will find this report useful, and we look forward to the opportunity to share our expertise with our clients around the world.

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Regulatory Developments in Australia

Source/Date	Brief description
ASIC Corporations (Banking Code of Practice) Instrument 2018/700 9 August 2018 Effective 11 August 2018	<p>New Banking Code of Practice</p> <p>The Banking Code of Practice is the industry's customer charter on best banking practice standards. It is adopted by all banks and has recently been amended to restore community trust in banks. There are a number of changes but a significant change is that an independent Banking Code Compliance Committee has been established to investigate alleged breaches of the Code, make findings and recommendations relating to the breaches and apply sanctions.</p> <p>A full copy of the Code can be found here</p>
28 September 2018	<p>Interim report of the Royal Commission into misconduct in the Banking, Superannuation and Financial Services Industry</p> <p>The interim report has found that financial services entities were driven by greed to pursue 'short term profit at the expense of basic standards of honesty'. The report criticizes the regulators (ASIC and APRA) and found that where the misconduct arose 'it either went unpunished or the consequences did not meet the seriousness of what had been done'. The report states that the financial institutions need to apply 'basic standards of fairness and honesty', obey the law; provide services that are fit for purpose, deliver services with reasonable care and skill; and act in best interests of their customers. There were no recommendations in relation to prosecution or amendments to the law – it is expected that these will be canvassed in the final report that is due to be released on 1 February 2019.</p> <p>The full report can be accessed here;</p>

CLIENT ALERTS AND BRIEFINGS

Source/Date	Brief description
28 February 2018	<p>Significant new rules for credit card reforms and Australian Prudential Regulatory Authorities (APRA) supervision of non-authorized deposit-taking institutions (ADI) lender rules. Importantly includes the ability of APRA to make rules to be complied with by all, or a certain class of non ADI lenders. For further information, click here.</p>
22 January 2018	<p>Draft rules under the anti-money laundering legislation suggest that the rules be extended to digital currencies. It is also proposing similar registration with AUSTRAC as is currently required by the remittance sector. Businesses need to consider now what programs and policies they need to implement to comply as well as identify risks within their business. For further information, click here.</p>

Regulatory Developments in Europe

Regulatory Developments in the EU

Source/Date	Brief description
IOSCO ¹⁴ 18 September 2018	IOSCO guidance addressed conflicts of interest and conduct risks in equity capital raising The IOSCO published guidance to help its members address conflicts of interest and associated misconduct risks that may arise and undermine the equity capital raising process. For further information, click here .
ESMA ¹ 17 September 2018	MiFID II: ESMA published the responses to its Consultation on proposed amendments to RTS 11 The ESMA published the responses received to the Consultation Paper on Amendment to Commission Delegated Regulation (EU) 2017/588 (RTS 11). For further information, click here .
ECB ³ 14 September 2018	ECB launched public consultation on Part 2 of the Guide to assessments of license applications The ECB launched a public consultation on Part 2 of the Guide to assessments of license applications. For further information, click here .
OJ of the EU 13 September 2018	Delegated Regulation supplementing the CSDR published in OJ Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline published in the Official Journal. For further information, click here .
European Commission ⁵ 12 September 2018	State of the Union 2018: Stronger anti-money laundering supervision for a stable banking and financial sector The European Commission proposed to further strengthen the supervision of EU financial institutions to better address money-laundering and terrorist financing threats. For the press release, click here . For the Commissions Fact Sheet, click here . For a Communication from the Commission, click here . For the proposal for a Regulation concerning the ESAs, click here .
European Commission ⁵ 12 September 2018	State of the Union 2018: Commission unveiled plan for a more efficient financial architecture to support investment outside the EU The European Commission presented actions for a more effective governance model and greater collaboration between multilateral and national development actors. For further information, click here and here .

Source/Date	Brief description
EBA ² 12 September 2018	<p>EBA revised standardized NPL data templates</p> <p>The EBA published a revised version of the standardized NPL data templates that aim at facilitating the NPL sale transactions across the EU. For further information, click here.</p>
ESAs ¹³ 11 September 2018	<p>Report on risks and vulnerabilities in the EU financial system by the Joint Committee of the ESAs</p> <p>The Joint Committee of the European Supervisory Authorities (ESAs) published a report on the risks and vulnerabilities in the EU financial system. For further information, click here.</p>
EBA ² 10 September 2018	<p>EBA issued revised list of validation rules</p> <p>The EBA issued a revised list of validation rules in its Implementing Technical Standards on supervisory reporting highlighting those, which have been deactivated either for incorrectness or for triggering IT problems. For further information, click here.</p>
ECB ³ 7 September 2018	<p>ECB launched public consultation on the risk-type-specific chapters of its guide to internal models</p> <p>The ECB published the three risk-type-specific chapters of its guide to internal models for consultation. For further information, click here.</p>
ESMA ¹ 7 September 2018	<p>ESMA published the responses to the Consultation Paper No. 6 under EMIR</p> <p>The ESMA published the responses received to the Consultation Paper no.6 on the Clearing Obligation under EMIR. For further information, click here.</p>
EBA ² / EIOPA/ ESMA ¹ 5 September 2018	<p>Joint Committee Report on the results of the monitoring exercise on 'automation in financial advice' published</p> <p>The three European Supervisory Authorities – EBA, EIOPA and ESMA – published the results of their monitoring exercise on automation in financial advice. For further information, click here.</p>
ESMA ¹ 5 September 2018	<p>ESMA published an opinion on proposed amendments to SFTR technical standards</p> <p>The ESMA published an Opinion in response to the European Commission's proposed amendments of the technical standards on reporting under the Securities Financing Transactions Regulation (SFTR). For further information, click here.</p>
ECB ³ 3 September 2018	<p>ECB published an opinion on critical infrastructures, cybersecurity and covered bonds</p> <p>The ECB published its opinion (dated 31/08/2018) on critical infrastructures, cybersecurity and covered bonds. For further information, click here.</p>

Source/Date	Brief description
ECB ³ 3 September 2018	<p>ECB published an opinion on a proposal for a regulation on certain charges on cross-border payments</p> <p>The ECB published its opinion (dated 31 August 2018) on a proposal for a regulation on certain charges on cross-border payments. For further information, click here.</p>
European Commission ⁵ 3 September 2018	<p>Communication to the Commission on ESMA's proposed amendments supplementing MiFIR published</p> <p>The Commission published a communication on the intention to endorse with amendments the draft amendment to the regulatory technical standard submitted by ESMA on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates. For further information, click here.</p>
ECON ⁶ 29 August 2018	<p>Report on relationships between the EU and third countries concerning financial services regulation and supervision published</p> <p>The European Parliament's Committee on Economic and Monetary Affairs published its report (dated 18 July 2018) on relationships between the EU and third countries concerning financial services regulation and supervision. For further information, click here.</p>
ESMA ¹ 29 August 2018	<p>Steven Maijor addressed ECON Committee on securitization</p> <p>The Chair of the ESMA, Steven Maijor, discussed Level 2 measures under the Securitization Regulation with the European Parliament's Committee on Economic and Monetary Affairs in Brussels. For further information, click here.</p>
EBA ² 28 August 2018	<p>EBA launched consultations on supervisory reporting for the reporting framework 2.9 and prepares for its modular release</p> <p>The EBA launched three public consultations on amendments to the Implementing Technical Standards on supervisory reporting for the reporting framework 2.9.</p> <p>In particular, the three consultation papers cover the following areas:</p> <ul style="list-style-type: none"> • COREP: major revision of securitisation templates (simple, transparent and standardised (STS) regulation); • FINREP: amendment of non-performing and forborne exposures reporting, P&L and IFRS16; • COREP-LCR: review based on the coming new LCR delegated act. <p>For further information, click here.</p>
ECB ³ 24 August 2018	<p>Opinion on the review of prudential treatment of investment firms published</p> <p>The ECB published an opinion on the review of prudential treatment of investment firms. For further information, click here.</p>

Source/Date	Brief description
ESMA ¹ 24 August 2018	<p>ESMA to renew prohibition on binary options for a further three months</p> <p>The ESMA agreed to renew the prohibition of the marketing, distribution or sale of binary options to retail clients, in effect since 2 July, from 2 October 2018 for a further three-month period. ESMA has also agreed on the exclusion of a limited number of products from the scope of the measure. For further information, click here.</p>
European Commission ⁵ 22 August 2018	<p>European Commission published draft Delegated Regulation adding Pakistan to list of high-risk third countries under MLD4</p> <p>The European Commission published Delegated Regulation amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council, regarding adding Pakistan to the table in point I of the Annex. For further information, click here.</p>
ESMA ¹ 22 August 2018	<p>ESMA defined disclosure standards under Securitization Regulation</p> <p>The ESMA issued a set of draft regulatory and implementing standards under the Securitization Regulation, which concern the details of a securitization to be made available by the originator, sponsor and SSPE, as well as the format and templates for doing so. For further information, click here.</p>
ECB ³ 20 August 2018	<p>ECB published a Guideline amending its guideline on TARGET2</p> <p>The ECB published the Guideline amending Guideline ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2). For further information, click here.</p>
ECON ⁶ 17 August 2018	<p>Draft Report on the proposal for a directive on the issue of covered bonds and covered bond public supervision and amending Directive 2009/65/EC and Directive 2014/59/EU published</p> <p>The Committee on Economic and Monetary Affairs (ECON) published its draft report on the proposal for a directive of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directive 2009/65/EC and Directive 2014/59/EU. For further information, click here.</p>

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Regulatory Developments in Germany

Source/Date	Brief description
BaFin ⁴ September 2018	Publication of the Monthly Journal from the Federal Financial Supervisory Authority (BaFin) Topics (selection): Swarm Financing / Solvency II / Indicative Order Values / Declaration of Suitability. For further information in German, click here .
BaFin ⁴ 14 September 2018	The BaFin added special module to its Circular on Supervisory Requirements for IT in Financial Institutions (Bankaufsichtliche Anforderungen an die IT (BAIT)) As announced in a Joint Letter from the Presidents of the Federal Office for Information Security (<i>Bundesamt für Sicherheit in der Informationstechnik</i>) and the BaFin at the beginning of August, the BaFin added a special module to its Circular on “Supervisory Requirements for IT in Financial Institutions” which is exclusively addressed to the operators of critical infrastructures (<i>Betreiber kritischer Infrastrukturen</i>). For further information, click here .
BaFin ⁴ August 2018	Publication of the Monthly Journal from the Federal Financial Supervisory Authority (BaFin) Topics (selection): Convergence / Cyber Security / Global Capital Standard / Inducements / Stress Test 2018. For further information in German, click here .

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Regulatory Developments in Poland

Source/Date	Brief description
The Ministry of Finance 4 September 2018	<p>Obligatory dematerialization of corporate bonds, investment certificates and mortgage bonds</p> <p>According to the recently published project of the legal act referring to supervision and protection of investors on the financial market, all corporate bonds, investment certificates and mortgage bonds shall be obligatorily dematerialized right after issuing, even if they are not supposed to be publically offered. The Central Securities Depository of Poland (KDPW) shall register those financial instruments. Registration will occur on the same conditions as current registration of publicly offered securities.</p> <p>For further information in Polish, click here.</p>
PFSA 27 August 2018	<p>PFSA started public consultation od L Recommendation's amendment project</p> <p>The purpose of this amendment is to adjust the regulation related to work of auditors in process of supervising banks and credit unions to the changes of legal and economic background. All potential suggestions shall be sent to PFSA by the 21st of September 2018.</p> <p>For further information in Polish, click here.</p>

Regulatory Developments in Luxembourg

Source/Date	Brief description
CSSF 4 September 2018	<p>New head of CSSF appointed</p> <p>Marko Zwick was appointed as the new director of the Commission de Surveillance de Secteur Financier (“CSSF”), the Luxembourg financial supervisory authority. He will be in charge of the portfolios on investment funds as well as specialized professionals in the financial sector.</p> <p>For further information, click here.</p>
CSSF 29 August 2018	<p>Publication of CSSF 2017 annual report</p> <p>In the report, the CSSF details its activities per sectors in the past year against wider international developments, while setting out its course for the future.</p> <p>For further information, click here.</p>
CSSF 23 August 2018	<p>Publication of Circular CSSF 18/699 updating the table EI “persons responsible for certain functions and activities”</p> <p>The CSSF updated the reporting requirements for investment firms in regards to persons responsible for data protection and the follow-up on ESMA recommendations.</p> <p>To access the text of the circular in French, click here.</p> <p>To access a mark-up of the modified table EI in French, click here.</p>
CSSF 23 August 2018	<p>Publication of CSSF Circular CSSF 18/698 on the authorization and organization of Luxembourg investment fund managers</p> <p>On 100 pages, the Circular now contains substance rules for all Luxembourg fund management companies (“ManCos”), including alternative investment fund managers. Apart from codifying the regulatory practice already applied by the CSSF, the circular reflects the recent international and domestic legislative/regulatory developments around Brexit. Special focus is placed on appropriate substance of ManCos.</p> <p>To access the text of the circular in French, click here.</p>

Source/Date	Brief description
CSSF 23 August 2018	<p>Publication of CSSF Circular CSSF 18/697 on governance and organization of non-UCITS depositaries</p> <p>The circular completed the existing legal framework for fund depositaries, adding to the rules already in place for UCITS depositaries. It addresses (i) eligibility criteria to act as a depositary of non-UCITS investment funds and the relevant authorization procedure, (ii) corporate governance, (iii) relations with third parties (sub-delegates, AIFM, etc.) and (iv) operational rules governing the depositary's safekeeping and oversight functions.</p> <p>To access the text of the circular in French, click here.</p>
CSSF 22 August 2018	<p>Publication of CSSF Circular 16/699 regarding the update of the table IF "Persons in charge of certain functions and activities" (tableau EI « Responsables de certaines fonctions et activités »)</p> <p>The new circular introduced the obligation for investment firms to appoint a special agent, other than a member of the management body, in charge of questions relating to the investment firm's duties on the protection of clients' assets.</p> <p>To access the text of the circular in French, click here.</p>
Luxembourg Parliament 22 August 2018	<p>Publication of Law of 1 August 2018 establishing the National Data Protection Commission (CNPD)</p> <p>The previous notification system, based on ex-ante controls, has been replaced by ex-post controls, which eliminates the previous time-consuming procedure of notification to/authorization by the CNPD. Other key changes include the capacity of the CNPD to impose significant fines and sanctions and exemptions in respect to access to and processing of personal data.</p> <p>To access the text of the law in French, click here.</p>
Luxembourg Parliament 21 August 2018	<p>Publication of the Law of 6 August 2018 amending and supplementing the amended law of 12 February 1979 on value added tax</p> <p>The law introduced the VAT group regime in the country's VAT legislation, following recent case law of the CJEU. The VAT group regime is very attractive for entities having no or partial input VAT recovery right. Since transactions between members of a VAT group are disregarded for VAT purposes, the regime entitles members of the group to receive services from others, without suffering a VAT cost.</p> <p>To access the text of the law in French, click here.</p>

Regulatory Developments in the Netherlands

Source/Date	Brief description
Central Government 11 September 2018	<p>Implementation regulation for the Payment Services Directive II (PSD II) adopted by the Dutch House of Representatives</p> <p>The implementation regulation for the PSD II was adopted by the Dutch House of Representatives (De Tweede Kamer). In case the Dutch Senate (De Eerste Kamer) agrees to the proposal too, the law is expected to come into effect in the 4th quarter of 2018.</p> <p>For further information in Dutch, click here.</p>
Dutch Central Bank 30 August 2018	<p>The Dutch Central Bank published the final version of the good practices on outsourcing for insurers</p> <p>The good practices list relevant rules and regulations for insurers regarding outsourcing and contain a number of examples and good practices, as to how an insurer can implement these rules and regulations.</p> <p>For further information in Dutch, click here.</p>
Dutch Authority for the Financial Markets 25 August 2018	<p>Dutch Money Laundering and Terrorist Financing (Prevention) Act entered into force</p> <p>The Implementation Act for the 4th EU Anti-Money Laundering Directive, amending inter alia the Dutch Money Laundering and Terrorist Financing (Prevention) Act entered into force. The Implementation Act, inter alia entails changes relating to client screening requirements.</p> <p>For further information in Dutch, click here.</p>
Dutch Authority for the Financial Markets 25 July 2018	<p>The Dutch Authority for the Financial Markets provided guidance regarding the revised Dutch Money Laundering and Terrorist Financing (Prevention) Act</p> <p>For further information in Dutch, click here.</p>

PUBLIC EVENTS & CONFERENCES

Source/Date	Brief description
6 November 2018	<p>Amsterdam, EYE Filmmuseum – FRAUDtalks 2018</p> <p>FRAUDtalks 2018 is an event for insurance professionals to get connected and share ideas.</p> <p>For further information, click here.</p>

Regulatory Developments in the Czech Republic

Source/Date	Brief description
Parliament of the Czech Republic 16 August 2018	<p>New law on distribution of insurance and reinsurance in the Czech Republic published</p> <p>The Parliament of the Czech Republic announced a new law on distribution of insurance and reinsurance in the Czech Collection of laws as Act No. 170/2018. This new Act aims to improve the quality of Czech insurance services and to ensure more effective protection of consumers.</p> <p>For further information in Czech, click here.</p>
ČNB 15 August 2018	<p>Draft decree on Insurance and Reinsurance Act published</p> <p>The Česká národní banka (ČNB) issued a draft decree addressing professional qualification for the distribution of insurance and a draft decree on applications under the Czech Distribution of Insurance and Reinsurance Act.</p> <p>For further information in Czech, click here.</p>

Regulatory Developments in Belgium

Source/Date	Brief description
Directive (EU) 2015/2366 Payment Services (PSD II) 19 July 2018	<p>Developments in Belgian Payment Services Regulation</p> <p>The law entered into force on 9 August 2018, implements certain provisions relating to the PSD II in several books of the Belgian Economic Law Code. The prudential supervisory provisions, which regulate the public law aspects of the PSD II as there are the licensing requirements, were already implemented earlier this year by Law of 11 March 2018.</p> <p>From now onwards payment transactions carried out in the EEA in a non-EEA currency and transactions whereby only one payment service provider is located in the EEA shall fall within the scope of the PSD II, except with a few exceptions.</p> <p>Third-party payment (TPP) services as there are the payment initiation services and account information services shall be included in the scope of the new law.</p> <p>Belgium did not make use of option to treat micro-enterprises the same way as consumers, meaning that the corporate opt-out possibility for certain business of conduct rules can be used for micro-enterprises as well.</p> <p>The payment service providers shall need to apply stronger customer authentication when a customer accesses its payment accounts online, initiates an electronic payment or carries out any action through a remote channel. If not, the payer will not be accountable for the losses in case of an unauthorized transaction, except in the case of fraud. The legal requirements to strong customer authentication are subject to further implementation through the technical standards of the EBA.</p> <p>Merchants are prohibited to charge the payer for any costs related to the use of a payment instrument regardless of the type of payment instrument.</p> <p>The payment service user will only be liable for unauthorized payment transactions resulting from the use of a lost or stolen payment instrument up to maximum amount of 50 EUR. No losses shall be borne by the payment service user as of the moment the loss or theft of the payment instrument has been reported. The payment service provider will also have to bear the losses in the case of the user's gross negligence where the payment service provider did not require strong customer authentication when executing the contested payment transaction. The blocking of a payment instrument will need to be provided free of charge and accessible 24/7. Payment service providers must respond to clients' complaints within 15 working days under the new rules.</p> <p>The information obligation under PSD II have largely remained unchanged. The payment service providers have been granted 4 months after the coming into force of this law to update its contractual documentation.</p> <p>For consistency reasons under the AML the register with regard to all payment transactions must be stored for a period of 10 years.</p>

Regulatory Developments in Italy

Source/Date	Brief description
Italian Government 6 September 2018	<p>Implementation in Italy of European law – Preliminary approval of the Italian government (Legge di delegazione europea 2018)</p> <p>The Italian government published a press release concerning the preliminary approval of the bill related to the law, which will implement in Italy the European Directives and other acts of the European Union.</p> <p>For further information in Italian, click here.</p>
Italian Government 6 September 2018	<p>Supervision of occupational retirement provision – Preliminary approval of the Italian government</p> <p>The Italian government published a press release concerning the preliminary approval of the bill related to the law, which will implement in Italy the Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).</p> <p>For further information in Italian, click here.</p>
CONSOB 5 September 2018	<p>Statutory Audit – Consob Regulation for the Implementation of Legislative Decree no. 231/2007 (AML Decree)</p> <p>Commissione Nazionale per le Società e la Borsa (CONSOB) published the Resolution no. 20570/2018, namely the Regulation for the implementation of Legislative Decree 21 November 2007, n. 231 and subsequent amendments and additions, concerning statutory auditors and auditing firms with auditing appointments on public interest entities or entities subject to an intermediate regime.</p> <p>The mentioned Regulation repeals the Regulation adopted by Consob Resolution no. 20465 on 31 May 2018 and the measures adopted by Consob Resolution no. 18802 on 18 February 2014.</p> <p>For further information in Italian, click here.</p>
IVASS 3 September 2018	<p>Particular life insurance policies (Polizze vita dormienti) – Letter to the market</p> <p>The Istituto per la Vigilanza sulle Assicurazioni (IVASS) published a letter to the market containing the request for communication of relevant information in order to proceed, by 2018, to a new data crossing of the tax codes of the insured people with the Tax Register, with reference to the issue of dormant life insurance policies. The insurance companies have to communicate the requested data within the deadline of 30 October 2018.</p> <p>For further information in Italian, click here.</p>

Source/Date	Brief description
Bank of Italy 31 August 2018	<p>Interbank alarm center – Bank of Italy provision</p> <p>The Bank of Italy’s provision dated 31 July 2018 published on the Italian Official Journal, laying down regulations for the Interbank Alarm Center (<i>Centrale di allarme interbancaria</i>).</p> <p>For further information in Italian, click here.</p>
Bank of Italy and IVASS 31 August 2018	<p>Cyber security – paper of the Bank of Italy and IVASS</p> <p>The Bank of Italy and IVASS published a joint document on cybersecurity named “Cyber security: paper of the Bank of Italy and IVASS” (<i>Sicurezza cibernetica: il contributo della Banca d’Italia e dell’IVASS</i>).</p> <p>For further information in Italian, click here.</p>
Bank of Italy and CONSOB 30 August 2018	<p>Single Consob and Bank of Italy provision on Post-trading and related explanatory Report</p> <p>The Single Provision issued by Consob and Bank of Italy concerning central counterparties, central depositories and centralized management of activities (<i>Provvedimento unico sul Post-Trading</i>) published in the Italian Official Journal. On the Bank of Italy website is also available the explanatory report of such Single Provision.</p> <p>For further information in Italian, click at the following: here and here.</p>
IVASS 27 August 2018	<p>IVASS Regulation no. 42 dated 27 August 2018 – External review of the information to the public</p> <p>The IVASS Regulation no. 42 published in the Italian Official Journal, containing provisions related to external auditing of the information to the public pursuant to Article 47-septies, paragraph 7, and Article 191, paragraph 1, <i>letter b</i>), no. 2 and 3, of Legislative Decree no. 209/2005 (Code of private insurance).</p> <p>For further information in Italian, click here.</p>

Source/Date	Brief description
Bank of Italy 23 August 2018	<p>MiFID II and MiFIR: Public consultation regarding the implementation provisions of the Bank of Italy</p> <p>The Bank of Italy published a consultation paper regarding the following provisions for the implementation of Directive no. 2014/65/EU (MiFID II) and the Regulation (EU) no. 600/2014 (MiFIR):</p> <p>(i) public consultation concerning a new Bank of Italy Regulation implementing Articles 4-undecies and 6, paragraph 1, letter b) and c-bis) of Legislative Decree 24 February 1998, no. 58 (Consolidated Financial Act) on the obligations of intermediaries providing investment services and the collective asset management activity;</p> <p>(ii) public consultation on the amendments to Bank of Italy Circular no. 285/2013 regarding the authorization of banks to provide investment services, as well as the provision of the investment services by foreign banks in Italy and by Italian banks abroad (<i>i.e. cross-border activity</i>).</p> <p>For further information in Italian, click here.</p>
Bank of Italy 10 August 2018	<p>Provisions relating to the financial statements of IFRS intermediaries other than bank intermediaries</p> <p>The Bank of Italy published its provision of 22 December 2017, containing “Provisions relating to the financial statements of IFRS intermediaries other than bank intermediaries”, in the Italian Official Journal.</p> <p>For further information in Italian, click here.</p>

Regulatory Developments in Spain

Source/Date	Brief description
Head of State of Spain 4 September 2018	<p>Royal Decree-Act 11/2018 implementing EU Directive 2015/849 published</p> <p>The Royal Decree-Act implemented Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and established new internal communication procedures to report possible breaches of Spanish Act 10/2018 on prevention of money laundering and terrorist financing.</p> <p>For further information in Spanish, click here.</p>

Regulatory Developments in Ukraine

Source/Date	Brief description
The National Bank of Ukraine 7 September 2018	<p>The National Bank of Ukraine (the “NBU”) amended the Regulation No. 346 “On Application by the National Bank of Ukraine of Measures”</p> <p>The NBU shall have the right to restrict, suspend or terminate certain types of the bank’s transactions, if, in the NBU’s view, the risk management system of such bank is ineffective.</p> <p>For further information, click here.</p>
The National Bank of Ukraine 4 September 2018	<p>The NBU adopted Resolution No. 95 whereby important changes to NBU Regulation No. 216 regarding execution of FX-payments are introduced</p> <p>The NBU clarified that enforcement of pledge over FX bank accounts is carried out by the pledgee pursuant to its payment instructions to the bank. Also, the NBU established the procedure for the release of funds under escrow agreements and their transfer further to the beneficiary or to the escrow account owner.</p> <p>Previously, enforcement of FX funds on the current accounts and FX/UAH funds on escrow accounts was not expressly addressed in the regulations.</p> <p>For further information, click here.</p>
The Parliament of Ukraine 28 August 2018	<p>The Law of Ukraine “On Amendments to Legislative Acts of Ukraine in respect of Establishment of Economic Grounds for Increase of Protection of Children’s Rights to Due Care” entered into force</p> <p>Ukrainian banks should verify if an individual opening/closing a bank account is included into the Unified Registry of Debtors (“URD”) and inform the state/private enforcement officers of any information revealed. No state registration of alienation of immovable property by a person which is included into the URD is allowed. No changes in the corporate structure should be made in the company’s registry with respect to the shareholder which is included into the URD (except for increase of shares owned by such shareholder).</p> <p>For further information, click here</p>

Regulatory Developments in the United Kingdom

Source/Date	Brief Description
3 & 9 October 2018	<p>Bank of England's Financial Policy Committee (FPC) issues its strongest wording on risks to UK financial stability from Brexit</p> <p>While the FPC concluded that following its review since its last meeting on June 19, 2018 that the "...UK's banking system would be strong enough to serve UK households and businesses through a disorderly, cliff-edge Brexit" the FPC did acknowledge that the "worst case" economic outcomes associated with Brexit had not diminished. The FPC also found that a cliff-edge Brexit, including in which there was no agreement (i.e., a No Deal Scenario) or in which there was no "implementation" or "transition period" does not warrant additional capital buffers for banks under its jurisdiction. The FPC's conclusions, while in part a policy communication channel, pointed to the much improved loss absorbency capabilities in the UK banking system, this is specifically supported by an aggregate Tier 1 capital ratio of the major UK banks, which stands at 16.8%, being around three times higher than it was during in 2008. The FPC's further conclusions called for authorities to continue to act to put in place Brexit-proofing legislation and fallbacks to avoid or limit risks of disruption. Notably in relation to derivative contracts, CCP access rights and transfer of data (all technical topics that have been politicized by both sides of the debate – including most recently by the EU's push on its "EMIR 2.2" proposals) the FPC quite bluntly puts the blame on the EU. The FPC's policy action recommendation is thus that (emphasis added in bold): "Absent action by EU authorities, EU rules create legal uncertainty about whether EU clearing members could continue to meet their ongoing obligations to UK CCPs and about the consequences for UK CCPs of continuing to provide services to the EU. To ensure the safe operation of CCPs and avoid financial stability risks, particularly in a stress, the contracts EU clearing members have with UK CCPs will need to be closed out, or transferred, before March 2019. This will be costly to EU businesses and could strain capacity in the derivatives market."</p> <p>For more information, click here.</p>

Source/Date	Brief Description
3 October 2018	<p>FCA publishes thematic review on money laundering and terrorist financing risks in e-money sector</p> <p>The UK's FCA published its report on the outcomes of its thematic review on money laundering and terrorist financing risks in the e-money. The FCA's findings assessed that from the sample of firms observed, the use of agents and distributors to distribute e-money might increase money laundering and terrorist financing risks. The FCA reviewed firms' compliance with the UK's Money Laundering Regulations 2017. The report summarized the FCA's expectations and findings, together with examples of good and poor practice, in areas including governance, culture and management information, customer onboarding and regulated outsourcing. While the FCA concluded there were no direct grounds to take supervisory action in respect of shortcomings, it did invite firms to review whether their anti-money laundering, terrorist financing and financial crime prevention measures merit improvement.</p> <p>For more information, click here.</p>
28 September 2018	<p>Bank of England publishes first annual whistleblowing disclosures report</p> <p>The Bank of England's first annual report under the Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 covers the period April 2017 to March 2018 and summarized the whistleblowing disclosures received by the Bank of England and the Prudential Regulation Authority. Of the 141 disclosures received, 116 were "qualifying disclosures," a number of which have been referred on for further investigation and/or enforcement.</p> <p>For more information, click here.</p>

Source/Date	Brief Description
19 September 2018	<p data-bbox="383 191 1377 260">Treasury Committee publishes recommendations for regulation of crypto-assets and associated activities</p> <p data-bbox="383 289 1377 394">The UK's House of Commons Treasury Committee (Committee) published its twenty-second report of the 2017-19 session, addressing crypto-assets. The Committee's key findings and conclusions include:</p> <ul style="list-style-type: none"> <li data-bbox="383 424 1377 634">(i) crypto-assets have been embedded in certain pockets of society and industry, and a high degree of risks for investors present themselves in relation to crypto/digital-assets and ICOs. Furthermore, crypto/digital-assets can facilitate financial crime and notably the sale and purchase of illicit goods and services or money laundering. The absence of regulation of crypto-asset exchanges is particularly problematic; <li data-bbox="383 663 1377 831">(ii) the FCA's consumer warnings, which follow on from similar action across the EU are a "feeble corrective" to advertisements for crypto/digital-asset investing that are misleading to consumers. The Committee concluded that the FCA needs more power to control how crypto-exchanges and ICO issuers market their services, by bringing the activities they perform into the regulatory perimeter; <li data-bbox="383 861 1377 1104">(iii) self-regulation within the crypto/digital-asset industry is insufficient and coupled with fragmentation or ambiguity of the UK and EU regulators positions the current environment was found to not be considered sustainable. UK regulation should, as a minimum, address consumer protection and money laundering risks. In deciding the regulatory approach, the UK government and regulators should evaluate the risks of crypto/digital-assets and assess whether their growth in the UK should be encouraged and how; <li data-bbox="383 1134 1377 1377">(iv) extending the UK regulatory perimeter to introduce the regulation of crypto/digital-assets and associated activities would be the easiest/quickest method of giving the FCA the relevant tools to discharge its consumer protection tasks in this area. Over the longer term the Committee concluded that the UK government should expand the UK regulatory perimeter by legislative means to include ICO issuance and crypto-exchange services provision as well as to engage with international bodies to ensure gaps are appropriately mitigated. <p data-bbox="383 1407 779 1444">For more information, click here.</p>

Source/Date	Brief Description
1 September 2018	<p>FCA released Market Watch issue 56</p> <p>The FCA's publication of its most recent issue of Market Watch, its newsletter on market conduct and transaction reporting issues shines a light on further supervisory expectations. This edition reviews: (i) the calibration of firms' surveillance systems and the uniqueness of firms' businesses and appropriateness when to report; (ii) assessing the risk of market abuse and the types of "fictitious devices, false or misleading signals and price securing in MAR" are infinite and thus firms will need to assess whether they are able to sufficiently identify, monitor and report risks; (iii) fixed income surveillance which are perceived as having too low a number of suspicious transaction and order reports (STOR) being submitted when compared to other asset classes; (iv) assessment of what firms are justifying for their failings. This can be grouped into a perception that specific types of failings are common to peers or that relevant staff responsible have only recently joined; and (v) payment for order flows and the work that follows on from policy communicated by the FCA in its December 2017 Dear CEO Letter on Payment for Order Flow. Going forward the FCA indicated that it will place greater scrutiny on firms' systems and controls in relation to specific transactions as well as management of conflicts, general compliance monitoring and oversight.</p> <p>For more information, click here</p>

CLIENT ALERTS AND BRIEFINGS

Source/Date	Brief Description
8 October 2018	<p>Restoring the importance of the prospectus in the UK IPO process: three months in and counting</p>

Regulatory Developments in Canada

Source/Date	Brief description
Criminal Code Not in force and no in-force date has been announced.	<p>Bill S-237, An Act to amend the Criminal Code (criminal interest rate) has been introduced.</p> <p>The Bill would allow commercial lenders providing loans in excess of \$1,000,000 to charge an annual interest rate that exceeds 60% per year (the current criminal interest rate cap). The Bill would reduce the current criminal interest rate of 60% per year to the Bank of Canada overnight rate plus 45% per year for consumer loans. This Bill is not in force and no in-force date has been announced.</p> <p>For further information, click here.</p>
Alberta Consumer Protection Act In force as of 1 January 2019.	<p>High Cost Credit</p> <p>Bill 31, <i>A Better Deal for Consumer and Businesses Act</i> sets out a new “high-cost” credit regime for consumer lenders in Alberta. Highlights include:</p> <ul style="list-style-type: none"> • Applies to credit agreements that provide for a rate of 32% or more • License required • Imposes additional disclosure obligations • Details will be set out in regulations, which have not yet been published. <p>For further information, click here.</p>
Quebec Consumer Protection Act In force as of 25 July 2019.	<p>Consumer Lending; High Cost Credit</p> <p>Bill 134, An Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs, will impact consumer lenders in Quebec by requiring lenders to update their forms to include new disclosure requirements, requiring lenders to assess the borrower’s capacity to repay and implementing a new high-cost credit regime.</p> <p>Final regulations implementing these changes were published on 18 July 2018.</p> <p>For further information, click here.</p>
Quebec Consumer Protection Act In force as of 25 July 2019.	<p>Regulations Implementing Changes to Quebec Consumer Protection Act Published</p> <p>Bill 134 includes new requirements for mortgage lenders who lend to Quebec consumers. Final regulations implementing these changes were published on 18 July 2018.</p>

Source/Date	Brief description
<i>Personal Information Protection and Electronic Documents Act</i> In force as of 1 November 2018.	<p>Privacy</p> <p>New privacy data breach reporting requirements. Highlights include:</p> <ul style="list-style-type: none"> • The obligation to report to the Privacy Commissioner any breach of security safeguards involving personal information that could cause significant harm to an individual • The obligation to notify the affected individual(s) • The obligation to notify organizations capable of reducing or mitigating the harm
<i>Personal Information Protection and Electronic Documents Act</i> Applies 1 January 2019.	<p>Privacy</p> <p>The Office of the Privacy Commissioner (OPC) issued the Guidelines for obtaining meaningful consent. These guidelines set out seven principles for meaningful consent that will be need to considered when an organization obtains consent to collect, use and disclose personal information.</p> <p>For further information, click here.</p>
<i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>	<p>Anti-Money Laundering (AML)</p> <p>On 7 February 2018, the Department of Finance released a consultation paper reviewing Canada’s anti-money laundering and anti-terrorist regime. Among other things, the consultation paper contemplates that Canada’s financing, leasing and factoring sector become covered by AML laws. The consultation period closed on 18 May 2018. No draft legislation has been released at this time.</p>

CLIENTS ALERTS & BRIEFINGS

Source/Date	Brief description
Summer 2018	A review of Canada’s anti-money laundering and anti-terrorist financing regime , and proposed amendments to the regime part 1 , part 2 , and part 3 .
19 March 2018	A review of the implications of the Canada Federal Budget 2018.
2 March 2018	Amendments to the Personal Information Protection and Electronic Documents Act proposed by Canadian Parliament.

Regulatory Developments in the United States

Source/Date	Brief description
SEC 20 September 2018	<p>SEC (United States Securities and Exchange Commission) Initiated Proceedings to Determine Approval of Bitcoin ETF Listing</p> <p>In June 2018, a market participant submitted a proposed rule change to allow the listing of a Bitcoin ETF. As of 19 September 2018, more than 1,400 comment letters have been received in response to the proposal. The SEC is requesting comment on the proposed rule change. The SEC has yet to approve a crypto ETF, although it has permitted numerous ICOs. Both the SEC and the Commodity Futures Trading Commission (“CFTC”) have initiated multiple enforcement actions against unregistered companies offering crypto investments, as have several state attorneys general and federal prosecutors.</p> <p>For more information, click here, here and here.</p>
New York Attorney General 19 September 2018	<p>New York State Attorney General Launched Virtual Markets Integrity Initiative</p> <p>The Office of the Attorney General of New York announced an initiative to protect investors and consumers who trade in virtual currency from unfair and deceptive practices. The initiative seeks responses from various trading platforms to provide the public with clarity regarding trading practices and functionality, and resulted in the publication of the Virtual Markets Integrity Report.</p> <p>For more information, click here.</p>
CFTC 18 September 2018	<p>CFTC Announced Significant Penalties in ISDAFIX Benchmark Swap Enforcement Actions</p> <p>In 2018, the CFTC has announced numerous multi-million dollar settlements related to fixing swap rates (the USD ISDAFIX benchmark), most recently in a \$30 million penalty assessed against Bank of America, N.A. The ongoing enforcement efforts suggest that the CFTC will continue to vigilantly enforce benchmark manipulation. Additionally, several class actions are ongoing against domestic and foreign banks in connection with pricing manipulation of U.S. Treasuries, Mexican Bonds, the Canadian Dealer Offered Rate, and other financial instruments.</p> <p>For more information, click here, here and here.</p>

Source/Date	Brief description
Federal District Court (Nebraska) 14 September 2018	<p>Federal Court Certified Class in Securities Class Action Related to Payment for Order Flow</p> <p>A federal district court granted class certification in a lawsuit involving “serious and credible allegations of securities fraud” against a brokerage firm, TD Ameritrade. The lawsuit alleges that TD Ameritrade accepted incentives to route customer orders in a manner inconsistent with its best execution obligations.</p> <p>For more information, click here.</p>
CFTC 14 September 2018	<p>CFTC Disclosed Settlements Related to Recordkeeping, Registration, Reporting and Supervision</p> <p>In simultaneously reporting 12 settlement orders, the CFTC’s Director of Enforcement, James McDonald, stated “these orders reflect the CFTC’s commitment to protecting the public by enforcing the recordkeeping, registration, reporting, and supervision requirements in the Act and Regulations. These requirements are critical to the CFTC’s mission to protect market participants and to ensure market integrity.” The sanctions imposed included a \$160,000 fine against an FCM for failure to supervise and maintain audit trail information, and a \$750,000 penalty against a registered swap dealer for swap reporting violations.</p> <p>For more information, click here.</p>
SEC 11 September 2018	<p>SEC Settles Charges Against “ICO Superstore” as Unregistered Broker-Dealer</p> <p>The SEC announced settlement of charges against TokenLot LLC, a self-described “ICO Superstore,” alleging that it acted as an unregistered broker-dealer. According to the SEC, this is its first case charging an unregistered broker-dealer since issuance of the DAO Report in 2017 (which cautioned that dealers in digital securities must comply with federal securities laws).</p> <p>For more information, click here.</p>
Ninth Circuit 13 August 2018	<p>Ninth Circuit Court of Appeals Criticizes Defense of Securities Class Action Cases</p> <p>In a 59-page opinion reversing (in part) the trial court’s dismissal of claims against the defendant, a biotechnology firm, the Ninth Circuit found that the trial court improperly considered materials outside of the complaint, noting a “concerning pattern in securities cases like this one” in which defendants “exploit [the] benefit” of the “incorporation by reference” doctrine. Unless this opinion is reversed by the United States Supreme Court, it is likely to result in fewer securities class actions being resolved at the motion to dismiss stage, resulting in significantly more expense to the defendant financial institutions.</p> <p>For more information, click here.</p>

Regulatory Developments in Singapore

Source/Date	Brief description
Monetary Authority of Singapore (“MAS”) /ASEAN Financial Innovation Network (“AFIN”) 17 September 2018	<p>MAS, via AFIN, Unveils World’s First Cross-Border, Open Architecture Platform to Improve Financial Inclusion</p> <p>AFIN, an initiative of MAS, the International Finance Corporation and ASEAN Bankers Association has signed an agreement with Fidor Solutions, a provider of digital banking services to create ASEAN’s first API Exchange (“APIX”), an online Global FinTech Marketplace and Sandbox platform for financial institutions.</p> <p>For more information, click here.</p>
MAS 13 September 2018	<p>US Commodity Futures Trading Commission (“CFTC”) and MAS Sign Arrangement to Cooperate on FinTech Innovation</p> <p>The MAS and US CFTC have signed a FinTech cooperation arrangement to facilitate FinTech development and innovation in each other’s markets. The arrangement will focus on information and experience sharing as well as facilitating referrals of FinTech companies from both markets, helping them to navigate the regulatory regime and capitalise on opportunities.</p> <p>For more information, click here.</p>
MAS 10 September 2018	<p>MAS Introduces New Corporate Structure for Investment Funds</p> <p>The MAS has finalised the features of the Variable Capital Company (“VCC”), formerly known as the S-VACC. The new VCC framework will encourage the consolidation of fund domiciliation and fund management activities locally, creating a full-service fund ecosystem in Singapore and strengthen Singapore’s position as a full-service international fund management centre.</p> <p>For more information, click here.</p>
MAS 6 September 2018	<p>MAS Consults on Mandatory Cybersecurity Requirements for Financial Institutions</p> <p>The MAS has issued a Consultation Paper on Notice of Cyber Hygiene (the “Consultation Paper”) proposing six new cybersecurity requirements for financial institutions in Singapore, intended to be legally binding requirements. This is aimed to enhance system and network security and protect against the unauthorised use of system accounts with extensive privileges.</p> <p>For more information, click here and here.</p>

Source/Date	Brief description
MAS/ SGX 6 September 2018	<p>Singapore Issues Revised Corporate Governance Code (“Revised Code”), commencing 1 January 2019</p> <p>The SGX has amended its listing rules after the MAS adopted the Revised Code, clarifying how companies should adopt the comply-or-explain regime in order to provide meaningful disclosures to their stakeholders. The Revised Code will take effect for Annual Reports covering financial years commencing from 1 January 2019.</p> <p>For more information, click here.</p>
MAS 6 July 2018	<p>MAS Issues “Consultation Paper on Revisions to Misconduct Reporting Requirements and Proposals to Mandate Reference Checks for Representatives” (the “Consultation Paper”)</p> <p>The MAS is seeking feedback on its proposal to standardize industry practices in relation to reference checks of prospective representatives of financial institutions. It is proposing to mandate financial institutions to carry out and respond to reference checks on said representatives, as well as setting out the mandatory information that must be provided in a reference. The MAS may expand this requirement to others in the financial industry.</p> <p>For more information, click here.</p>
SGX 5 July 2018	<p>SGX Issues “Consultation Paper on the Proposed Revision of the Financial and Capital Requirements on Bank and Remote Members” (the “Consultation Paper”)</p> <p>The SGX is seeking feedback on the proposed recalibrations of the financial and capital requirements of Remote Clearing Members, Remote Trading Members, Bank Clearing Members and Bank Trading Members. The amendments aim to reflect the levels of risk the respective members pose.</p> <p>For more information, click here.</p>

PUBLIC EVENTS AND CONFERENCES

Source/Date	Brief description
Singapore Fintech Festival 12 November 2018- 16 November 2018	<p>Singapore FinTech Festival</p> <p>The inaugural Singapore FinTech Festival will bring together the global financial community in a week-long event discussing anything related to FinTech.</p> <p>For more information, click here.</p>

CLIENTS ALERTS AND BRIEFINGS

Source/Date	Brief description
Dentons Rodyk (Singapore) 7 August 2018	<p>Proposed changes to Act to enable stamp duty on electronic contracts for Real Estate</p> <p>The article discusses the Singapore Government's proposed Bill to amend the Stamp Duties Act (Cap. 312) such that the Act applies to an electronic record wholly or partly effecting a property or share transaction, or evidences such a transaction. These changes are seen as a necessary step towards the digitalisation of the real estate industry and real estate leases or tenancy contracts may soon be concluded via electronic contracts.</p> <p>For more information, click here.</p>
Dentons Rodyk (Singapore) 4 July 2018	<p>Can cryptographic tokens be used to secure your next loan?</p> <p>The articles discusses whether lenders and cryptographic token holders may want to consider using this up-and-coming asset class to be used as security. It considers the current legal climate in relation to this asset class by looking at the characterisation of tokens, possible forms of security that can be taken over tokens and potential risks and challenges of doing so.</p> <p>For more information, click here.</p>
Dentons Rodyk (Singapore) 11 July 2018	<p>IP Income and Tax Incentives in Singapore</p> <p>The article discusses new exclusions of Intellectual Property (IP) income from incentives awarded by the Economic Development Board (EDB) to companies investing in Singapore. These changes continue to demonstrate Singapore's business friendly environment and may also incentivise companies with IP holdings in Singapore to shift more substantial business activities here.</p> <p>For more information, click here.</p>
Dentons Rodyk (Singapore) 23 April 2018	<p>Reducing the impact of stamp duty on share transfers</p> <p>The article discusses how the Stamp Duties (Agreements for Sale of Equity Interest) (Remission) Rules 2018 have clarified much of the uncertainty surrounding the changes to stamp duty announced and passed in the Singapore Parliament in March 2017 via the Stamp Duties (Amendment) Bill.</p> <p>For more information, click here.</p>

Regulatory Developments in China and Hong Kong (S.A.R.)

Source/Date	Brief description
China Banking Insurance Supervision and Administration Commission CBIRC1 23 August 2018	<p>CBIRC rescinded foreign shareholding restrictions on Chinese banks</p> <p>In order to further expand the opening up of the banking industry and continue to drive the convenience of foreign investment, CBIRC cancelled the restriction on foreign capital equity holding percentages in Chinese invested banks and financial asset management companies, implemented unanimous regulations for the equity and investment percentages of domestic and foreign capital, and clarified the regulatory nature and law application for foreign investment into Chinese banks.</p> <p>For further information in Chinese, click here.</p>
People's Bank of China ("PBOC") 27 July 2018	<p>PBOC issued a circular to impose new compliance requirements of cross-border financial network and information services</p> <p>The circular imposed new compliance requirements of cross-border financial network and information services and focused on whether the enterprises providing such services have implemented various cybersecurity laws and whether they have existing cybersecurity risks. The circular stated that overseas vendors shall file a written report to PBOC 30 business days before providing cross-border financial information services to domestic customers. Overseas vendors are also obligated to make timely reports about service details, changes and emergencies to PBOC, while domestic customers are required to report pre-service issues and emergencies.</p> <p>For further information in Chinese, click here.</p>
CBIRC 29 June 2018	<p>CBIRC issued rules for financial asset management companies in China</p> <p>The newly issued measures stipulated the general conditions for the establishment of financial asset investment companies and clarified the business scope, operation rules, risk management and supervision of the financial asset investment companies.</p> <p>For further information in Chinese, click here.</p>

Source/Date	Brief description
State Administration of Foreign Exchange (“SAFE ³ ”); China Securities Regulatory Commission; (“CSRC ⁴ ”) and PBOC	<p>China simplified limits on Qualified Foreign Institutional Investor (QFII) and RMB Qualified Foreign Institutional Investor (RQFII) to open up market</p> <p>According to the rules and circular published by PBOC, CSRC and SAFE, the 20% cap on capital remittance by QFII was removed, the requirements on capital lock-up period for QFII and RQFII redemption were scrapped and QFII and RQFII were allowed to conduct foreign exchange hedging. The rules will make it easier for these investors to move funds out of the Mainland China.</p> <p>For further information in Chinese, click here</p>

PUBLIC EVENTS & CONFERENCES

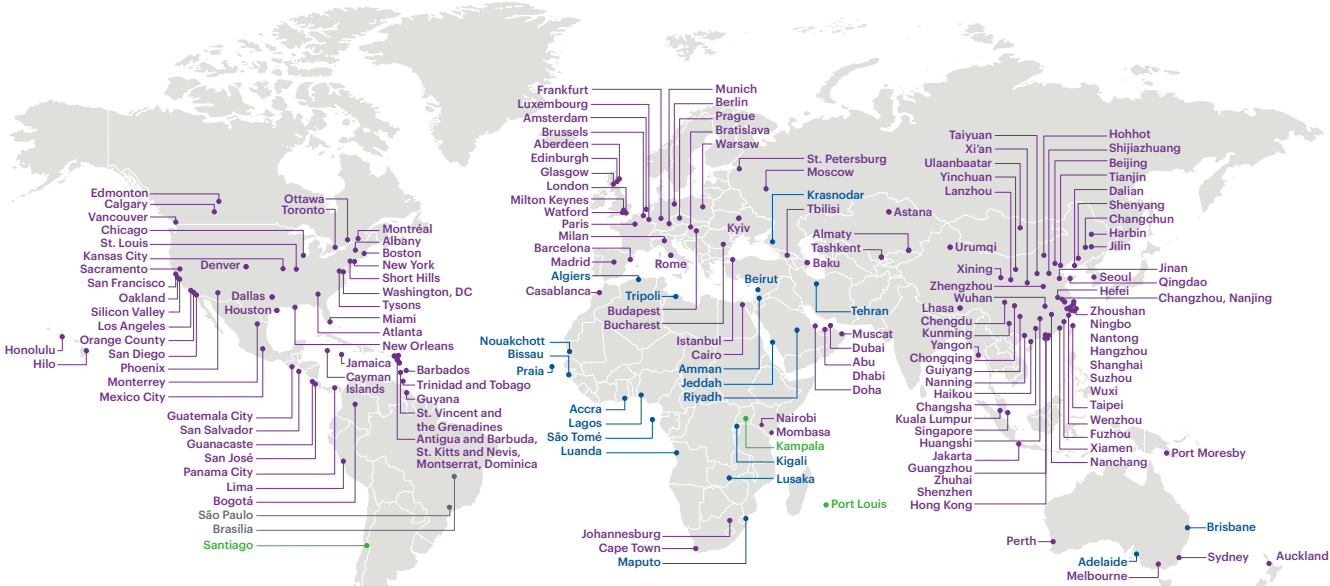
Source/Date	Brief description
CBIRC 29 August 2018	<p>CBIRC will focus on online finance, real estate, non-performing assets and local government hidden debt risks</p> <p>CBIRC convened a teleconference to discuss work for the “Three Year Action Attack Plan for the Prevention and Dissolution of Financial Risk” (防范化解金融风险攻坚战三年行动方案). CBIRC said it would “prevent, control and effectively dispose of internet finance risks, further improve differentiated real estate credit policies, resolutely contain the real estate bubble and dispose non-performing loans.”</p> <p>For further information in Chinese, click here.</p>

Regulatory Developments in Hong Kong (S.A.R.)

Source/Date	Brief description
Competition Commission 6 September 2018	<p>Companies and Individuals Allegedly Involved in Cartel Conduct Brought to Competition Tribunal</p> <p>The Competition Commission had commenced proceedings in the Competition Tribunal against three companies and two individuals who were accused of having engaged in cartel conduct by allocating customers and coordinating pricing in relation to the provision of renovation services for a housing estate.</p> <p>For more information, click here.</p>
Securities and Futures Commission (“SFC”) 24 August 2018	<p>Investor Identification for Northbound Trading under Stock Connect Launched</p> <p>The SFC announced an investor identification regime for northbound trading under Mainland-Hong Kong Stock Connect would be implemented on 17/09/2018. The regime requires brokers to provide the Hong Kong Stock Exchange with the unique number assigned to each trading client before sending clients’ orders for trading.</p> <p>For further information, click here.</p>
Hong Kong Monetary Authority (“HKMA”) 24 August 2018	<p>HKMA Provided Guidance on Online Distribution and Advisory Platforms for Non-Statute-Regulated Structured Investment Products</p> <p>The HKMA issued guidelines for authorised institutions on their online distribution and advisory platforms for structured investment products not regulated by the Securities and Futures Ordinance. For instance, the HKMA now expects authorised institutions to adopt the Suitability Requirement when selling such products.</p> <p>For more information, click here.</p>
HKMA 22 August 2018	<p>HKMA Issued Guidance Note on Cooperation with the HKMA in Investigations and Enforcement Proceedings (the “Guidance Note”)</p> <p>The Guidance Note explains how the HKMA considers and assesses cooperation in its investigations and enforcement proceedings. For instance, it would take cooperation into account when determining the outcome of enforcement actions.</p> <p>For further information, click here.</p>

Source/Date	Brief description
SFC 17 August 2018	<p>SFC Introduced Amendments to Code and Guidelines</p> <p>Amendments to the Code of Conduct for Persons Licensed by or Registered with the SFC (the “Code”), including restrictions on independent licensed corporations, have come into effect. Updates on the SFC Disciplinary Fining Guidelines (the “Guidelines”) have been implemented such that, for example, multiple culpable acts or omissions constituting misconduct may attract multiple penalties.</p> <p>The full text of the Code is available here and that of the Guidelines can be accessed here.</p>
SFC 17 August 2018	<p>SFC Launched Consultation on Securities Margin Financing Guidelines</p> <p>The SFC commenced a two-month consultation on proposed guidelines to codify risk management practices for securities margin financing. The key proposed guidelines include requiring brokers to conduct stress tests on their excess liquid capital at least on a monthly basis.</p> <p>For more details, click here.</p>

Global presence



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