

Global Financial Markets Regulatory Review

September 2021

Editorial note

Dentons is pleased to present the September 2021 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.

Because of our international footprint of more than 20,000 people in 205 locations and 81 countries, Dentons can service most cross border legal issues faced by global companies, including financial markets litigation and regulatory matters in all major global financial market centers. 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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Key Regulatory Developments in Australia

Source/Date	Brief description
Australian Securities and Investments Commission (ASIC) September 7, 2021	<p>Publication of RG78 outlines guidance related to new mandatory breach reporting regime to apply from 1 October</p> <p>The new regime, which applies to both AFSL and ACL holders, contains a more expansive scope of “reportable situations” (i.e. matters that must immediately be reported to ASIC), and the introduction of “deemed significant breaches.” Subjective assessments of “significance” of a particular issue are now a thing of the past, with the decision of whether a matter is reportable to ASIC or not hinging on that assessment.</p> <p>Further information can be accessed here.</p>
Australian Transaction Reports and Analysis Centre (AUSTRAC) September 6, 2021	<p>Release of four new banking-sector risk assessments</p> <p>The four assessments examine the threats criminals pose to Australia’s ADIs (major, non-major, foreign subsidiaries and foreign bank branches) operating in Australia.</p> <p>AUSTRAC assesses the threat of ML/TF facing Australia’s major banks as high and that that the major banks are subject to a high level of inherent ML/TF vulnerability.</p> <p>Further information can be accessed here.</p>
Australian Prudential Regulation Authority (APRA) September 3, 2021	<p>Information paper outlines purpose, design and scope of Climate Vulnerability Assessment underway in Australia’s five largest banks</p> <p><i>Climate Vulnerability Assessment</i> sets out the three key objectives of the CVA:</p> <ul style="list-style-type: none">• to assess potential financial exposure to climate risk;• to understand how banks may adjust business models and implement management actions in response to different scenarios; and• to foster improvement in climate-risk management capabilities <p>The report sets out the criteria it will be assessing, including the types of climate risks considered, scope (geographic and financial exposures) of the assessment, climate scenarios, and the timeframe.</p> <p>Further information can be accessed here.</p>

<p>Australian Securities and Investments Commission (ASIC)</p>	<p>Corporate Plan to 2025 outlines priorities over next four years</p>
<p>August 26, 2021</p>	<p>Four strategic priorities:</p> <ul style="list-style-type: none"> • promoting economic recovery — including through better and more efficient regulation, facilitating innovation, and targeting regulatory and enforcement action to areas of greatest harm; • reducing risk of harm to consumers exposed to poor product governance and design, and increased investment scam activity in a low-yield environment; • supporting enhanced cyber resilience and cyber security among ASIC’s regulated population; and • driving industry readiness and compliance with standards set by law reform initiatives. <p>Further information can be accessed here.</p>
<p>Treasury</p> <p>August 23– September 20, 2021</p>	<p>Consultation on exposure draft legislation and exposure draft explanatory materials on reforms to the Australian Consumer Law and the ASIC Act 2001</p> <p>The goal is to help reduce the prevalence of unfair terms in standard form contracts, and improve consumer and small business confidence when entering into standard form contracts.</p> <p>Further information can be accessed here.</p>
<p>Australian Prudential Regulation Authority (APRA)</p> <p>August 11, 2021</p>	<p>Response to consultations on revisions to APRA’s approach to licensing and supervising ADIs</p> <p>The package includes a response paper, information paper and guidelines for locally-incorporated ADIs and guidelines for overseas banks operating in Australia.</p> <p>Further information can be accessed here.</p>
<p>Treasury</p> <p>August 10–13, 2021</p>	<p>Treasury Laws Amendment (2021 Measure No. 1) Act 2021 (Cth) receives Royal Assent</p> <p>The Act provides for temporary amendments allowing electronic execution of documents and permitting virtual participation in directors meetings.</p> <p>Further information can be accessed here.</p>
<p>Australian Prudential Regulation Authority (APRA)</p> <p>August 5, 2021</p>	<p>Final revised Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111) for ADIs</p> <p>The final APS 111 arises out of an APRA consultation commenced in October 2019 (for more information, see our earlier Issues 31 and 54). APRA also published its response to the consultation.</p> <p>APS 111 will come into effect from 1 January 2022.</p>

<p>Australian Securities and Investments Commission (ASIC)</p>	<p>Consultation on proposed updates to guidance on hawking prohibition</p>
<p>July 21–August 17, 2021</p>	<p>The new anti-hawking laws prohibit the making of unsolicited offers, requests and invitations to retail clients in relation to financial products. This means that while offers, requests and invitations for financial products (for example, deposit products) are covered by the anti-hawking, offers, requests and invitations for products that are not financial products (such as loan products) are not.</p>
	<p>Further information can be accessed here.</p>
<p>Australian Prudential Regulation Authority (APRA)</p>	<p>Publication of letter to ADIs updates key policy settings for capital framework reforms</p>
<p>July 21, 2021</p>	<p>The reforms will come into effect from January 1, 2023. These policy settings arise out of APRA's consultation on draft prudential standards in December 2020.</p>
	<p>In the letter, APRA states it is aiming to release final prudential standards in November 2021.</p>
	<p>Further information can be accessed here.</p>
<p>Australian Securities and Investments Commission (ASIC)</p>	<p>Information sheet for Reference Checking and Information Sharing Protocol</p>
<p>July 20, 2021</p>	<p>The protocol prescribes specific obligations in order to enable any past misconduct by a person to be ascertained and shared between the financial advice and mortgage broking industries.</p>
	<p>Further information can be accessed here.</p>
<p>Treasury</p>	<p>Exposure draft regulations published</p>
<p>July 19, 2021</p>	<p>The draft regulations set out the classes of add-on insurance products that would be exempt from the deferred sales model for add-on insurance (Deferred Sales Model) introduced by <i>Financial Sector Reform (Hayne Royal Commission Response) Act 2020</i> (Cth).</p>
	<p>Further information can be accessed here.</p>
<p>Treasury</p>	<p>Exposure draft regulations published</p>
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	<p>Further information can be accessed here.</p>

<p>Australian Prudential Regulation Authority (APRA)</p>	<p>Consultation on draft expectations regarding ADIs' preparedness for zero and negative interest rates</p>
<p>July 12, 2021</p>	<p>APRA considers the risks arising from an ADI's lack of preparedness for zero and negative interest rates to be material since this could have significant implications for an ADI's risk management, hedging, operational processes, contracts, product disclosures, IT and accounting systems among other areas.</p> <p>APRA expects ADIs to take reasonable steps to prepare for scenarios in which the cash rate and/or market interest rates may fall to zero or become negative.</p> <p>Further information can be accessed here.</p>
<p>Australian Securities and Investments Commission (ASIC)</p>	<p>Feedback sought on proposal for guidance and relief for litigation funding schemes</p>
<p>July 9 – August 20, 2021</p>	<p>ASIC publishes Consultation Paper 345 <i>Litigation funding schemes: Guidance and relief</i>, seeking feedback on proposed guidance and relief for litigation funding schemes.</p> <p>Further information can be accessed here.</p>
<p>Australian Competition and Consumer Commission (ACCC)</p>	<p>Compliance guidelines for data holders published</p>
<p>July 1, 2021</p>	<p>Data sharing obligations of non-major banks and reciprocal data holders required to share CDR data in respect of Phase 1, 2 and 3 products.</p> <p>Further information can be accessed here.</p>
<p>Australian Securities and Investments Commission (ASIC)</p>	<p>Debt management and credit reporting assistance licensing</p>
<p>July 1, 2021</p>	<p>Licensing required for provision of debt management assistance and credit reporting assistance services to consumers for a fee.</p> <p>Further information can be accessed here.</p>
<p>Australian Securities and Investments Commission (ASIC)</p>	<p>FAQ on ongoing fee arrangements</p>
<p>July 1, 2021</p>	<p>Financial advice reforms include changes to ongoing fee arrangements, personal advice disclosures and superannuation advice fees.</p> <p>Further information can be accessed here.</p>
<p>Treasury</p>	<p>Mandatory comprehensive credit reporting begins</p>
<p>July 1, 2021</p>	<p>Large ADIs who are credit providers are required to provide credit information on consumer credit accounts to credit reporting bodies.</p> <p>Further information can be accessed here.</p>

Public Events & Conferences

Source/Date	Brief description
Dentons July 13, 2021	<p>Denton’s Regulation and Compliance team delivered credit and financial services professional development webinar</p> <p>The webinar was presented by Elise Ivory, Amber Warren, Jon Denovan, David Carter, Tim Sherrard, Anthony Walsh, Rachel Walker, AJ Sridaran, Michael Lazar and Elouise Casey the training covered a suite of credit and financial services topics including:</p> <ul style="list-style-type: none">complaints, breaches and customer remediation;enforcement case law, Buy-Now-Pay-Later and asset finance panel;DDO and anti-hawking; andResponsible lending.

Key Regulatory Developments in Europe

- Regulatory Developments in the EU
- Regulatory Developments in Belgium
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Regulatory Developments in the EU

Source/Date	Brief description
EBA August 24, 2021	EBA publishes its peer review on prudential assessment of qualifying holdings Overall, competent authorities have largely or fully applied the ESA Guidelines, which have thus significantly contributed to a convergence of assessment practices for a proposed acquisition or an increase in qualifying holdings across the EU. For further information, click here .
EBA August 17, 2021	EBA publishes Annual Report on resolution colleges for 2020 The Report sets out the EBA's observations on the functioning of colleges during the year and the progress achieved in key areas of resolution planning. For further information, click here .
ECB-SSM August 16, 2021	ECB and US SEC sign MoU on security based swap entities The ECB and the US Securities and Exchange Commission (SEC) today signed a memorandum of understanding (MoU) to prepare for the registration of ECB-supervised entities as security-based swap dealers or major security-based swap participants in the United States. For further information, click here .

EIOPA	EIOPA publishes follow-up report to peer review on key functions
August 11, 2021	<p>The report assesses how national competent authorities have implemented the recommended actions from the original peer review in 2018 on the application of the proportionality principle in governance requirements regarding key functions.</p> <p>For further information, click here.</p>
ESMA	ESMA publishes report on use of FinTech by Central Securities Depositories
August 6, 2021	<p>The report includes suggestions in a number of areas in which targeted amendments to the CSDR and further guidance could help CSDs in the deployment of Distributed-ledger Technology.</p> <p>For further information, click here.</p>
EIOPA	EIOPA publishes annual report on supervisory activities in 2020
August 4, 2021	<p>The report highlights activities and achievements from the year, covering both prudential and conduct of business supervision.</p> <p>For further information, click here.</p>
EBA	EBA publishes amended technical standards on resolution planning reporting
August 3, 2021	<p>The amendments primarily aim at re-aligning the standards with the provisions of the Bank Recovery and Resolution Directive (BRRD), following changes to the minimum requirement for own funds and eligible liabilities (MREL) introduced in the revised BRRD2.</p> <p>For further information, click here.</p>
ECB-SSM	ECB publishes annual report on sanctioning activities in the SSM in 2020
August 2, 2021	<p>The report has been prepared by the SSM Network of Enforcement and Sanctions Experts to present comprehensive statistics on sanctioning activities carried out in 2020 in relation to breaches of prudential requirements.</p> <p>For further information, click here.</p>
EBA	EBA consults on new Guidelines on role of AML/CFT compliance officers
August 2, 2021	<p>The public consultation concerns new Guidelines on the role, tasks and responsibilities of AML/CFT compliance officers. The Guidelines also include provisions on the wider AML/CFT governance set-up, including at the level of the group.</p> <p>For further information, click here.</p>
EBA	EBA publishes results of its 2021 EU-wide stress test
July 30, 2021	<p>For more information click here.</p>

<p>Basel Committee</p> <p>July 30, 2021</p>	<p>Proportionality in banking regulation and supervision—a joint global survey</p> <p>The Basel Committee in Banking Supervision and the World Bank have published the results of a global survey conducted with bank supervisors and regulators. This survey addresses remaining challenges in the proportionate implementation.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 28, 2021</p>	<p>EBA publishes final Guidelines on monitoring of threshold for establishing intermediate EU parent undertaking</p> <p>The Guidelines specify how third-country groups should calculate and monitor the total value of their assets in the EU in order to ensure timely application of the intermediate EU parent undertakings IPU requirement under CRD V.</p> <p>For further information, click here.</p>
<p>SRB</p> <p>July 28, 2021</p>	<p>SRB approach to prior permissions regime for eligible liabilities</p> <p>The Single Resolution Board has amended its provisional policy in line with the draft regulatory technical standards (RTS) of the CRR for all permissions effective as of 1 January 2022.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 28, 2021</p>	<p>MiFID II/MiFIR Annual Review Report under Commission Delegated Regulation (EU) 2017/583 (RTS 2)</p> <p>ESMA has proposed to the European Commission to move to stage three of the phase-in for the transparency requirements, for both the average daily number of trades threshold used for the quarterly liquidity assessment of bonds, and for the pre-trade size specific to the instrument threshold for bonds.</p> <p>For further information, click here.</p>
<p>IOSCO</p> <p>July 26, 2021</p>	<p>IOSCO consults on ESG Ratings and Data Providers</p> <p>IOSCO has published this consultation report as an additional piece to the overall framework for sustainability. The consultation aims at assisting in understanding the implication of the activities of ESG ratings and data providers and in establishing frameworks to mitigate risks stemming from these activities.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 26, 2021</p>	<p>EBA consults on RTS to identify shadow banking entities</p> <p>The EBA consults on regulatory technical standards (RTS) setting out criteria for the identification of shadow banking entities for the purposes of reporting large exposures.</p> <p>For further information, click here.</p>

<p>EIOPA</p> <p>July 23, 2021</p>	<p>EIOPA consults on amendments of supervisory reporting and disclosure requirements</p> <p>EIOPA has launched a consultation on reporting and disclosure requirements. The overall aim of the consultation is the implementation of amendments to reporting requirements without waiting for the Solvency II review.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 21, 2021</p>	<p>EBA publishes methodological guide to mystery shopping</p> <p>EBA has published a guide setting out the design and implementation of mystery shopping activities by National Competent Authorities.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 21, 2021</p>	<p>Report on results of 2020 CSA on MiFID II suitability requirements</p> <p>Following the 2020 Common Supervisory Action (CSA) on MiFID II suitability requirements, ESMA has highlighted areas for improvement in compliance with MiFID II suitability requirements, notably the requirement to consider the cost and complexity of equivalent products, the costs and benefits of switching investments, and suitability reports.</p> <p>For further information, click here.</p>
<p>European Commission</p> <p>July 20, 2021</p>	<p>European Commission presents legislative proposals for EU's AML/CFT rules</p> <p>The proposal includes the creation of a new EU authority to fight money laundering, a Regulation on Anti-Money Laundering and Counter Terror Financing (AML/CFT), a sixth Anti-Money Laundering Directive (AMLD6), and a revision of Regulation 2015/847/EU on Transfer of Funds to trace transfers of crypto-assets.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 20, 2021</p>	<p>Report on sanctions under the AIFMD</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 20, 2021</p>	<p>Annual report on use of sanctions for UCITs</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 20, 2021</p>	<p>New Q&As</p> <p>ESMA has updated its Q&As in respect of the AIFMD, UCITS, MiFIR data reporting, prospectuses and BMR.</p> <p>For further information, click here.</p>

ESMA July 19, 2021	<p>Report on sanctions and measures imposed by NCAs under MIFID II in 2020</p> <p>For further information, click here.</p>
ESMA July 19, 2021	<p>ESMA consults on remuneration requirements under MiFID II</p> <p>ESMA has published a consultation paper on draft guidelines on certain aspects of the MiFID II remuneration requirements taking into account the new requirements under MiFID II, providing additional detail compared to the 2013 guidelines and incorporating results of supervisory activities by NCAs.</p> <p>For further information, click here.</p>
ESMA July 16, 2021	<p>Report on provision of banking-type ancillary services by CSDs</p> <p>ESMA has published its report on the provision of banking-type ancillary services by central securities depositories (CSDs), including by non-banking CSDs. The report includes proposals to facilitate the provision of such services, notably settlement services in foreign currencies.</p> <p>For further information, click here.</p>
EBA July 15, 2021	<p>EBA consults on draft Guidelines on limited network exclusion under PSD2</p> <p>EBA has published a consultation paper on draft Guidelines on the limited network exclusion under the revised Payment Services Directive (PSD2). EBA has identified significant inconsistencies on the application of the exclusion across member states and with the draft Guidelines now aims to clarifying specific aspects of its application, including how a network of service providers or a range of goods and services should be assessed in order to qualify as “limited”, the use of payment instruments within limited networks, the provision of excluded services by regulated financial institutions and the submission of notification to competent authorities (CAs).</p> <p>For further information, click here.</p>
ESMA July 15, 2021	<p>ESMA consults on Amendments to MAR Guidelines on delayed disclosure of inside information</p> <p>ESMA has launched a consultation on amendments to expand the MAR Guidelines in light of the interaction between the MAR transparency obligations vis-à-vis inside information and the prudential supervisory framework.</p> <p>For further information, click here.</p>
ESMA July 15, 2021	<p>ESMA publishes disclosure and investor protection guidance on SPACs</p> <p>ESMA has published its expectations on how issuers should satisfy the specific disclosure requirements of the Prospectus Regulation to enhance the comprehensibility and comparability of prospectuses for special purpose acquisition companies (SPACs).</p> <p>For further information, click here.</p>

<p>ECJ</p> <p>July 15, 2021</p>	<p>ECJ judgment on Single Resolution Board (SRB) decisions</p> <p>The judgment covers the calculation of ex-ante contributions, the authentication of a decision of the SRB, the obligation to state reasons, confidential data and the legality of Delegated Regulation (EU) 2015/63.</p> <p>For further information, click here.</p>
<p>EIOPA</p> <p>July 14, 2021</p>	<p>EIOPA consults on revision of Solvency II Guidelines on Contract Boundaries and Valuation of Technical Provisions</p> <p>EIOPA has launched two consultations on the revision of the Solvency II Guidelines. EIOPA wants to ensure a convergent application regarding technical provisions as well as to promote a consistent application of an insurance or reinsurance contract boundary. Such a boundary specifies whether the additional cover arising from policyholders' options is regarded as existing or future business.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 13, 2021</p>	<p>EBA publishes final Guidelines for using data inputs in expected shortfall risk measure under IMA</p> <p>EBA has published its final Guidelines clarifying the requirements that the data inputs used to determine the scenarios of future shocks applied to modellable risk factors under the internal model approach (IMA) should meet.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 13, 2021</p>	<p>ESMA consults on EMIR reporting guidelines</p> <p>ESMA has published draft reporting guidelines that include, among others, rules related to reporting, data quality and data access under the EMIR Refit. ESMA has also published validation rules that clarify dependencies between data fields, as well as their applicability in different use cases.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 13, 2021</p>	<p>ESMA publishes methodology for assessing TC-CCPS systemic importance</p> <p>ESMA has published a methodology for assessing whether a third-country central counterparty (TC-CCP) or some of its clearing services are of such substantial systemic importance that the TC-CCP should not be recognized to provide certain clearing services or activities in the EU.</p> <p>For further information, click here.</p>

<p>ESMA</p> <p>July 13, 2021</p>	<p>ESMA warns firms and investors about risks arising from PFOF</p> <p>ESMA has issued a public statement to remind firms that the receipt of payment for order flow (PFOF) raises significant investor protection concerns. It highlights MiFID II obligations aimed at ensuring firms act in their clients' best interest when executing their orders.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 12, 2021</p>	<p>ESMA launches public consultation on Central Counterparty (CCP) recovery regime</p> <p>ESMA has published a set of seven consultation papers to gather feedback from stakeholders on how to implement its CCP recovery mandates. The consultation includes proposals for RTS on the methodology for calculation and maintenance of additional amounts of pre-funded dedicated own resources, Guidelines on the consistent application of the triggers for the use of Early Intervention Measures as well as Guidelines on CCP recovery plan indicators and scenarios.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 9, 2021</p>	<p>ESMA consults on review of transparency requirements under MiFIR</p> <p>ESMA has published a consultation paper on the review of the regulatory technical standards—RTS 1 equity and RTS 2 (non-equity transparency—on transparency requirements under the Markets in Financial Instruments Regulation (MiFIR).</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>July 9, 2021</p>	<p>ESMA consults on derivatives clearing and trading RTS in view of benchmark transition</p> <p>ESMA has launched a consultation on the review of the RTS specifying classes of derivatives subject to clearing (CO) and trading obligations (DTO). The overall aim of this consultation is to amend the scope of both the CO and the DTO to accompany the benchmark transition for OTC derivatives.</p> <p>For further information, click here.</p>
<p>FSB</p> <p>July 7, 2021</p>	<p>FSB roadmap for addressing climate-related financial risks</p> <p>The roadmap addresses climate-related financial risks and supports international coordination in several ways.</p> <p>For further information, click here.</p>

<p>FSB</p> <p>July 6, 2021</p>	<p>Progress report to G20 on LIBOR transition issues</p> <p>The FSB has published this report based on recent developments, supervisory issues and points out next steps. The FSB strongly urges market participants to act now to complete the steps set out in the Global Transition Roadmap until the end of 2021.</p> <p>For further information, click here.</p>
<p>European Commission</p> <p>July 6, 2021</p>	<p>Sustainable Finance: Commission adopts three-fold green finance package</p> <p>First, the Commission has put forward a new strategy to make the EU's financial system more sustainable. Second, it has proposed a new European Green Bond Standard. Third, it has adopted Delegated Regulation (EU) 2020/852 on the information to be disclosed by financial and non-financial companies about how sustainable their activities are, based on Article 8 of the EU Taxonomy.</p> <p>For further information, click here.</p>
<p>EIOPA</p> <p>July 6, 2021</p>	<p>EIOPA reports on key financial stability risks in European insurance and pension sectors</p> <p>EIOPA has published its Financial Stability Report.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 2, 2021</p>	<p>EBA publishes final revised Guidelines on sound remuneration policies</p> <p>EBA has published its final revised Guidelines on institutions' sound remuneration policies, which provides guidance to certain amendments under the Capital Requirements Directive (CRD V), in particular, to the requirement that remuneration policies should be gender neutral. The final Guidelines also consider supervisory practices and clarify some aspects of retention bonuses and severance pays.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 2, 2021</p>	<p>EBA publishes final Guidelines on internal governance</p> <p>EBA has published its revised Guidelines on internal governance, which provides guidance to certain amendments under the Capital Requirements Directive (CRD V), in particular with regard to gender diversity, money laundering, financing terrorist risk and the management of conflicts of interest, including in the context of loans and other transactions with members of the management body and their related parties.</p> <p>For further information, click here.</p>

<p>ESMA / EBA</p> <p>July 2, 2021</p>	<p>ESMA and EBA publish final guidance on fit and proper requirements</p> <p>ESMA and EBA have published a joint final guidance on the fit and proper requirement, which takes into account amendments introduced by the revised Capital Requirements Directive (CRD V), the Investment Firms Directive (IFD), and their effect on the assessment of the suitability of members of the management body, in particular with regard to money laundering and financing terrorism risks, and gender diversity. The joint final Guidelines will apply from 31 December 2021.</p> <p>For further information, click here.</p>
<p>EBA</p> <p>July 1, 2021</p>	<p>EBA provides Opinion on implementation of new prudential regime for investment firms</p> <p>ESMA has provided clarification in respect to the new prudential regime for investment firms under the Investment Firms Regulation (IFR) and Investment Firm Directive (IFD) in the absence of the delegated act establishing the methodology for the calculation of the €30 billion threshold, on which EBA has currently opened a second public consultation.</p> <p>For further information, click here.</p>
<p>European Commission</p> <p>June 16, 2021</p>	<p>The Commission launches a targeted consultation on improving transparency and efficiency in secondary markets for non-performing loans</p> <p>The deadline for submitting responses is September 8, 2021.</p> <p>For further information, click here.</p>
<p>ECB</p> <p>June 15, 2021</p>	<p>ECB launches consultation on its revised guide to fit and proper assessments</p> <p>For further information, click here.</p>
<p>BIS</p> <p>June 10, 2021</p>	<p>Basel Committee consults on prudential treatment of cryptoasset exposures</p> <p>Basel Committee issues public consultation on preliminary proposals for the prudential treatment of banks' cryptoasset exposures. The proposals split cryptoassets into two broad groups: those eligible for treatment under the existing Basel framework with some modifications; and others, such as bitcoin, are subject to a new conservative prudential treatment. The Committee invites submissions on the proposals by September 10.</p> <p>For further information, click here.</p>
<p>ESRB</p> <p>June 7, 2021</p>	<p>Adverse scenario for the ESMA 2021 EU-wide central counterparty stress test</p> <p>For further information, click here.</p>

EBA

June 7, 2021

EBA launches second consultation on its technical standards on the calculation of the €30bn threshold for investment firms

The European Banking Authority launched a second consultation on its draft regulatory technical standards (RTS) on the calculation of the threshold for investment firms. With this consultation, the EBA is seeking to address the level playing field concerns raised by the industry in relation to geographical constraints of some undertakings, as well as to ensure a more proportionate and consistent methodology for the calculation of the thresholds. These RTS are part of the EBA's roadmap for delivering on mandates related to the implementation of a new prudential regime for investment firms. The consultation runs until July 17, 2021.

For further information, click [here](#).

EBA

June 7, 2021

EBA updates list of risk indicators and analysis tools

The European Banking Authority published an updated list of indicators for risk assessment and risk analysis tools, together with the accompanying methodological guide. This guidance, which describes how risk indicators are computed in EBA publications, allows competent authorities and users of EBA data to interpret key bank figures in a consistent fashion when conducting their risk assessments and analyses.

For further information, click [here](#).

ESMA

June 7, 2021

ESMA launches 2021 Central Counterparties Stress Test

The European Securities and Markets Authority, the EU's securities markets regulator, has published the framework for its fourth Stress Test for Central Counterparties (CCPs). ESMA, as required by the European Markets Infrastructure Regulation (EMIR), initiates and coordinates this exercise to assess the resilience and safety of recognized European Union (EU) and Tier 2 Third Country CCPs (TC-CCPs) to adverse market developments and to identify any potential shortcomings.

For further information, click [here](#).

EBA

June 4, 2021

EBA consults on technical standards on crowdfunding service providers

The European Banking Authority published a consultation paper on draft Regulatory Technical Standards (RTS), specifying the information that crowdfunding service providers offering individual portfolio management of loans shall provide to investors in relation to the method to assess credit risk, and on each individual portfolio. The draft Regulatory Technical Standards also specify the policies, procedures and organizational arrangements that crowdfunding service providers shall have in place in relation to any contingency fund they may offer to investors. The consultation runs until September 4, 2021.

For further information, click [here](#).

EIOPA

June 3, 2021

EIOPA issues guidelines on the supervisory reporting for the Pan-European Personal Pension Product

The European Insurance and Occupational Pensions Authority published the guidelines on the supervisory reporting regarding the Pan-European Personal Pension Product (PEPP) to ensure the common, uniform and consistent application of the PEPP regulation's reporting requirements.

For further information, click [here](#).

European
Commission

June 2, 2021

EMIR: Commission specifies commercial terms for clearing services for OTC derivatives

The Commission has adopted the Delegated Regulation the EMIR Regulation (EU) No 648/2012.

For further information, click [here](#).

FSB

June 2, 2021

FSB issues statements to support a smooth transition away from Libor by end 2021

The Financial Stability Board has published a set of documents to support a smooth transition away from Libor by the end of 2021. On March 5, 2021, ICE Benchmark Administration (IBA) and the UK Financial Conduct Authority (FCA) formally confirmed the dates that panel bank submissions for all Libor settings will cease, after which representative Libor rates will no longer be available. The majority of Libor panels will cease at the end of this year, although a number of key US dollar (USD) settings will continue until end-June 2023, to support the rundown of legacy contracts only.

For further information, click [here](#).

FSB

May 31, 2021

FSB seeks feedback on its proposals for quantitative targets for enhancing cross-border payments

The Financial Stability Board published a public consultation on global targets for addressing the four challenges of cross-border payments. The quantitative targets proposed are a foundational step in the G20 Roadmap for Enhancing Cross-border Payments, which was endorsed by G20 Leaders in November 2020.

For further information, click [here](#).

EBA

EBA consults on institutions' Pillar 3 disclosure of interest rate risk exposures

May 28, 2021

The European Banking Authority launched a public consultation on draft implementing technical standards (ITS) on Pillar 3 disclosures regarding exposures to interest rate risk on positions not held in the trading book (IRRBB). The draft ITS put forward comparable disclosures that would allow stakeholders to assess institutions' IRRBB risk management framework as well as the sensitivity of institutions' economic value of equity and net interest income to changes in interest rates. The proposed standards will amend the comprehensive ITS on institutions' public disclosures, in line with the strategic objective of developing a single and comprehensive Pillar 3 package that should facilitate implementation by institutions and further promote market discipline.

For further information, click [here](#).

ESMA

ESMA consults on Guidelines for Data Transfer between Trade Repositories under EMIR and SFTR

May 28, 2021

The European Securities and Markets Authority launched a consultation on amendments to its Guidelines on Data Transfer between Trade Repositories (TRs) under EMIR, as well as on Guidelines regarding Data Transfer between TRs under SFTR.

For further information, click [here](#).

ESMA

ESMA updates its opinion on reporting information under the AIFMD

May 28, 2021

The European Securities and Markets Authority has updated the Opinion Collection of information for the effective monitoring of systemic risk under Article 24(5), first sub-paragraph, of the AIFMD, in the context of AIFMD reporting.

For further information, click [here](#).

EBA

EBA consults on new guidelines on cooperation and information exchange in the area of anti-money laundering and countering the financing of terrorism

May 27, 2021

The European Banking Authority launched a public consultation on its new guidelines that set out how prudential supervisors, AML/CFT supervisors and financial intelligence units (FIUs) should cooperate and exchange information in relation to AML/CFT, in line with provisions laid down in the Capital Requirements Directive (CRD). Cooperation and information exchange is key to ensuring the prudential soundness and viability of institutions, to protecting the EU's financial system from financial crime and to safeguarding its stability and integrity. This consultation runs until August 27, 2021.

For further information, click [here](#).

EBA

May 27, 2021

EBA shows good progress in the reduction of MREL shortfall for the largest banks

The European Banking Authority published its second quantitative report on minimum requirements for own funds and eligible liabilities (MREL) under the new methodology. The report shows that as of December 2019, the largest institutions have made good progress in reducing MREL shortfalls and that smaller institutions tend to lag behind.

For further information, click [here](#).

ESMA

May 27, 2021

ESMA consults on synthetic securitizations RTS and amendments to STS templates

The European Securities and Markets Authority published a consultation paper on draft regulatory technical standards (RTS) implementing the amended Securitization Regulation (SECR).

For further information, click [here](#).

EBA

May 27, 2021

EBA publishes final draft technical standards on own funds and eligible liabilities

The European Banking Authority published its final draft Regulatory Technical Standards (RTS) on own funds and eligible liabilities. Since their entry into force, the RTS on own funds have significantly enhanced regulatory harmonization of prudential rules and contributed to strengthening the quality of regulatory capital. With the revised Capital Requirements Regulation (CRR) introducing new criteria and requirements for eligible liabilities, these amended RTS capture several aspects of eligible liabilities as well as the changes to the own funds framework.

For further information, click [here](#).

ESMA

May 26, 2021

ESMA consults on commodity derivatives technical standards as part of MiFIDII Recovery Package

The European Securities and Markets Authority launched a consultation, as part of the post-COVID-19 MiFID II Recovery Package, seeking input from market participants on its draft technical standards for commodity derivatives.

For further information, click [here](#).

EBA

EBA publishes results of EU-wide pilot exercise on climate risk

May 21, 2021

The European Banking Authority published the findings of its first EU-wide pilot exercise on climate risk, whose main objective is to map banks' exposures to climate risk and provide an insight into the green estimation efforts banks have carried out so far. The findings give a clear picture of banks' data gaps and highlight the sense of urgency to remedy them if they are to achieve a meaningful and smooth transition to a low-carbon economy.

For further information, click [here](#).

EBA

EBA announces plans for the 2021 EU-wide Transparency exercise and EBA Risk Assessment Report

May 18, 2021

The European Banking Authority announced that the annual 2021 EU-wide Transparency exercise will be carried out in autumn and the information on banks' exposures and asset quality during the crisis will be released to market participants. The exercise will cover the figures from the second half of 2020 and the first half of 2021. The exercise will be launched in September and the results are expected to be published at the beginning of December, along with the EBA Risk Assessment Report.

For further information, click [here](#).

EBA

The EBA publishes report on Member States' reliance on external credit ratings

May 17, 2021

The European Banking Authority published a Report, which analyzes the extent to which Member States' national law relies on external credit ratings. Based on a survey among EU banking supervisors, no mechanistic reliance on external credit ratings was identified.

For further information, click [here](#).

ESMA

ESMA consults on its MiFID II/MiFIR Annual Report

May 12, 2021

The European Securities and Markets Authority has launched a consultation seeking input from market participants on its MiFIDII /MiFIR Annual Review Report under Commission Delegated Regulation (EU) 2017/583 (RTS 2). The consultation closes on June 11, 2021.

For further information, click [here](#).

European
Commission

May 11, 2021

Europe's Digital Decade: Commission launches consultation and discussion on EU digital principles

As a follow-up to its Digital Decade Communication of March 9, 2021, the Commission is launching a public consultation on the formulation of a set of principles to promote and uphold EU values in the digital space.

For further information, click [here](#).

ECB

May 11, 2021

Private sector working group on euro risk-free rates publishes recommendations on EURIBOR fallbacks

For further information, click [here](#).

EBA

May 10, 2021

EBA updates data on Deposit Guarantee Schemes across the EEA

The European Banking Authority published 2020 data relating to two key concepts and indicators in the Deposit Guarantee Schemes Directive (DGSD): available financial means, and covered deposits. The EBA publishes this data on a yearly basis to enhance the transparency and public accountability of deposit guarantee schemes (DGSs) across the European Economic Area (EEA) for the benefit of depositors, markets, policymakers, DGSs and Members States.

For further information, click [here](#).

EIOPA

May 7, 2021

EIOPA launches its 2021 insurance stress test

The European Insurance and Occupational Pensions Authority has launched its 2021 insurance stress test for the European insurance market today. Insurance stress tests assess the resilience of the European insurance market in case of adverse financial and economic conditions.

For further information, click [here](#).

ESMA

May 7, 2021

ESMA issues latest double volume cap data

The European Securities and Markets Authority has updated its public register with the latest set of double volume cap (DVC) data under MiFID II.

For further information, click [here](#).

EBA

The EBA consults on its proposals for a central AML/CFT database

May 6, 2021

The European Banking Authority launched a public consultation on draft Regulatory Technical Standards (RTS) on a central database on anti-money laundering and countering the financing of terrorism (AML/CFT) in the EU. This database will be a key tool for the EBA's recently enhanced mandate to lead, coordinate and monitor AML/CFT efforts in the European Union. The consultation runs until June 17, 2021.

For further information, click [here](#).

EIOPA

EIOPA publishes monthly technical information for Solvency II Relevant Risk Free Interest Rate Term Structures – end-April 2021

May 5, 2021

The European Insurance and Occupational Pensions Authority published technical information on the relevant risk free interest rate term structures (RFR) with reference to the end of April 2021.

For further information, click [here](#).

EBA

EBA launches discussion on NPL data templates

May 4, 2021

The European Banking Authority published a discussion paper to facilitate the review of the standardized NPL data templates. The discussion paper invites all stakeholders and NPL market participants on the buyer and seller side to provide their input. The consultation runs until August 31, 2021.

For further information, click [here](#).

ESMA

ESMA publishes data for the systematic internalizer calculations for equity, equity-like instruments, bonds and other non-equity instruments

April 30, 2021

The European Securities and Markets Authority has published data for the systematic internalizer quarterly calculations for equity, equity-like instruments, bonds and other non-equity instruments under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).

For further information, click [here](#).

SRB

SRB issues new guidance on liquidity and funding in resolution

April 30, 2021

The SRB published new guidance on liquidity and funding in resolution. Banks are likely to face liquidity stress in resolution because of the reluctance of market participants to roll-over or provide funding to a bank in crisis. Even after a successful resolution, liquidity stress may persist for some time due to the asymmetry of information regarding the viability of the resolved bank's business model.

For further information, click [here](#).

EIOPA

April 22, 2021

EIOPA consults on the reporting of costs and charges of IORPs and the risk management by IORPs providing defined contribution schemes

The European Insurance and Occupational Pensions Authority launched two consultations on risk assessment by Institutions for Occupational Retirement Provisions (IORPs) providing defined contribution (DC) schemes and the supervisory reporting of costs and charges by IORPs.

For further information, click [here](#).

Regulatory Developments in Belgium

Source/Date	Brief description
FSMA September 3, 2021	<p>FSMA announces approval of modified market rules</p> <p>The FSMA announced that the modified market rules of the regulated markets organized by Euronext NV/SA (namely Euronext Brussels and the Euronext Brussels Derivative Instruments Market) were approved on 22 June 2021 in accordance with Article 34, §1, of the Law of 21 November 2017 on the market infrastructures for financial instruments and transposing Directive 2014/65/EU.</p> <p>These market rules enter into force as of 6 September 2021 and are available here.</p>
FSMA September 3, 2021	<p>FSMA approves modified market rules</p> <p>The FSMA announced that on 22 June 2021, in accordance with Article 2 of the Royal Decree of 21 August 2008 on the rules for certain multilateral trading facilities, it approved the modified market rules of Alternext Brussels (Euronext Growth).</p> <p>These market rules enter into force as of 6 September 2021 and are available here.</p>
FSMA July 29, 2021	<p>FSMA opinion on prospectus requirement exception for nonprofits</p> <p>In principle, a prospectus approved by the FSMA must be published with every offer to the public in the European Union of investment instruments with a total equivalent value of more than €5 million, calculated over a period of 12 months.</p> <p>The FSMA issued an opinion on the applicability of the exception to the obligation to publish a prospectus or an information note for nonprofit organizations and social enterprises.</p> <p>For further information, click here.</p>

Act of July 4, 2021

Cross-border Distribution Directive introduces changes from August

Belgian Official
Gazette

Implementation of the Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings ("**Cross-border Distribution Directive**")

July 13, 2021

[Link](#) (Cross-border Distribution Directive)

Link: [Dutch version](#) and [French version](#) (Belgian implementation legislation)

The Cross-border Distribution Directive must be read together with Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014 ("**Cross-border Distribution Regulation**").

The primary objectives of the European legislator were to facilitate the cross-border distribution of investment funds and to enhance the regulatory framework governing the distribution of undertakings for the collective investment in transferable securities (UCITS) and alternative investment funds (AIFs).

Particular attention must be paid to applicable conditions for marketing discontinuing, facilities to be provided for retail marketing as well as the content of marketing communications. Alternative investment fund managers should also pay particular attention to the new pre-marketing regime.

Most of the rules entered into force on 2 August 2021.

The principal changes with regard to the marketing of AIFs and UCITS are as follows:

- The conditions under which pre-marketing activities aimed at testing the market for AIFs are clarified. A harmonized definition of "pre-marketing" has been adopted.

At least two weeks before the AIFM begins pre-marketing, it must send an informal letter, either in paper form or electronically, to the Belgian Financial Services and Markets Authority ("**FSMA**"). That letter must specify the member states where the pre-marketing is taking place and the time period for it, a brief description of the pre-marketing, including information on the investment strategies presented and, where relevant, a list of the AIFs and compartments of AIFs which are or were the subject of the pre-marketing. The FSMA will then promptly inform the competent authorities of the member states where the AIFM is or was engaged in pre-marketing. The competent authorities of the member state where pre-marketing is taking or has taken place may request the FSMA to provide further information on such pre-marketing.

Following pre-marketing activities, an AIF or its manager (AIFM) cannot rely on the reverse solicitation exemption for the next 18 months and can only market the units under a European passport.

- The Cross-border Distribution Directive sets out clear conditions under which denotification of the arrangements made for marketing as regards some or all of the units or shares can take place.

The UCITS (manager) or AIF(M) that wishes to withdraw its passporting notification with respect to a certain member state must notify the FSMA thereof. Within 15 days, the FSMA transmits the notification to the host member state competent supervisory authority and to the European Securities and Markets Authority (ESMA).

For 36 months from the date of the denotification, the AIFM may not engage in pre-marketing of units or shares of the EU AIFs referred to in the notification, or in respect of similar investment strategies or investment ideas, in the member state identified in the notification.

- Physical presence (for example a local mandatory paying agent) is no longer required for marketing to retail investors. In practice, these were also rarely used, and the focus is now put on direct interaction with fund managers. New rules are established that modernize and specify the requirements for providing facilities to retail investors, among others to process subscriptions or redemptions, to provide certain information to investors, etc.

The UCITS or AIF(M) should make available to investors facilities to perform the following tasks: (i) process subscription, repurchase and redemption orders and make other payments to unit-holders relating to the units, in accordance with the conditions set out in the relevant information documents; (ii) obtain information on how orders can be made and how repurchase and redemption proceeds are paid; (iii) facilitate the handling of information and access to procedures and arrangements relating to the investors' exercise of their rights arising from their investment; (iv) make the relevant mandatory investor disclosures available to investors, for the purposes of inspection and obtaining copies thereof; (v) provide investors with information relevant to the tasks that the facilities perform in a durable medium; and (vi) act as a contact point for communicating with the FSMA.

The UCITS or AIF(M) must ensure that the facilities to perform the tasks referred to above (i) to (vi), are provided in at least one of the official languages of Belgium (Dutch, French or German) by the UCITS or AIFM itself, by a third party that is subject to regulation and supervision governing the tasks to be performed, or by both.

- The Cross-border Distribution Regulation introduces minimum requirements for marketing communications. In particular, management companies must ensure that all marketing communications addressed to investors are identifiable as such and describe the risks and rewards of purchasing units or shares of the fund in an equally prominent manner, and that all information included in marketing communications is fair, clear and not misleading. Marketing communications must also specify where, how, and in which language investors and potential investors can obtain a summary of investors' rights, and must provide a hyperlink to such a summary, which must include, as appropriate, information on access to collective redress mechanisms at EU and national level in the event of litigation.

- The Cross-border Distribution Regulation lays down certain common principles regarding fees and charges. In particular, where fees or charges are levied by competent supervisory authorities for carrying out their duties, such fees or charges must be consistent with the overall cost relating to the performance of the functions of the competent authority.
- By 2 February 2022, ESMA will publish and maintain on its website a central database containing the summaries of the member states' national provisions concerning marketing requirements and the hyperlinks to the websites of the competent supervisory authorities of such member states.

Announced developments

May 20, 2021

Draft law transposing the following European Directives into Belgian legislation:

- CRD V (Directive (EU) 2019/878 of 20 May 2019);
- Directive (EU) 2019/2034 of 27 November 2019 on the prudential supervision of investment firms;
- BRRD II (Directive (EU) 2019/879 of 20 May 2019); and
- Directive (EU) 2019/2177 of 18 December 2019 amending Solvency II Directive, MiFID II Directive and the AMLD4.

For further information in Dutch, click [here](#).

For further information in French, click [here](#).

Announced developments

May 20, 2021

Draft law transposing and implementing the following European Directives and Regulations into Belgian legislation:

- Directive (EU) 2019/1160 of 20 June 2019 on cross-border distribution of collective investment undertakings;
- Directive (EU) 2019/2177 of 18 December 2019 amending Solvency II Directive, MiFID II Directive and AMLD4;
- Regulation (EU) 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR); and
- Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (SFTR).

For further information in Dutch, click [here](#).

For further information in French, click [here](#).

FSMA

May 12, 2021

Implementing ESMA guidelines

FSMA has published information on several MIFID II aspects in relation to the requirements for a compliance function

For further information in French, click [here](#).

For further information in Dutch, click [here](#).

FSMA

May 5, 2021

FSMA's public consultation on proposed minimum standards for the structuring, information disclosure and trading in SPACs on Euronext Brussels

FSMA has drawn up four measures governing the structure of Special Purpose Acquisition Companies (SPACs) as well as information disclosure and the trading of SPAC shares.

- A. The FSMA takes the view that the investment decision regarding a combination is to be taken by the general meeting of the shareholders (votes in each category a quorum of 50% and a majority of 50% plus one vote), and not by the SPAC's board of directors. If the founders/sponsors have an investment opportunity outside the SPAC, that investment proposal must be made first of all to the SPAC. If the acquisition of a company related to the sponsors is under consideration, a unanimous decision by the directors who are not in conflict of interest should be required to propose the acquisition to the general meeting. The general meeting will then vote on the basis of the rules on the quorum and majority set out above. Lastly, the SPAC will have to adopt a strict dealing code, which prohibits the sponsors from trading in securities on the stock exchange during the period when the business combination is being negotiated.
- B. The SPAC's redemption option must offer investors who choose to retain their shares maximum protection against dilution.
- C. The SPAC prospectus must comprise various dilution scenarios and indicate what level of return is needed to neutralize the investor's dilution.
- D. SPAC shares listed on Euronext Brussels will have to carry a notice that they are reserved for professional investors.

For further information in English, click [here](#).

Parliament

April 19, 2021

Draft Act containing various provisions of financial law

The draft Act contains several provisions that aim to regulate matters that fall within the competence of the National Bank of Belgium (NBB), the FSMA and the Minister of Finance. The draft Act contains on one hand a limited number of autonomous provisions, and on the other hand, a large number of changes to the existing legislation.

One of the most important changes is Title 3, which adapts the supervisory laws for the banking and financial sector to the new provisions of the Belgian Code of Companies and Association and implementing the Directive 2019/2177 of the European Parliament and the Council of 18 December 2019 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

Title 5 enables market participants to take advantage of certain new technologies in a secure way, without this implying that a new category of legislative instruments is being created.

For further information in Dutch, click [here](#).

For further information in French, click [here](#).

Parliament
April 7, 2021

Draft Act containing financial provisions on the prevention of fraud, in particular the obligation to flag special tax mechanisms to financial supervisory authorities

This draft Act aims to implement certain provisions of the special commission on 'international fraud/ Panama papers', the special parliamentary commission on the bankruptcy of the Optima Bank NV and certain sessions of FinCenfiles.

In particular changes are made to the Anti-Money Laundering Act of 18 September 2017 that obliges the entities subject to the Act to report any inconsistencies with the UBO register.

For further information in French, click [here](#).

For further information in Dutch, click [here](#).

Parliament
April 2, 2021

Draft Act implementing a duty of vigilance and reparation on undertakings operating in Belgium

To avoid economic abuse of power, the draft act suggests imposing on enterprises a duty of care and accountability with regard to human rights, labor rights and environmental rights across their value chain.

For further information in French, click [here](#).

For further information in Dutch, click [here](#).

FSMA
April 1, 2021

Guidelines implementing ESMA guidelines on the disclosure requirements under the Prospectus Regulation

For further information in French, click [here](#).

For further information in Dutch, click [here](#).

Minister of Justice
March 26, 2021

Changes in the Act amending Book XX of the Code of Economic Law and Code of Income Taxes dated 1992

Changes include:

1. A pre-pack reorganization is facilitated by creating a discrete phase to reach a “preparatory agreement”. A judicial trustee is appointed to assist in the negotiations with key creditors or all creditors when appropriate. Once the required amicable agreement or reorganization plan has been agreed, the silent preparatory phase passes into a public reorganization procedure to obtain the homologation from the court under the usual rules of the judicial reorganization.
2. Access to the judicial reorganization procedure has been made easier and missing documents can be filed at a later stage
3. The tax inequalities of the debt reduction between the different judicial reorganization systems have been deleted.

Although these changes result in a change of Book XX of the Code of Economic Law, they only remain in effect until June 30, 2021. At that date, the EU Directive on Restructuring and Insolvency 2019/1023 of 20 June 2019 must be implemented in Belgian law, whereby it is expected that the pre-pack reorganization and easier access to the procedure shall become permanent features of the Belgian insolvency legislation.

FSMA

March 17, 2021

MiFID Work Program for Product Governance

Regulated companies that produce or sell financial instruments must meet the MiFID II requirements as regards product governance. These rules differ depending on the role played by the companies in this area.

The work program gives an overview of the legislation and regulations applicable to product governance.

For further information in English, click [here](#).

Parliament

February 23, 2021

Draft Act screening foreign investment having an impact on security interests and strategic sectors

This draft Act aims to introduce a screening mechanism for direct foreign investments that affect Belgium’s security interests and strategic sectors.

For further information in French, click [here](#).

For further information in Dutch, click [here](#).

Minister of Finance/
Official Gazette

February 28, 2021

Law on Annual Tax on Securities Account

The tax is an annual tax on the holding of a securities account, levied at the rate of 0.15% on the average value of the account in excess of €1,000,000.

Three exemptions are foreseen in order to prevent double taxation and to preserve Belgium's participation in the professionally developed international system of securities transactions, in a way that effectively aims at the legal conversion of an indirectly held securities account:

1. The tax does not apply to securities accounts held as "technical working instruments" by: the National Bank of Belgium; the European Central Bank and foreign central banks exercising similar functions; a central securities depository; a credit institution; a brokerage company; an investment firm; an alternative investment fund manager (AIFM); an undertaking for collective investment in transferable securities (UCITS) management company; an insurance undertaking; a reinsurance undertaking; an institution for occupational retirement; a pension institution operating pension schemes which are considered to be social security schemes as well as any legal entity set up for the purpose of investment of such schemes; an alternative investment fund (AIF); a UCITS; a central counterparty.
2. The tax does not apply to securities accounts held, "for the purpose of using the special services relating to the settlement of securities transactions", directly or indirectly, and exclusively for its own account, by a non-resident which does not allocate these securities accounts to a Belgian establishment, with a central securities depository or with a custodian bank;
3. The tax does not apply to a "chain of depositories", i.e. securities accounts held, for the account of third parties, by a financial intermediary, to cover financial instruments recorded in securities accounts in its books or to cover rights held by an excluded institution, entity or company referred to under the first exemption above, with another intermediary or with a central securities depository.

That way, the tax is expected to remain neutral with regard to the chain of depositories, where the securities held by investors on their securities account with the bank are themselves held on the account held by the bank with a central securities depository (or not) which, for various securities that it does not "keep" itself, guarantees via its own securities account with the actual "depository" of the securities.

More information can be found on this [Link \(French\)](#).

Febelfin

February 4, 2021

Agreement regarding the moratorium on the suspension of payment

Banks and the sector organization under the supervision of the Minister of Finance have agreed on an extension of the existing temporary support package system in place since March 2020.

For further information in Dutch, click [here](#).

For further information in French, click [here](#).

Regulatory Developments in the Czech Republic

Source/Date	Brief description
Czech National Bank (CNB) September 7, 2021	<p>EU should stick to Basel III</p> <p>The CNB, together with 24 other supervisory authorities and central banks of some EU Member States, became a signatory to a joint letter addressed to leading European Commission representatives responsible for financial stability, financial services and capital markets union. In the letter they express their support for a full, timely and consistent implementation of the Basel III international framework for the prudential regulation of banks.</p> <p>The joint letter available here.</p>
CNB August 26, 2021	<p>CNB increases countercyclical capital buffer rate to 1.5% from October 2022</p> <p>The Bank Board has decided to increase the rate for the second time this year in response to the lessening of the acute phase of the COVID-19 pandemic, improving expectations, all-time high volumes of home mortgages accompanied by rapid changes on the property market, and the high level of previously accumulated risks on banks' balance sheets. If the growth in loans continues to accelerate and bank balance sheets see more risks taken on, the CNB is ready to increase the rate further.</p> <p>By contrast, should the economic situation worsen again due, for example, to another wave of the pandemic, the CNB will be ready to decrease the rate again or release the buffer immediately and fully, in order to support banks' ability to provide credit without interruption to non-financial corporations and households. The decisive signal for such a step would be a significant worsening of the economic situation, cyclical risks accepted earlier materializing via credit losses and an increase in risk weights for loan portfolios.</p> <p>Full press release available here.</p>

Chamber of
Deputies of the
Czech Republic

August 14, 2021

Amendment to Act on Recovery and Resolution of Crisis on the Financial Market

On 14 August 2021, Act No. 298/2021 Coll., Amending Act No. 374/2015 Coll., On recovery and resolution of the crisis on the financial market, implementing the provisions of BRRD II, entered into force (the Amendment).

The Amendment newly strengthens the CNB's competences, in particular the possibility to order the liable person (credit institution, financial holding company, mixed financial holding company or mixed holding company within the meaning of Article 4 of Regulation No. 575/2013) to suspend payments and fulfillment of obligations for the necessary period (at most two days) in order to prevent further deterioration of its financial situation.

The Amendment further

- defines persons subject to crisis management in accordance with the TLAC (Total Loss-Absorbing Capacity) standard;
- lays down rules in relation to the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) and the Internal Minimum Requirement (meaning the required ratio of the sum of capital and eligible liabilities to the total volume of risk exposure amount expressed as a percentage); and
- regulates the issue of sale of subordinated eligible liabilities to non-professional customers.

Full text of the Act No. 298/2021 Coll. available [here](#) (in Czech only).

CNB

August 11, 2021

Simplified bail-in implementation process

The CNB published a simplified process for implementing the recapitalization instrument from internal sources intended to address a potential failure of a financial institution in accordance with Section 75 of Act No. 374/2015 Coll., the Act on Recovery and Resolution of the Crisis on the Financial Market. The resolution of a crisis using the bail-in instrument consists of a write-off or a conversion of depreciable liabilities that are not excluded under Section 75 of Act No. 374/2015 Coll., to an extent that is sufficient to restore regulatory capital to the level necessary for the institution to continue in its authorized activities and to maintain sufficient market confidence.

Full detailed publication available [here](#).

Czech National Bank
(CNB)

June 10, 2021

Inflation in line with the CNB's forecast and just below the upper boundary of the tolerance band in May 2021

According to figures released today, the price level increased by 2.9% year on year in May 2021. Inflation was thus lower than in April, just below the upper boundary of the tolerance band around the CNB's target. Consumer price inflation adjusted for the first-round effects of changes to indirect taxes reached 2.6% year on year in May.

The May annual consumer price inflation figure was in line with the CNB's current forecast. Core inflation rose slightly faster than forecasted. A somewhat stronger increase in fuel prices acted in the same direction, linked with higher-than-expected oil prices. This deviation was offset by lower-than-forecasted food price inflation, which has been highly volatile in recent months. The first-round effects of the increase in excise duty on cigarettes were slightly lower than predicted. In line with the forecast, administered prices were flat year-on-year.

For further information in English, click [here](#).

Chamber
of Deputies
of Parliament of the
Czech Republic

June 9, 2021

Amendment to the Act on CNB approved by the Czech Parliament and published in the Collection of Laws

The Chamber of Deputies definitively approved the amendment to the Act on CNB (the **Amendment**). The Amendment is already published in the Collection of Laws and will become enforceable on August 1, 2021.

The Amendment, among other things, expands the range of monetary policy operations carried out by the CNB so that it has a power to set macro-prudential limits in the area of mortgage lending in a legally binding form.

Furthermore, the Amendment provides in section 32 for a broader range of entities, assets and types of transactions (e.g. repo operations, foreign exchange trading or precious metals) that the CNB may use or enter into in order to meet its main goal, being the safeguarding of financial stability.

The amendment under section 219 in the Collection of Laws is available in Czech [here](#).

Czech National Bank
(CNB)

May 11, 2021

Inflation comes in slightly above the forecast and just above the upper boundary of the CNB's tolerance band in April 2021

According to newly published data, in April 2021 the price level rose by 3.1% year on year. Compared to March, inflation thus rose markedly and was slightly above the upper limit of the tolerance band of the CNB's target. After adjusting for the primary effects of changes in indirect taxes, consumer prices rose by 3% year on year in April.

According to the CNB, the overall inflation pressures will start to ease in the autumn as the current elevated growth of import prices subsides. Conversely, domestic price pressures will rise slightly owing to a reopening of the domestic economy and a gradual pick-up in wage growth. Inflation will return close to the CNB's 2% target next year, aided by a gradual tightening of the monetary conditions from roughly the middle of this year onwards.

For further information in English click [here](#).

The CNB

May 3, 2021

The CNB publishes an opinion on the possibility of an exception from strong customer authentication

The opinion is related to the Article 17 of Commission Delegated Regulation (EU) 2018/389, supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication ("RTS SCA"). It sets out the conditions under which payment service providers may use the exemption from strong customer authentication in cases of secure corporate payment processes and corporate protocols.

The Article 17 of the RTS SCA allows payment services providers to use the exemption from strong customer authentication with respect to legal entities that initiate electronic payment transactions using special payment processes or protocols that are made available only to non-consumer payers, if the competent authorities are satisfied that those processes or protocols guarantee levels of security which are at least equivalent to those of provided for in Directive (EU) 2015/2366.

The CNB states that in the event that the payment service providers decide to use the exemption, it is necessary that the payment services provider:

- a. For specific payment processes or protocols intended for non-consumer payers, ensures a level of security at least equivalent to that provided for in Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal; and
- b. Submits documents and information to the CNB for assessment whether the conditions for the possibility of using the exemption pursuant to Article 17 of the RTS SCA are met.

For submission of the required documents and information, the CNB has prepared a unified form available in Czech [here](#).

To access the opinion in Czech click [here](#).

Financial Analytic
Office (**FAO**)

April 23, 2021

The FAO will no longer update the list of sanctioned countries on their websites

The FAO has informed that they will no longer update list of countries, against which international sanctions are applied in some form within the meaning of section 2 of Act No. 69/2006 Coll., on carrying out international sanctions. The list of sanctioning regimes, including those that are not limited to a specific state or territory (so-called horizontal sanctioning regimes), can be newly found in the EU Sanctions Map application.

To access the EU Sanctions Map application click [here](#).

Regulatory Developments in Germany

Source/Date	Brief description
BaFin August 18, 2021	<p>BaFin consults on draft update of “Interpretation and Application Guidelines on the Money Laundering Act” for consultation</p> <p>The updated version will replace the previous interpretative and application notes on the German Money Laundering Act (GwG). The background to the update is in particular the amendment of the GwG by the Transparency Register and Financial Information Act (TraFinG).</p> <p>For further information, click here.</p>
BaFin August 16, 2021	<p>BaFin publishes 6th amendment to its minimum requirements for risk management of credit institutions (MaRisk)</p> <p>The revision implemented the EBA guidelines on non-performing and deferred risk positions as well as on outsourcing. In addition, individual requirements from the EBA guidelines on the management of information and communication technology (ICT) and security risks were also included.</p> <p>For further information, click here.</p>
BaFin August 16, 2021	<p>Publication of monthly journal from Federal Financial Supervisory Authority (BaFin)</p> <p>Topics (selection): New minimum risk requirements for credit institutions (MaRisk) / Sustainable Investment Funds / Corona pandemic: current situation of banks.</p> <p>For further information, click here.</p>
BaFin August 2, 2021	<p>BaFin publishes draft guideline for sustainable investment funds</p> <p>The guideline includes requirements on how capital management companies in the future will need to structure public investment funds that they designate as sustainable or market as explicitly sustainable.</p> <p>For further information, click here.</p>
BaFin July 21, 2021	<p>BaFin consults amendment to minimum requirements for bail in (MaBail-in) feasibility</p> <p>BaFin plans to extend its MaBail-in, to institutions and group-affiliated companies for which the resolution plan does not yet provide for resolution measures, provided they are part of a resolution group or relevant third-country subsidiaries.</p> <p>For further information, click here.</p>

<p>BaFin</p> <p>July 15, 2021</p>	<p>BaFin revises minimum requirements for compliance function (MaComp)</p> <p>The background to the amendment are adjustments to the ESMA guidelines on the requirements for the compliance function.</p> <p>For further information, click here.</p>
<p>BaFin</p> <p>July 15, 2021</p>	<p>Publication of monthly journal from Federal Financial Supervisory Authority (BaFin)</p> <p>Topics (selection): Grey Capital Market / Law on the introduction of electronic securities / Asset-liability management of insurance companies.</p> <p>For further information, click here.</p>
<p>BaFin and Buba</p> <p>July 2, 2021</p>	<p>BaFin and Bundesbank create relief for smaller institutions</p> <p>Around 1,150 credit institutions in Germany can now take advantage of operational relief. The new regulations apply to all companies classified as small and non-complex institutions (SNCl) under the Capital Requirements Regulation (CRR).</p> <p>For further information, click here.</p>
<p>BaFin</p> <p>June 15, 2021</p>	<p>BaFinJournal June 2021</p> <p>Publication:</p> <p>Trading via neo-brokers / BaFin annual press conference / Investment behavior of insurers / Financial Market Integrity Strengthening Act (FISG) / Bank boards with special qualifications / Solvency overview: consideration of deferred taxes</p> <p>For further information in German, click here.</p>
<p>BaFin</p> <p>June 15, 2021</p>	<p>IT supervision at banks: registration for event now open</p> <p>Topic: Risk Management</p> <p>Interested parties can now register for the digital information event "IT Supervision at Banks", which will take place on September 27, 2021 (see BaFinJournal April 2021).</p> <p>For further information in German, click here.</p>
<p>Ministry of Finance</p> <p>June 10, 2021</p>	<p>Financial Market Integrity Strengthening Act (FISG)</p> <p>The Financial Market Integrity Strengthening Act fundamentally reforms the balance sheet control procedure. This takes account of the fact that the procedure essentially serves the integrity and stability of the capital market and strengthens investor confidence in the German capital market.</p> <p>For further information in German, click here.</p>

Ministry of Finance	Fund Location Act (FoStoG)
June 10, 2021	<p>The Fund Location Act implements the amendments to Directives 2009/65/EC and 2011/61/EU and makes adjustments to the Transparency and Taxonomy Ordinance. In addition, further amendments are made to the German Investment Code (Kapitalanlagegesetzbuch, KAGB) to reduce bureaucracy and digitize supervision.</p> <p>For further information in German, click here.</p>
BMJV	Law on the introduction of electronic securities
June 9, 2021	<p>Legislative procedure:</p> <p>The draft law serves to modernize German securities law and the associated supervisory law. A central component is the introduction of the new Electronic Securities Act eWpG. The establishment of digital securities implements one of the central building blocks of the German government’s blockchain strategy and the joint key issues paper of the BMF and BMJV on electronic securities.</p> <p>For further information in German, click here.</p>
BaFin	MREL requirements: BaFin consults circular
June 2, 2021	<p>BaFin issued a draft of a new MREL circular for consultation on June 2, 2021. The full title is: ‘Circular setting the minimum requirement for own funds and eligible liabilities (MREL) for institutions and group-affiliated entities for which the resolution plan provides for liquidation under insolvency proceedings (MREL Circular)’.</p> <p>For further information in German, click here.</p>
BaFin	BaFin consults on circular on application of EBA guidelines
June 2, 2021	<p>BaFin is consulting on a draft circular setting out the conditions for the application of the alternative treatment of institutions’ risk exposures in relation to “triparty repurchase agreements” under Article 403(3) of Regulation (EU) No. 575/2013 for large exposures purposes. With the circular, BaFin will adopt the guidelines issued by the European Banking Authority (EBA) in this regard (EBA/GL/2021/01) in its administrative practice.</p> <p>For further information in German, click here.</p>

Federal Ministry of Finance	Law on the implementation of Directive (EU) 2019/2034 on the supervision of investment institutions.
May 17, 2021	<p>The implementation of Directive (EU) 2019/2034 on the supervision of investment firms is a further step towards a Capital Markets Union. The Act removes the supervision of securities institutions from the German Banking Act (Kreditwesengesetz - KWG) and regulates it in a separate act, the Securities Institutions Act. This enables more targeted supervision, as securities institutions have different business models and risk profiles compared with credit institutions. For this purpose, securities institutions are divided into three size categories. For large securities institutions, the CRD/CRR supervisory regime remains applicable (CRR = Capital Requirements Regulation / CRD = Capital Requirements Directive). In individual cases, the German Federal Financial Supervisory Authority (BaFin) may also order the CRD/CRR supervisory regime to apply to smaller systemically important securities institutions.</p> <p>For further information in German, click here.</p>
BaFin	BaFin consults on amendment to bearer control regulation
May 12, 2021	<p>BaFin has published the draft of the Third Regulation Amending the Regulation on the Control of Holders (<i>InhKontrollIV</i>) for consultation.</p> <p>For further information in German, click here.</p>
BaFin	Consultation 05/2021: Holder Control Regulation
May 12, 2021	<p>Consultation: Bearer Control</p> <p>Draft of the third ordinance amending the Bearer Control Ordinance (BA).</p> <p>For further information in German, click here.</p>
BaFin	Consultation 04/2021 - Consultation on the draft of a jacket regulation on the WpIG.
May 4, 2021	<p>Consultation:</p> <p>Consultation 04/2021 (WA) - Draft of a Mantelverordnung on the Wertpapierinstitutsgesetz (WpIG - German Securities Institutions Act)</p> <p>For further information in German, click here.</p>

BaFin

Securities Institutions Act: BaFin consults on shell regulation

May 4, 2021

Announcement:

The public consultation on the draft jacket ordinance for the new Securities Institutions Act (WpIG) has begun. BaFin is accepting comments on the draft ordinance by email until May 28, 2021. The Mantelverordnung is scheduled to enter into force at the same time as the WpIG on June 26, 2021.

For further information in German, click [here](#).

BaFin

Circular 06/2021 (GW)

April 22, 2021

Circular: Anti-Money Laundering

Circular 06/2021 (GW) concerning third countries with strategic deficiencies in their anti-money laundering and counter-terrorist financing systems that pose material risks to the international financial system (high-risk countries)

For further information in German, click [here](#).

Regulatory Developments in Italy

Source/Date	Brief description
Bank of Italy August 11, 2021	Money market funds—stress test <p>The Bank of Italy published a notice announcing implementation of the new ESMA guidelines on stress-test scenarios set forth by Regulation (EU) 2017/1131 on money market funds (MMF Regulation).</p> <p>The Guidelines apply from 29 August 2021 to money market funds as well as to MMF managers as defined in the MMF Regulation.</p> <p>For further information click here.</p>
Consob August 2, 2021	Marketing of UCITs and AIFs <p>Information relating to the applicable provisions on requirements for the marketing of UCITS and AIFs in Italy, as well as the information relating to supervisory contributions in relation to the operations of EU and EU geographical managers in Italy has been published, in accordance with the provisions of articles 5 and 10 of Regulation (EU) 2019/1156 on facilitating cross-border distribution of collective investment undertakings.</p> <p>For further information click here and here.</p>
IVASS July 28, 2021	Solvency II—Letter to the market <p>Insurance undertakings are encouraged to look to the EIOPA opinion for the correct use of risk mitigation techniques in IVASS’s letter to the market.</p> <p>For further information click here and here.</p>
IVASS July 28, 2021	Solvency II—Letter to the market <p>Insurance undertakings must comply with EIOPA recommendations relating to “own risk and solvency assessment” (ORSA) in the context of the COVID-19 pandemic, according to IVASS’s letter to the market.</p> <p>For further information click here and here.</p>
Consob July 27, 2021	Turbo-like products <p>In a press release Consob announced that, considering the transactions in “turbo-like products” at the domestic level, there are currently no conditions for adopting on a national basis product intervention measures—similar to those undertaken by the Dutch Authority for the Financial Markets (AFM)—aiming at limiting the distribution to retail clients of such products.</p> <p>For further information in English click here.</p>

<p>IVASS</p> <p>July 20, 2021</p>	<p>Solvency II—Letter to the market</p> <p>IVASS published two letters to the market requiring that the standardized information relating to the 2020 financial year, included in Section V (breakdown by individual insurance intermediary concerning gross premiums written in 2020), be communicated by September 30, 2021.</p> <p>For further information click here and here.</p>
<p>Bank of Italy</p> <p>Consob</p> <p>IVASS</p> <p>July 17, 2021</p>	<p>FinTech—FinTech committee and regulatory sandbox for the digitalization of financial services</p> <p>In a joint press release the Bank of Italy, Consob, IVASS and the Ministry of Economy and Finance (MEF) announced the start of operations of the Fintech Committee at the MEF, as well as the launching of testing of the methods for carrying out technology activities (Fintech) in Italy through a special regulatory sandbox.</p> <p>For further information click here.</p>
<p>IVASS</p> <p>July 14, 2021 and July 16, 2021</p>	<p>Solvency II / AML—Letters to the market</p> <p>IVASS published three letters to the market:</p> <ul style="list-style-type: none"> • The first letter, dated 14 July 2021, provides guidance to insurance undertakings on the prudential treatment of investments in complex and/or illiquid financial instruments. It outlines the principles, methods and requirements necessary for the same. <p>For further information click here.</p> <ul style="list-style-type: none"> • The second letter, dated 16 July 2021, requests insurance undertakings and branch offices operating in the life insurance business to transmit by 30 September information relating to the anti-money laundering self-assessment, in accordance with article 28-sexies of IVASS Regulation no. 44 of 12 February 2019, also providing specific instructions. <p>For further information click here.</p> <ul style="list-style-type: none"> • The third letter, also dated 16 July 2021, requires foreign insurance undertakings operating under the freedom to provide services in Italy in the life insurance business to provide information by 30 September on the insurance activity carried out in order to assess the risks of money laundering and terrorist financing, in accordance with article 28-septies of IVASS Regulation no. 44 of 12 February 2019, also providing specific instructions. <p>For further information click here.</p>

Consob	Outsourcing—Guidelines about outsourcing to cloud services providers
July 13, 2021	<p>Consob announced in a notice its intention to comply with the ESMA Guidelines on outsourcing to Cloud Service Providers (CSPs) and integrate them into its supervisory practices.</p> <p>For further information click here.</p>
IVASS	AML risk-mitigation procedures
July 13, 2021	<p>IVASS published Provision no. 111 of 13 July 2021 on provisions on AML risk-mitigation procedures. It identifies the size and organizational requirements under which obliged entities establish their AML and internal audit functions, appoint an AML and internal audit function holder and the person responsible for reporting suspicious transactions. The Provision was issued in accordance with article 7, paragraph 1 of Legislative Decree no. 231 of 21 November 2007 (Italian AML regulation).</p> <p>For further information click here.</p>
IVASS	Capital add-on Regulation
July 13, 2021	<p>IVASS published Regulation no. 48 of 13 July 2021 governing implementation of the capital add-on process referred to in articles 47-sexies and 216-septies of Legislative Decree no. 209 of 7 September 2005 (Italian insurance code).</p> <p>For further information click here.</p>
Consob	MiFID II
July 7, 2021	<p>Consob published a notice regarding the transposition of the ESMA guidelines on some aspects of MIFID II requirements relating to compliance control with the rules.</p> <p>For further information in English click here.</p>
Bank of Italy	Simple Investment Company—Consob and Bank of Italy supervisory guidelines
Consob July 6, 2021	<p>Following a public consultation, which ended on 29 July 2020, Consob and the Bank of Italy adopted the supervisory guidelines on <i>Società di investimento semplice</i> (Simple investment Company) or SiS.</p> <p>For further information click here.</p>
Bank of Italy	PSD II
July 1, 2021	<p>The Bank of Italy published its own measure implementing article 106 of Directive 2015/2366/EU (PSD II), where it requires payment service providers to make available in an easily accessible manner on their websites and in hard copy the European Commission’s brochure (published on the European Commission’s website) explaining consumer rights in the context of payment systems in the EU.</p> <p>For further information click here and here.</p>

Covip	IORP II – bylaws scheme
June 11, 2021	<p>Covip issued a resolution on the schemes of bylaws of negotiated pension funds, regulations of open pension funds and regulations of individual pension plans, updated following the amendments and additions made to Legislative Decree no. 252 of 5 December 2005 by Legislative Decree no. 147 of 13 December 2018, implementing Directive (EU) 2016/2341 (IORP II).</p> <p>For further information in Italian, click here.</p>
Covip	IORP II – procedure regulation
June 11, 2021	<p>Covip issued a resolution amending the rules of procedure concerning, inter alia, the governance provisions introduced in Legislative Decree no. 252 of 5 December 2005 by Decree no. 147 of 13 December 2018, the authorization procedure by COVIP concerning the entrusting of key functions, the provisions on the authorization procedure relating to cross-border transfers and the authorization procedure for cross-border activity.</p> <p>For further information in Italian, click here.</p>
Borsa Italiana	Amendments to the Instructions to the Market Rules
June 3, 2021	<p>Borsa Italiana published Notice no. 19366 containing some amendments to the 'Instructions to the Market Rules'. The amendments will come into force as of June 21, 2021.</p> <p>For further information in Italian, click here.</p>
Borsa Italiana	Amendments to the MTFs rules
June 3, 2021	<p>Borsa Italiana published Notice no. 19365 containing some amendments to the MTFs rules. The amendments will come into force as of June 21, 2021.</p> <p>For further information in Italian, click here.</p>
Borsa Italiana	Amendments to the EuroTLX market rules
June 3, 2021	<p>Borsa Italiana published Notice no. 19364, containing some amendments to the EuroTLX Market Rules. The amendments will come into force as of June 21, 2021.</p> <p>For further information in Italian, click here.</p>
IVASS	Solvency II
June 3, 2021	<p>IVASS published a Letter to the Market concerning the 'Guidelines on security and governance of information and communication technology' published by EIOPA on April 6, 2021 and applicable from July 1, 2021.</p> <p>For further information in Italian, click here.</p>

Consob	Arbitrator for Financial Disputes
May 27, 2021	<p>Consob published the Resolution no. 21867 of 26 May 2021, providing some amendments to the Regulation concerning the Arbitrator for Financial Disputes (AFD Regulation), approved by Resolution no. 19602 of 4 May 2016.</p> <p>The amendments made to the AFD Regulations will come into force from October 1, 2021.</p> <p>For further information in English, click here.</p>
Bank of Italy	Corporate officers - assessment procedure
May 27, 2021	<p>Bank of Italy published the provisions on the procedure for assessing the suitability of corporate officers of banks, financial intermediaries, electronic money institutions, payment institutions and depositor guarantee schemes.</p> <p>For further information in Italian click here.</p>
Bank of Italy	Retail payment systems
April 29, 2021	<p>Bank of Italy launched a public consultation related to 'Provisions on the oversight of retail payment systems'.</p> <p>For further information in Italian click here.</p>
Consob	Prospectus Regulation - disclosure requirements
April 29, 2021	<p>Consob published the warning notice no. 5/21 announcing its intention to comply with ESMA guidelines on disclosure requirements pursuant to the Prospectus Regulation (ESMA 32-382-1138).</p> <p>For further information in English click here.</p>
Ministry of Economy and Finance	BRRD – Bail-in
April 26, 2021	<p>The Ministry of Economy and Finance launched a public consultation related to the transposition of article 44-bis of Directive 2014/59/EU (BRRD) which regulates marketing to retail customers of financial instruments subject to bail-in. The consultation closed on May 12, 2021.</p> <p>For further information in Italian click here.</p>
IVASS	Resolution and financing planning
April 24, 2021	<p>IVASS issued the IVASS Regulation no. 47 of 27 April 2021 on provisions concerning recovery plans and short-term finance schemes pursuant to Title XVI (<i>Safeguards, reorganization and winding up measures</i>) of Legislative Decree no. 209 of 7 September 2005 (Italian Code of Private Insurance), implementing article 223-ter of the Italian Code of Private Insurance.</p> <p>For further information in Italian click here.</p>

IVASS

Supervisory Reports

April 20, 2021

IVASS published a Letter to the Market in order to provide the new technical procedures for submitting supervisory reports on life insurance products (CSVl) and on interest rate risk (RPSI).

For further information in Italian click [here](#).

IVASS

Infostat data collection services

April 19, 2021

IVASS published new instructions concerning the authentication methods for Infostat data collection services.

For further information in Italian click [here](#).

Regulatory Developments in Luxembourg

Source/Date	Brief description
CSSF ¹ August 31, 2021	<p>Press release on requirement to submit requests to extend liquidation period for funds in nonjudicial liquidation</p> <p>It is no longer required to submit requests for investment funds in nonjudicial liquidation that are under the direct supervision of the CSSF (i.e. UCITS², Part II UCIs³, SIF⁴ and SICAR⁵; together, the “Regulated Funds”). This does not apply to sub-funds whose umbrella funds are on the official list and are thus not themselves in nonjudicial liquidation.</p> <p>To access the text of the press release, please click here.</p>
Luxembourg Stock Exchange (“LuxSE”) August 19, 2021	<p>Guidelines issued for listing special purpose acquisition companies (SPACs)</p> <p>In line with ESMA’s⁶ public statement highlighting the complex nature of SPAC transactions and the need to maintain investor protection⁷, the LuxSE has provided guidance to sponsors and other intermediaries when listing SPAC vehicles on its regulated market or the euro multilateral trading facility, while protecting the interests of investors and market integrity.</p> <p>To access the text of the guidelines, please click here.</p>
CSSF August 17, 2021	<p>Frequently asked questions (FAQ) on the 2010 Law updated</p> <p>The CSSF has added four questions and answers for the treatment of breaches of the UCITS global exposure limit. The answers represent a codification of the current regulatory practice of the CSSF in that matter.</p> <p>To access the text of the updated FAQ, please click here.</p>
CSSF August 17, 2021	<p>FAQ on swing pricing mechanism updated</p> <p>The CSSF has removed the possibility to exceed the maximum swing factor laid down in the fund prospectus in cases where the fund prospectus does not permit it to be exceeded. This option had been given to managers of UCITS Part II UCIs and SIFs during the exceptional market conditions linked to the COVID-19 pandemic</p> <p>To access the text of the updated FAQ, please click here.</p>

1 *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority.

2 Undertakings for collective investment in transferable securities.

3 Subject to part II of the Law of 17 December on undertakings for collective investment (the “2010 Law”).

4 Specialized investment fund.

5 *Société d’Investissement en Capital à Risque* (Investment companies in risk capital).

6 European Securities and Markets Authority.

7 ESMA32-384-5209.

CSSF	CSSF gives overview of activities in 2020 annual report
August 6, 2021	<p>The CSSF's annual report provides an overview for 2020 of its activity and of the entities under its supervision, the latest regulatory developments and initiatives, as well as the current challenges to the CSSF.</p> <p>To access the CSSF annual report, please click here.</p>
CAA ⁸	Circular CAA 21/15 amends circular CAA 20/13 on outsourcing to cloud service providers
August 5, 2021	<p>The new circular implements the EIOPA⁹ guidelines on outsourcing to cloud service providers¹⁰ and integrates certain additional requirements of the CAA. The new circular applies from 1 November 2021 to all cloud outsourcing agreements concluded or amended from this date.</p> <p>To access the text of the amended circular, please click here.</p>
CSSF	Notification letter published for pre-marketing by EU AIFMs¹¹ to potential professional investors in Luxembourg
August 4, 2021	<p>This follows the publication of the law of 21 July 2021 transposing the CBDF Directive¹² (the "CBDF Law").</p> <p>To access the pre-marketing notification letter for EU AIFMs, please click here.</p>
CSSF	FAQ provides guidance on notification procedures for cross-border distribution of funds (CBDF)
August 2, 2021	<p>Following the entry into force of a large part of the CBDF Regulation¹³, the CSSF provided guidance on marketing (de)notifications and supporting information and documents, as well as technical details of the submission.</p> <p>To access the text of the FAQ, please click here.</p>

8 *Commissariat aux assurances*, the Luxembourg insurance sector supervisory authority

9 European Insurance and Occupational Pensions Authority

10 EIOPA-BoS-20-002

11 Alternative investment fund managers

12 Directive EU/2019/1160 on the cross-border marketing and distribution of UCITS and AIFs within the EU

13 Regulation (EU) 2019/1156 of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings

CSSF

July 30, 2021

Circular CSSF 21/778 amends circular CSSF 11/509 with regard to cross-border distribution of UCITS, and related denotification letters for alternative investment funds' (AIFs) sub-funds, UCITS' sub-funds, and UCITS' share classes

Circular 11/509 has been amended by integrating the procedural and technical details regarding the denotification of marketing of UCITS units.

The CSSF also released a denotification letter for AIFs' sub-funds, UCITS' sub-funds and UCITS' share classes that are marketed in another EU member state.

To access the text of the amended circular, please click [here](#).

To access the denotification letter for AIF sub-funds, please click [here](#).

To access the denotification letter for UCITS sub-funds, please click [here](#).

To access the denotification letter for UCITS share classes, please click [here](#).

CSSF

July 30, 2021

Press release describes changes intended to optimize authorization processes for new UCIs and for new sub-funds added to existing fund structures

The changes include:

- a new questionnaire: "Fund Pre-Inception Readiness Review", which confirms that all preparatory work and assessments required by regulation have been completed;
- a guidance on service provider agreements; and
- a guidance on supporting documentation.

These requirements apply to regulated funds from 16 August 2021.

To access the text of the press release, please click [here](#).

CSSF

July 29, 2021

Press release on AML/CFT14 controls applied to unregulated AIFs by AIFMs describes main review findings

The CSSF sets out its main findings of a thematic review conducted in June and July 2020 by the CSSF's "UCI On-site Inspection" department at five authorized AIFMs. The regulator highlighted that indirect supervision of the unregulated AIFs through the supervision of their AIFMs worked properly in practice and had shown no significant weaknesses compared with the supervision of Regulated Funds.

To access the text of the press release, please click [here](#).

CSSF

July 29, 2021

Press release on Luxembourg investment fund managers' (IFMs) compliance with Benchmarks Regulation¹⁵ reveals main review findings

The CSSF sets out its main findings of a thematic review conducted between July and November 2020 by the CSSF's "UCI On-site Inspection" at six authorized AIFMs that focused on the obligations of IFMs as benchmark users. The review identified a low level of BMR compliance among the investigated entities, in particular regarding the required prospectus disclosures of UCITS funds in relation to the ESMA Register.

To access the text of the press release, please click [here](#).

CAA

July 27, 2021

CAA publishes its regulation on implementation of Directive (EU) 2019/2177 of 18 December 2019¹⁶ and amending CAA regulation n°15/03

The new provisions concern the distribution of power between the CAA, EIOPA and the other national competent authorities with regard to the solvency ratio calculation and solvency supervision of insurance and reinsurance companies belonging to the same group.

To access the text of the regulation in French, please click [here](#).

Government /
Parliament

July 22, 2021

Draft law n°7861 amending the Luxembourg law of 17 April 2018 on indices used as benchmarks (Benchmark Law) submitted to Parliament

The draft law aims to amend the Benchmark Law in preparation of the phasing out of LIBOR¹⁷. It designates the CSSF as the competent authority in Luxembourg for the designation of one or more replacement benchmarks when a mainly Luxembourg benchmark is discontinued. The draft law also includes two new items that are punishable under the Benchmark Law.

To access the text of the draft law in French, please click [here](#).

15 Regulation (EU) 2016/1011 of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

16 Directive (EU) 2019/2177 of the European Parliament and of the Council of December 18, 2019 amending Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Directive 2014/65/EU on markets in financial instruments and Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money-laundering or terrorist financing

17 London Interbank Offered Rate

Government /
Parliament

Law of 21 July 2021 published, amending the 1993 Law¹⁸ among others by implementing IFD¹⁹ and IFR²⁰

July 21, 2021

The main objective of this law is to create a new framework for the prudential supervision of investment firms that more effectively assesses nature of their activities and that is better adapted to their specific risks. Hence, this law excludes a certain number of investment firms from CRD IV²¹ and CRR²², thus reducing their regulatory burden.

To access the text of the law in French, please click [here](#).

Government /
Parliament

Law of 21 July 2021 modernizes authorization regime for entities in financial and insurance sectors

July 21, 2021

The purpose of the law is to modernize the authorization regime for entities in the financial and insurance sectors by granting the CSSF and the CAA direct powers to authorize and withdraw the authorization of these entities. The authorization would hence no longer be granted by the Ministry of Finance (**MoF**), but in practice this will have little impact on these entities, because the MoF virtually always followed the recommendations of the CSSF and the CAA.

To access the CSSF press release, available in French only, please click [here](#).

To access the text of the law in French, please click [here](#).

Government /
Parliament

CBDF Law published

July 21, 2021

The CBDF Law implements the CBDF Directive, which recasts the rules currently applicable to cross-border distribution of UCITS and AIFs, with the aim of removing the barriers that currently prevent managers from fully exploiting the EU marketing passport. The CBDF also permits the use of certain third-country accounting standards for preparing accounting information given in the annual report of AIFs in the form of a special limited partnership.

To access the text of the law in French, please click [here](#).

18 Law of April 5, 1993 on the financial sector

19 Directive (EU) 2019/2034 of the European Parliament and of the Council of November 27, 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU

20 Regulation (EU) 2019/2033 of the European Parliament and of the Council of November 27, 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014

21 Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC

22 Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012

<p>CSSF</p> <p>July 12, 2021</p>	<p>Circular CSSF 21/777 published, amending circular CSSF 17/654 on IT outsourcing relying on a cloud computing infrastructure</p> <p>In order to comply with ESMA guidelines (ESMA50-164-4285), the circular extends the scope of application of CSSF circular 17/654 to all entities covered by the ESMA Guidelines, i.e. to IFMs, depositories, central counterparties, data reporting services providers, central securities depositories, and administrators of critical benchmarks.</p> <p>To access the text of the circular, only available in French, please click here.</p>
<p>CSSF</p> <p>July 8, 2021</p>	<p>Guidance clarifies reporting issues related to EBA23 reporting framework 3.0</p> <p>As some errors and problems occurred in the EBA reporting framework 3.0 (related to CRR II²⁴/CRD V²⁵, BRRD II²⁶ and IFR) applicable from June 30, 2021, the CSSF acknowledges this and provides guidelines in order to remedy the situation.</p> <p>To access the text of the guidelines, please click here.</p>
<p>Government / Parliament</p> <p>June 30, 2021</p>	<p>Law of 30 June 30, 2021 (the “Law”) published, amending (i) law of 23 September 2020 on measures concerning the holding of meetings in companies and other legal entities (the “September 2020 Law”) and (ii) law of 19 December 2020 on temporary adaptation of certain procedural arrangements in civil and commercial matters</p> <p>The Law extends until 31 December 2021 the (i) possibility granted by the September 2020 Law to hold company meetings without a physical presence, even when statutory provisions do not allow for this option and (ii) suspension of the duty to file for bankruptcy due to cessation of payments.</p> <p>To access the text of the law in French, please click here.</p>
<p>CSSF</p> <p>June 29, 2021</p>	<p>Circular CSSF 21/774 published, amending circular CSSF 14/593 on supervisory reporting requirements applicable to credit institutions</p> <p>The circular updates the cross-references to the relevant legal provisions and reflects the developments in reporting requirements.</p> <p>To access the text of the amended circular, only available in French, please click here.</p>

23 European Banking Authority

24 Regulation (EU) 2019/876 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

25 Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

26 Directive (EU) 2019/879 of the European Parliament and of the Council of May 20, 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

<p>CSSF</p> <p>June 29, 2021</p>	<p>FAQ gives guidance on documents to be submitted only electronically by IFMs</p> <p>It is important to note that the CSSF no longer requires hard copies of the listed documents, and that any document not complying with the specific requirements of the CSSF will be considered as missing.</p> <p>To access the text of the FAQ, available in French only, please click here.</p>
<p>CSSF</p> <p>June 22, 2021</p>	<p>Certain aspects of AIFMD27 reporting clarified in new Guidance</p> <p>The guidance (i) describes the controls that the CSSF applies to the AIFMD reporting files that AIFMs are required to submit to the CSSF under articles 3 (3) (d), 24 (1), (2) and (4) of the AIFMD Regulation 231/2013²⁸ and (ii) gives an overview of the different feedback files that the CSSF generates upon receipt of the AIFMD reporting files.</p> <p>To access the text of document, please click here.</p>
<p>CSSF</p> <p>June 22, 2021</p>	<p>CSSF feedback report published on ESMA common supervisory action (CSA) on UCITS liquidity risk management</p> <p>The report aims to inform the industry about the main observations that the CSSF made in the context of its CSA supervisory work as well as about the related recommendations for improvements in view of the applicable regulatory requirements.</p> <p>To access the text of the report, please click here.</p>
<p>CSSF</p> <p>June 21, 2021</p>	<p>Circular CSSF 21/773 on the management of climate-related and environmental risks sets out CSSF expectations</p> <p>The purpose of this circular is to raise awareness among CSSF-supervised credit institutions of the need to consider and assess climate-related and environmental risks. It sets out how the CSSF expects credit institutions to consider and integrate into their operations climate-related and environmental risks as drivers of existing categories of risks.</p> <p>To access the text of the circular, please click here.</p>
<p>CSSF</p> <p>June 21, 2021</p>	<p>FAQ on the AML/CFT market entry form provides further submission details</p> <p>The FAQ specifies details concerning the submission of an initial market entry form through eDesk²⁹ and clarifies the supporting documents and procedures associated with the AML/CFT market entry form.</p> <p>To access the text of the FAQ, please click here.</p>

27 Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.

28 Commission Delegated Regulation (EU) No 231/2013 of December 19, 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision

29 An online gateway for submission of certain dematerialized requests to the CSSF

CSSF

Guidelines on the UCITS risk reporting published by the CSSF

June 16, 2021

The guidelines supplement existing guidance provided by the CSSF in this area, including circulars CSSF 15/627 and IML 97/136 (as amended by circular CSSF 08/348), as well as the frequently asked questions (“**FAQ**”) concerning U 1.1 reporting and the guidelines on the U1.1 reporting. The guidelines apply to all Luxembourg domiciled UCITS as from June 30, 2021.

For further information in English, click [here](#).

CSSF

FAQ on PFS accreditation of professional lenders under article 28-4 of the law of 5 April 1993 on the financial sector updated by the CSSF

June 15, 2021

The CSSF has clarified when it considers that a lending activity of a professional, who lends for their own account, without receiving any deposits from the wider public, is directed towards the *public*:

- where loans are granted to a limited circle of previously determined persons, or
- where the nominal value of a loan amounts to €3 million at least and these loans are granted exclusively to professionals within the meaning of the Luxembourg Consumer Code³⁰.

For further information and to access the text of the updated FAQ on PFS in English, click [here](#).

CSSF

Press release 21/14 on the implementation of the fair, reasonable, non-discriminatory and transparent (“FRANDT”) commercial terms to provide clearing services published by the CSSF

June 11, 2021

The press release comes on the heels of ESMA’s public statement of 11 June 2021³¹. The CSSF stated it will follow ESMA’s expectation in that it will not prioritize supervisory actions towards clearing members and clients expected to provide clearing services in accordance with FRANDT commercial terms before the date the relevant [Delegated Regulation](#) becomes applicable.

For further information in English, click [here](#).

30 An individual or legal person that acts, including through another person acting in its name or on its account, for the purposes entering in the framework of its commercial, industrial, craft, or liberal activities.

31 [ESMA70-156-4627](#); ESMA has identified a timing gap during which clearing members and clients would need to provide clearing services in accordance with FRANDT commercial terms while the delegated regulation specifying the conditions under which the commercial terms are to be considered to be FRANDT has not entered into force yet

CSSF

June 10, 2021

FAQ on the Luxembourg law of 17 December 2010 on undertakings for collective investment (“UCIs”)³² and on the Luxembourg law of 12 July 2013 on alternative investment fund managers (“AIFMs”) updated by the CSSF

The FAQ clarify under what circumstances and to what extent the MiFID framework³³ applies to investment fund managers (“IFMs”), their third-party delegates and their investment advisers. IFMs are expected to comply with the CSSF FAQ as soon as possible and by December 31, 2021 at the latest. This will likely entail significant changes in the business models of certain IFMs.

For further information and to access the text of the updated FAQ on UCIs in English, click [here](#).

For further information and to access the text of the updated FAQ on AIFMs in English, click [here](#).

CSSF

June 8, 2021

Collection of data on the exposure of IFMs to commercial real estate (“CRE”) sector launched by the CSSF

The data will serve as input to the efforts of the European Systemic Risk Board to identify and monitor vulnerabilities that arise from the interplay between the real estate market and the financial system. The exercise will be conducted twice a year through eDesk³⁴, with March 31 and September 30 as reporting deadlines. The CSSF will contact the concerned IFMs directly by requesting them to provide the first set of data by September 30, 2021.

For further information in English, click [here](#).

CSSF

June 3, 2021

The CSSF and the Securities and Exchange Board of India signed a memorandum of understanding (“MoU”)

The MoU covers mutual cooperation and technical assistance relating to the supervision of securities markets, in particular the exchange of regulatory and technical information, as well as cooperation as regards supervision and inquiries.

For further information in English, click [here](#).

CSSF

May 31, 2021

Press release 21/11 on the monitoring of the quality of transaction reports received under article 9 of EMIR35 published by the CSSF

The press release provides color on (i) the quality and completeness campaigns the CSSF conducted during 2020 and (ii) the topics covered by the dedicated campaigns in 2021. The CSSF announced it will intensify its data quality exercises in 2021, including expanding its monitoring to the fields [1.6 corporate sector of the reporting counterparty], [1.19 valuation timestamp], and [2.37 CCP].

For further information in English, click [here](#).

32 This law applies to Luxembourg-based UCITS and other UCI subject to part II of that law.

33 Directive 2014/65/EU on markets in financial instruments directive.

34 eDesk is an online tool through which Luxembourg investment funds, IFMs, pensions funds, and securitization vehicles must submit certain dematerialized requests and documents to the CSSF.

35 Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, a.k.a. the European Market Infrastructure Regulation.

Government/
parliament

May 31, 2021

Draft law n° 7826 amending (i) the amended law of 23 September 2020 on measures concerning the holding of meetings in companies and other legal entities (the “September 2020 Law”) and (ii) the law of 19 December 2020 (the “December 2020 Law”) on the temporary adaptation of certain procedural arrangements in civil and commercial matters

The draft law aims to extend until December 31, 2021 (i) the possibility granted by the September 2020 Law to hold shareholder and management meetings without a physical presence, even when statutory provisions do not allow such an option and (ii) the suspension of the duty to file for bankruptcy due to cessation of payments.

For further information and to access the text of the draft law in French, click [here](#).

Parliament

May 21, 2021

Law of 20 May 2021 amending among others the LFS by implementing the 2019 EU Banking Package³⁶

The law most notably introduces new prudential requirements, including a binding leverage ratio and a net stable funding ratio, as well as changes to the supervision on a consolidated basis with respect to financial holding or mixed holding companies.

For further information and to access the text of the law in French, click [here](#).

Government /
Parliament

May 20, 2021

Draft law n° 7825 amending the Luxembourg law of 22 March 2004 on securitization submitted to parliament

The draft law aims among others to (i) broaden the sources of financing available to securitization vehicles (“SVs”), (ii) enable active management of the assets under certain conditions, (iii) extend the legal forms permitted by including tax transparent partnerships³⁷ and the simplified limited company (*société par actions simplifiée*), (iv) increase flexibility for granting security interests, and (v) clarify the notion of issuance of securities to the public on a continuous basis.

For further information and to access the text of the draft law in French, click [here](#).

36 Composed of:

Directive (EU) 2019/878 amending Directive (EU) 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (a.k.a. fifth Capital Requirements Directive);

- Directive (EU) 2019/879 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC (a.k.a. second Bank Recovery and Resolution Directive);
- Regulation (EU) 2019/876 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and EMIR (a.k.a. second Capital Requirements Regulation II); and
- Regulation (EU) 2019/877 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms (a.k.a. second Single Resolution Mechanism Regulation)

37 The general partnership (*société en nom collectif*), the common limited partnership (*société en commandite simple*), the special limited partnership (*société en commandite spéciale*).

<p>Government / Parliament</p> <p>May 7, 2021</p>	<p>Draft law n° 7822 on the emission of covered bonds submitted to Parliament</p> <p>The draft law aims to (i) implement Directive (EU) 2019/2162 on the issue of covered bonds and covered bond public supervision, as well as Regulation (EU) 2019/2160 amending the CRR³⁸ as regards exposures in the form of covered bonds, and (ii) allow the issuance of covered bonds to all Luxembourg banks.</p> <p>To access the text of the draft law in French, please click here.</p>
<p>CSSF³⁹</p> <p>May 7, 2021</p>	<p>Circular CSSF 21/772, amending circular CSSF 18/703 on the introduction of a semiannual reporting of borrower-related residential real estate indicators, published</p> <p>The amendments include a new indicator related to the loan to value of the financed property. The maturity of a classic bridge loan has been reduced from 2 years to 18 months, but can be extended to 24 months in case of new constructions. The circular became applicable on the date of its publication.</p> <p>To access the text of the amended circular in English, please click here.</p>
<p>CSSF</p> <p>May 4, 2021</p>	<p>User guide concerning reporting under article 37 of the EU Money Market Funds (“MMF”) Regulation published</p> <p>The guide covers MMF managers’ quarterly reporting to the CSSF. The issues addressed are diverse, ranging from the scope of application to the details of the Excel file to be transmitted to the CSSF.</p> <p>To access the text of the user guide in English, please click here.</p>
<p>CSSF</p> <p>May 3, 2021</p>	<p>Frequently asked questions (FAQ) on the law of 17 June 1992 on the accounts of credit institutions published</p> <p>The CSSF has clarified the disclosure requirements for credit institutions publishing their annual accounts under the mixed regime (Lux GAAP with IAS/IFRS options) with respect to IFRS standard 9 “Financial instruments”.</p> <p>To access the text of the FAQ in French, please click here.</p>
<p>FIU⁴⁰</p> <p>April 29, 2021</p>	<p>Questions and answers (Q&As) and guidance for the investment [management] sector on goAML41 published</p> <p>To access the Q&As in English, please click here.</p> <p>To access the guidance in English, please click here.</p>

38 Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms.

39 *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority.

40 the Luxembourg financial intelligence unit, *Cellule de renseignement financier*.

41 goAML is the online electronic portal used to make declarations of suspicious transactions.

Regulatory Developments in the Netherlands

Source/Date	Brief description
DNB August 25, 2021	<p>Deadline looms for transitional regime prohibition on provision of services to the Netherlands by third-country insurers</p> <p>On 17 March 2021, legislation came into force stipulating that life and non-life insurers are no longer allowed to carry on direct insurance business in the Netherlands from an establishment that is not an EU member state. Insurers have until 17 September 2021 to make use of a transitional regime.</p> <p>For further information in Dutch, click here.</p>
DNB August 24, 2021	<p>Consultation-intended amendments to financial firms regime for investment firms, managers of investment firms and third-country investment firms</p> <p>In this supervisory regulation, the DNB clarifies and specifies the reporting requirements for investment firms, managers of investment institutions and UCITS that also provide investment services after effectiveness of the Investment Firm Regulation (IFR) and implementation of the Investment Firm Directive (IFD). The consultation closes on 21 September.</p> <p>For further information in Dutch, click here.</p>
DNB August 16, 2021	<p>DNB follows ECB's lead in not extending bank dividend recommendation beyond September 2021</p> <p>The ECB announced that it would not extend its current recommendation that all banks limit dividends, which expires on 30 September 2021. Following the ECB's lead, the DNB has decided to do the same, also with respect to less-significant credit institutions that it supervises directly.</p> <p>For further information, click here.</p>
DNB August 10, 2021	<p>Revised template Article 23 LCR DR qualitative data request</p> <p>The new template is intended to achieve more focus and incorporate lessons learned from previous exercises. It consists of four multiple choice questions and four open questions, in which additional information and details can be communicated and clarified. Gone is the question about the individually quantitative data already reported by institutions, resulting in one uniform and simpler template.</p> <p>For further information, click here.</p>

DNB

August 10, 2021

Consultation on Good Practice Valuation Mortgage Loans Solvency II ends in September

Insurers often have mortgage loans on their balance sheets. Under Solvency II, there is an obligation to value them based on international standards that are in line with Solvency II requirements.

Mortgage loans can be assessed on the Solvency II balance sheet. The Good Practice contains examples of possible applications that, in the DNB's opinion, provide a good interpretation of the obligations stemming from legislation and regulations. The consultation closes on 30 September.

For further information in Dutch, click [here](#).

AFM & DNB

August 2, 2021

Update on consultation on new Regulation on Sound Remuneration Policies 2021

The consultation of the Regulation on Sound Remuneration Policies 2021 (Rbb 2021) conducted by the Netherlands Authority for the Financial Markets (AFM) and the DNB did not result in any changes to the regulation. However, the consultation did clarify that the AFM decides on requests for an alternative arrangement.

In the beginning of August, both the AFM and DNB provided further information for (consultation of) the Rbb 2021 and have stated that its entry into force has been delayed.

For further information in Dutch, click [here](#).

DNB

July 16, 2021

Consultation Good Practice and Q&A on integrating climate-related and environmental risks into the risk management of various investment undertakings

Climate-related and environmental risks can have a material financial impact on the solidity and reputation of Dutch investment firms, managers of undertakings for collective investment in transferable securities (UCITS) and managers of investment institutions.

In order to manage these risks effectively, the DNB has drawn up a Good Practice that provides guidance on how to integrate climate-related and environmental risks into the strategy, governance, risk management and information provision of such investment undertakings. It has provided its interpretation in a Q&A for how existing legislation and regulations apply to the management of climate-related and environmental risks by such investment bodies. The consultation closed on 10 September 2021.

For further information in Dutch, click [here](#).

<p>DNB</p> <p>July 16, 2021</p>	<p>Consultation ends on regime for fund managers providing investment services</p> <p>In this supervisory regulation, the DNB clarifies capital requirements arising from the Investment Firm Regulation (IFR) for managers of investment institutions and UCITS that also provide investment services. The consultation closed on 30 August 2021.</p> <p>For further information in Dutch, click here.</p>
<p>The Senate (<i>Eerste Kamer</i>) of the Dutch Parliament (the States General)</p> <p>July 7, 2021</p>	<p>Dutch Implementation Act IFD/IFR delayed</p> <p>The Senate has yet to agree to the Dutch Implementation Act IFD/IFR. On 7 July, the Senate Finance Committee (<i>De Eerste Kamercommissie voor Financiën</i>) issued a report on the Dutch Implementation Act IFD/IFR and is currently awaiting the memorandum in response to the report.</p> <p>For further information in Dutch, click here.</p>
<p>DNB</p> <p>July 5, 2021</p>	<p>Additional documents required for assessment of crypto-service providers</p> <p>When registering for an initial assessment to be a crypto-service provider, the DNB now also requires information on the recruitment and selection procedure of candidates as well as on the decision-making and considerations regarding the appointment.</p> <p>For further information, click here.</p>
<p>AFM</p> <p>June 30, 2021</p>	<p>Protection improves for investors against the risks of turbos</p> <p>Restrictions will be introduced on the offering of turbos to Dutch retail investors. With effect from 1 October, there will be a leverage limitation, a mandatory risk warning and a prohibition on bonuses for trading turbos. The Dutch Authority for the Financial Markets (AFM) aims to provide better protection for retail investors against the risks of turbos.</p> <p>For further information, click here.</p>
<p>AFM</p> <p>June 30, 2021</p>	<p>AFM issues recommendations to limit behavioral risks of benchmark transition</p> <p>The AFM and DNB have observed that some banks, insurers and pension funds in the Netherlands struggle to mitigate the risks around the introduction of new fees and/or including fallback options in their contracts. In response, the AFM has issued recommendations on how to mitigate these behavioral risks.</p> <p>For further information, click here.</p>

<p>AFM</p> <p>June 29, 2021</p>	<p>AFM revises policy rule for level of administrative penalties</p> <p>As the previous policy rule was outdated and failed to fully correspond to current laws and regulations its amendment was necessary. The final version of the amended policy rule with explanatory notes has also been published in the Government Gazette.</p> <p>For further information in Dutch, click here.</p>
<p>DNB</p> <p>June 29, 2021</p>	<p>Fact sheet available for own risk assessment of pension funds and PPIs</p> <p>Since 13 January 2019, pension funds and premium pension institutions (PPIs) must periodically perform their own risk assessment (ERB) and share the results with the DNB. For this purpose the DNB has made available a fact sheet and a Q&A.</p> <p>For further information in Dutch, click here.</p>
<p>DNB</p> <p>June 29, 2021</p>	<p>Pension funds affected by Act on Administration and Supervision of Legal Persons</p> <p>On 1 July 2021, the Administration and Supervision of Legal Persons Act enters into force. The Act has a number of consequences for pension funds.</p> <p>One such consequence is, when amending the articles of association, the new obligation to include a provision that addresses the absence or inability to act of the entire board or the entire internal supervision.</p> <p>For further information in Dutch, click here.</p>
<p>Ministry of Finance</p> <p>June 28, 2021</p>	<p>Consultation proposal for implementing decree on registration of beneficial owners of trusts and similar legal arrangements hints at what is to come</p> <p>The Ministry of Finance opened the consultation for the implementing decree on the registration of beneficial owners of trusts and similar legal arrangements. This decree, together with the UBO Implementing Act, brings about the obligation to maintain and centrally register information on the ultimate beneficial owners of trusts and similar legal arrangements, laid down in Article 31 of the European Fourth Anti-Money Laundering Directive.</p> <p>The consultation opened on 28 June and ended on 9 August. For those who missed the response window, the consultation proposal gives a good impression of what is coming.</p> <p>For further information in Dutch, click here.</p>

AFM

June 28, 2021

AFM publishes Best Practices for reducing risks for service providers and customers in the event of outsourcing

The AFM comes up with points of attention based on Best Practices for controlling risks that come with outsourcing important and critical activities. Financial service providers should

- make clear agreements with the service provider about how to address incidents;
- make clear agreements with the service provider about the responsibilities and obligations of both parties; and
- analyze risks both before entering into an outsourcing and regularly during the outsourcing and take the necessary measures to reduce risks to an acceptable level.

For further information in Dutch, click [here](#).

DNB

June 23, 2021

DNB follows ECB in extending “leverage ratio” relief for banks to 31 March 2022

As of 17 September 2020, banks have been permitted to temporarily exclude certain central bank exposures from the calculation, reporting and disclosure of what is known as the leverage ratio. As the leverage ratio requirement became binding in June 2021 with the entry into force of the new Capital Requirements Regulation (CRR), the DNB has now extended the temporary leverage ratio relief.

For further information, click [here](#).

AFM

June 17, 2021

AFM advocates meaningful transparency and introduction of a consolidated tape

The European Commission (EC) has started revising the MiFID II/MiFIR regime. Following from its earlier recommendations, the Dutch Authority for the Financial Markets (AFM) advocates the introduction of a consolidated tape for equity and bonds. The AFM also recommends working towards meaningful transparency in the capital markets.

For further information, click [here](#).

Dutch Authority for
the Financial Markets
(AFM)

June 8, 2021

AFM releases points of attention for personalization of premiums and conditions

The AFM has presented nine points of attention for the insurance sector for the personalization of premiums and conditions based on behavior and data. The application of advanced data analysis for personalized insurance premiums is growing, according to a recent exploratory study by the AFM.

For further information, click [here](#).

Ministry of Finance

June 8, 2021

Consultation proposal for Amendment Decree on financial supervision 2019 (Bbft 2019) provides insight

The Ministry of Finance opened the consultation for the Amendment of the Bbft 2019 for the benefit of adjustments as applicable from 2022. The Bbft concerns the costs of financial supervision exercised by the DNB and AFM and sets out rules for the passing on of these costs to the financial sector.

The consultation opened on 8 June and ended on 5 July. For those who missed the response window, the consultation proposal gives a good impression of what is coming.

For further information in Dutch, click [here](#).

Ministry of Finance

June 7, 2021

Consultation for General AML guideline closes

The Ministry of Finance opened the consultation for a new general Guideline of the Dutch Anti-Money Laundering Act (**AML Act**). The general Guideline provides guidance to institutions on how to apply the obligations of the Dutch AML Act. Due to the implementation of the amended Fourth Anti-Money Laundering Directive, among other things, the existing guideline needed to be adjusted.

The consultation opened on 7 June and ended on 5 July. For those who missed the response window, the consultation proposal gives a good impression of what is coming.

For further information in Dutch, click [here](#).

Ministry of Finance

June 4, 2021

Regulation adopted on Funding of Financial Supervision 2021

On 4 June, the Regulation on the Funding of Financial Supervision 2021 (available in Dutch) was adopted by the Ministry of Finance and the Ministry of Social Affairs and Employment, and published in the [Government Gazette](#). Bandwidths and rates are set annually for the relevant calendar year for the reimbursement of supervisory costs by the financial sector. This regulation establishes the ranges and rates for the 2021 calendar year.

For further information, click [here](#).

Ministry of Finance

June 4, 2021

Consultation ends for draft regulation on implementation and execution of crowdfunding

The Ministry of Finance opened the consultation for the general draft regulation on the implementation and execution of crowdfunding. The draft regulation seeks to implement Directive (EU) 2020/1504 (Crowdfunding Directive). The draft regulation essentially provides some exemptions to comply with the directive and ensure proper functioning of the regulation.

The consultation opened on 4 June and ended on 2 July 2021. For those who missed the response window, the consultation proposal gives a good impression of what is coming.

For further information in Dutch, click [here](#).

AFM

April 29, 2021

AMF sends sector letter to light AIF-managers and announces investigation in 2021.

The Netherlands Authority for the Financial Markets (**AFM**) has sent a letter to all registered managers of alternative investment funds who fall under the AIFMD registration regime (light managers), informing them of the laws and regulations that apply to them.

In 2021, the AFM will investigate compliance with laws and regulations by light operators.

For further information in Dutch, click [here](#).

House of
Representatives of
the Dutch parliament

April 23, 2021

Minister of Finance submits a proposal for the UBO register for trusts and funds for joint account

On 23 April 2021, the Minister of Finance submitted a proposal for a bill introducing an ultimate beneficial owners (UBO) register for trusts and 'funds for joint account' (*fondsen voor gemene rekening*). The publicly accessible register will contain certain personal details of UBOs of trusts and similar arrangements.

The implementation of such a register is one of the measures included in the fourth EU Anti-Money Laundering Directive. The register will be created in addition to the UBO-register for Dutch corporate entities and other legal entities.

For further information in Dutch, click [here](#).

Regulatory Developments in Spain

Source/Date	Brief description
Ministry of economic affairs and digital transformation August 12, 2021	Carlos San Basilio named Executive Director of Corporate Strategy of the European Bank for Reconstruction and Development (EBRD) The Secretary General of the Treasury and International Finance at the Ministry of Economic Affairs and Digital Transformation, Carlos San Basilio, has been appointed Executive Director of Corporate Strategy of the European Bank for Reconstruction and Development (EBRD). The appointment became effective on September 1. For further information in Spanish, click here .
CNMV August 5, 2021	CNMV Markets Stress Indicator remained low for most of the quarter For further information in Spanish, click here .
Official Gazette August 5, 2021	Resolution of July 29, 2021 The mentioned resolution modifies the Regime Regulations Interior of the Commission. For further information in Spanish, click here .
Official Gazette July 31, 2021	Resolution of July 29, 2021 of the CNMV board regarding delegation of powers For further information in Spanish, click here .
CNMV July 27, 2021	Technical guide for evaluation of suitability submitted for public consultation The draft technical guide has been submitted for public consultation, to evaluate its suitability. The guide is intended to replace the action guide of June 17, 2010 for the analysis of convenience and suitability to update the criteria, practices, methodologies and procedures used by the CNMV. For further information in Spanish, click here .
Bank of Spain July 26, 2021	Bank of Spain will not extend recommendation on the distribution of profits and variable remuneration beyond September 2021, in line with ECB recommendation For further information in Spanish, click here .
CNMV July 19, 2021	Draft circular on statistical information requirements for money market funds up for public consultation The National Securities Market Commission (CNMV) submits for public consultation a proposal for a Circular on statistical information requirements for money market funds in the European Union. For further information in Spanish, click here .

Official Gazette	Law 11/2021
July 10, 2021	Regarding measures to prevent and combat tax fraud, transposition of Directive (EU) 2016/1164, of the Council, of July 12, 2016, which establishes rules against tax avoidance practices that directly affect the operation of the internal market, modification of various tax regulations and the regulation of gambling. For further information in Spanish, click here .
Bank of Spain	Spanish banking sector after more than a year of pandemic
July 6, 2021	Complete reference to the Governor's Intervention at IESE. For further information in Spanish, click here .
Parliament	Parliament passes law to prevent and combat tax fraud
July 1, 2021	The Plenary of the Spanish Parliament has approved the bill on measures to prevent and fight tax fraud, transposing Directive (EU) 2016/1164, of the Council, of July 12, 2016. The law establishes rules against tax avoidance practices that directly affect the functioning of the internal market, modifies various tax rules and regulates gambling. It further regulates reforms in tax matters to prevent and fight against tax fraud. For further information in Spanish, click here .
CNMV	CNMV Newsletter No. 108
June 14, 2021	For further information in English, click here .
CNMV	Draft circular modifying the annual corporate governance report templates to be completed by listed public limited companies and the annual director remuneration report template
June 8, 2021	For further information in English, click here .
CNMV	The CNMV to adopt the guidelines on certain aspects of the MiFID II compliance function requirements
June 7, 2021	For further information in English, click here .
Official State Gazette	Code of Sustainability Law
June 7, 2021	For further information in Spanish, click here .
Official State Gazette	Resolution of June 2, 2021, of the General Secretariat of the Treasury and International Financing, updating Annex 1 included in the Resolution of July 4, 2017, of the General Secretariat of the Treasury and Financial Policy, by which the principle of financial prudence applicable to the operations of indebtedness and derivatives of the autonomous communities and local entities is defined.
June 4, 2021	For further information in Spanish, click here .

CNMV June 2, 2021	The CNMV publishes criteria for the application of the new European regulations on environmental, social and governance (ESG) matters in financial markets For further information in English, click here .
CNMV May 28, 2021	The CNMV will adopt the guidelines regarding the notification of securities financing operations, in accordance with articles 4 and 12 of Regulation (EU) 2015/2365 For further information in English, click here .
Bank of Spain May 13, 2021	Circular 3/2021, of May 13, amending the definition of the reference interest rate based on the Euro short-term rate (€STR) of Circular 5/2012, of June 27, to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans. For further information in Spanish, click here .
Council of Ministers May 11, 2021	Code of best practices to improve the solvency of the self-employed and companies, and extension of the maturity of loans with public guarantee. For further information in Spanish, click here .
Bank of Spain May 11, 2021	The impact of the COVID-19 health crisis on the Spanish housing market. For further information in Spanish, click here .
Bank of Spain May 7, 2021	Marginal tax changes with risky investment. For further information in Spanish, click here .
Bank of Spain May 4, 2021	The main reference rate for mortgage loans (one-year Euribor) rises to -0.484% in April. For further information in Spanish, click here .
CNMV May 4, 2021	The CNMV publishes its quarterly bulletin for the first quarter of 2021. For further information in English, click here .
Spanish Official Gazette April 28, 2021	Royal Decree-Law 7/2021, of April 27, on the transposition of European Union directives in the areas of competition, prevention of money laundering, credit institutions, telecommunications, tax measures, prevention and repair of environmental damage, posting of workers in the provision of transnational services and consumer protection. For further information in Spanish, click here .

CNMV April 27, 2021	Conclusions of the review of the obligation to report suspicious orders or transactions in 2020. For further information in English, click here .
Bank of Spain April 23, 2021	Financial stability report – spring edition. For further information in Spanish, click here .
Bank of Spain April 22, 2021	The Bank of Spain publishes the supervisory statistics of credit institutions for the fourth quarter of 2020. For further information in Spanish, click here .

Key Regulatory Developments in the US

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) August 31, 2021	<p>CFTC staff amends existing Brexit-related relief to provide market certainty</p> <p>The CFTC's Division of Market Oversight (DMO) announced that it is amending previously granted temporary no-action relief in connection with the withdrawal of the United Kingdom (UK) from the European Union (EU), known as Brexit.</p> <p>Specifically, the DMO is amending its portion of CFTC Staff Letter No. 20-39 in order to provide relief to three additional UK multilateral trading facilities (MTFs) and an organized trading facility (OTF) and their market participants. The previously provided relief was meant to provide certainty and maintain the status quo of the EU 5h(g) Exemptive Order upon the expiration of the Brexit transition period while the Commission works on a determination for UK authorized MTFs and OTFs under the Commodity Exchange Act (CEA) Section 5h(g).</p> <p>The amended relief will expire upon the earlier of (i) the effective date of any exemptive order issued by the Commission pursuant to CEA section 5h(g), for MTFs and OTFs authorized within the UK; or (ii) December 31, 2021.</p> <p>The amended relief does not alter, amend, supersede or terminate any of the CFTC's Market Participant Division no-action positions that are included in the CFTC Staff Letter No. 20-39.</p> <p>The CFTC has taken a number of other steps to facilitate a smooth transition upon withdrawal of the UK from the EU. For example, in February 2019, the CFTC, the Bank of England and its Prudential Regulation Authority, and the Financial Conduct Authority issued a statement regarding the continuity of derivatives trading and clearing post-Brexit.</p> <p>Further information can be found here.</p>

Securities and
Exchange
Commission

(SEC)

August 27, 2021

SEC requests information and comment on broker-dealer and investment advisers

The SEC announced that it is requesting information and public comment on matters related to the use of digital engagement practices by broker-dealers and investment advisers, digital engagement practices, related tools and methods. These tools include behavioral prompts, differential marketing, game-like features (commonly referred to as “gamification”), and other design elements or features designed to engage with retail investors on digital platforms (e.g., websites, portals, and applications), as well as the analytical and technological tools and methods (collectively called digital engagement practices (DEPs)).

The Commission is issuing the Request, in part, to develop a better understanding of the market practices associated with how firms use DEPs and the related analytical and technological tools and methods. The Commission also is hoping to learn what conflicts of interest may arise from optimization practices and whether those optimization practices affect the determination of whether DEPs are making a recommendation or providing investment advice.

The Request also is intended to provide a forum for market participants, including investors, and other interested parties to share their perspectives on the use of DEPs and the related tools and methods. This includes potential benefits that DEPs provide to retail investors, as well as potential investor protection concerns. The Request will facilitate the Commission’s assessment of existing regulations and consideration of whether regulatory action may be needed to further the Commission’s mission.

The public comment period will remain open for 30 days following the August 27, 2021 publication of the Request in the Federal Register.

Further information can be found [here](#).

Securities and
Exchange
Commission

(SEC)

August 16, 2021

SEC and the ECB sign first-ever MOU for cooperating on security-based swap entities

The SEC and the European Central Bank (ECB) announced the signing of a Memorandum of Understanding (MOU) to consult, cooperate, and exchange information in connection with the supervision, enforcement and oversight of certain security-based swap dealers and major security-based swap participants that are registered with the SEC and supervised by the ECB. This is the first MOU between the SEC and ECB.

Executed on August 16, 2021, the MOU is intended to facilitate the SEC's oversight of all SEC-registered security-based swap entities in EU member states participating in the Single Supervisory Mechanism (SSM)—the EU's system of banking supervision. It is composed of the ECB and the relevant national competent authorities of participating EU member states.

The MOU will also support the SEC's oversight of the operation of substituted compliance orders that the SEC has issued for security-based swap entities in France and Germany, as well as any future substituted compliance orders for such firms in other EU Member States that participate in the SSM. Substituted compliance allows a security-based swap entity to comply with particular U.S. requirements under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 through compliance with comparable EU and EU Member State laws. The MOU also enhances the ability of the SEC and the ECB to consult, coordinate, and share information with each other with respect to these entities, including in connection with cross-border inspections.

Further information can be found [here](#).

CFTC Market Risk Advisory Committee adopts SOFR First recommendation at public meeting

The Market Risk Advisory Committee (MRAC) of the CFTC adopted a market best practice known as “SOFR First” for consideration by the full CFTC. SOFR First is a phased initiative for switching trading conventions from LIBOR to the Secured Overnight Financing Rate (SOFR) for US\$ (USD) linear interest rate swaps, cross-currency swaps, non-linear derivatives and exchange-traded derivatives. Acting Chairman Rostin Behnam is the sponsor of the MRAC.

SOFR First, developed by the MRAC’s Interest Rate Benchmark Reform Subcommittee (Subcommittee), is designed to help market participants decrease reliance on USD LIBOR in light of statements from the Financial Stability Board and the International Organization of Securities Commissions on LIBOR transition which reinforce US banking regulator guidance that banks cease entering new contracts that reference USD LIBOR post December 31, 2021.

SOFR First has four phases. Phase one involves USD linear swaps, recommended to occur on July 26, 2021. Specifically, on July 26, 2021 and thereafter, interdealer brokers were to replace trading of LIBOR linear swaps with trading of SOFR linear swaps. The SOFR First market best practice recommends keeping interdealer brokers’ screens for LIBOR linear swaps available for informational purposes, but not trading activity, until October 22, 2021. After this date, these screens should be turned off altogether. The remaining SOFR First phases involve cross-currency swaps, non-linear derivatives and exchange traded derivatives.

SOFR First represents the Subcommittee’s third recommendation in connection with the transition of USD derivatives and related contracts away from LIBOR. This recommendation, along with earlier recommendations on plain English disclosures for new derivatives contracts referencing LIBOR and the CCP discounting transition tabletop exercise, will be submitted to the Commission for consideration.

Further information can be found [here](#).

Commodity Futures
Trading Commission
(CFTC)

June 22, 2021

CFTC staff issues advisory to swap dealers on use of internal models for calculating minimum capital requirements before new reporting requirements go into effect

The Market Participants Division (MPD) of the CFTC issued an advisory to swap dealers clarifying the use of internal models in calculating minimum capital requirements.

The advisory clarifies that an entity dually-registered as a futures commission merchant and swap dealer (FCM/SD) or registered solely as a swap dealer (standalone SD) is not required to obtain CFTC or National Futures Association (NFA) approval to use a model to calculate the initial margin on uncleared swaps for purposes of determining the FCM/SD's or standalone SD's minimum capital requirement under CFTC regulations.

Additionally, the MPD clarifies that an FCM/SD or standalone SD may use an initial margin model other than the Standardized Initial Margin Model developed by the International Swaps and Derivatives Association (ISDA) for the purposes of computing the uncleared swap margin amount.

The advisory was issued in response to several inquiries MPD received from swap dealers in their effort to comply with newly adopted swap dealer capital and financial reporting requirements, which have a compliance date beginning on October 6, 2021.

Further information can be found [here](#).

Securities and
Exchange
Commission

(SEC)

June 11, 2021

Annual SEC regulatory agenda announced

The Office of Information and Regulatory Affairs released the Spring 2021 Unified Agenda of Regulatory and Deregulatory Actions. The report, which includes contributions related to the SEC, lists short- and long-term regulatory actions that administrative agencies plan to take.

Notable proposed and final SEC rulemaking areas include:

- Disclosure relating to climate risk, human capital, including workforce diversity, corporate board diversity and cybersecurity risk
- Market structure modernization within equity markets, treasury markets and other fixed income markets
- Transparency around stock buybacks, short sale disclosure, securities-based swaps ownership and the stock loan market
- Investment fund rules, including money market funds, private funds and ESG funds
- 10b5-1 affirmative defense provisions
- Unfinished work directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, including, among other things, securities-based swaps and related rules, incentive-based compensation arrangements and conflicts of interest in securitizations
- Enhancing shareholder democracy
- Special purpose acquisition companies
- Mandated electronic filings and transfer agents

Further information can be found [here](#).

Commodity Futures
Trading Commission

(CFTC)

May 26, 2021

CFTC publishes updated responses to FAQs regarding Commission Regulation 4.27 and Form CPO-PQR

The Commodity Futures Trading Commission's Market Participants Division (MPD) published updated responses to frequently asked questions regarding CFTC Regulation 4.27 and Form CPO-PQR (FAQs). These FAQs update the 2015 FAQs that addressed issues on Form CPO-PQR from filing mechanics and deadlines to more technical questions.

In October 2020, the CFTC adopted a Final Rule amending Form CPO-PQR and CFTC Regulation 4.27, the provision requiring Form CPO-PQR reporting. [See CFTC Press Release No. 8277-20] The updated FAQs reflect that Final Rule's revisions and supersede the 2015 version.

MPD staff intends to update the FAQs on an as-needed basis to clarify issues for the broadest set of Form CPO-PQR filers.

Further information can be found [here](#).

Securities and
Exchange
Commission

(SEC)

May 17, 2021

SEC approves registration of first SDR; sets first compliance date for Regulation SBSR

The SEC announced that it has approved the registration of its first security-based swap data repository (SDR). With the registration of DTCC Data Repository (U.S.), LLC (DDR)—the security-based swap market now has the first SDR that can accept transaction reports. DDR intends to operate as a registered SDR for security-based swap transactions in the equity, credit and interest rate derivatives asset classes.

“Implementing Regulation SBSR fulfills an important mandate under the Dodd-Frank Act,” said SEC Chair Gary Gensler. “A centralized database of security-based swap transactions is an essential reform to better understanding these markets, for surveillance and for enforcement. The data repository also will facilitate public reporting of security-based swap transactions, bringing much-needed transparency to these markets.”

The action sets November 8, 2021, as the first compliance date for Regulation SBSR, which governs regulatory reporting and public dissemination of security-based swap transactions. Regulation SBSR is a key component of the security-based swap regulatory regime established by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Regulation SBSR provides for the reporting of security-based swap information to registered SDRs and for public dissemination of transaction, volume and pricing information.

Under Regulation SBSR, the November 8, 2021 compliance date represents the first Monday that is the later of: (1) six months after the May 7, 2021 registration date for the first SDR that can accept transaction reports in a particular asset class; or (2) one month after the October 6, 2021, compliance date for registration of security-based swap entities.

Further information can be found [here](#).

Key Regulatory Developments in Singapore

Source/Date	Brief description
Monetary Authority of Singapore (MAS) July 28, 2021	MAS lifts dividend restrictions on local banks and finance companies The MAS has announced that dividend restrictions on locally incorporated banks and finance companies headquartered in Singapore will not be extended. For further information click here .
MAS July 2, 2021	MAS proposes to enhance own investigative and other powers The MAS today issued a consultation paper proposing to strengthen its investigative powers under MAS-administered acts, so as to enhance its ability to gather evidence. The proposed amendments will be made under a Financial Institutions (miscellaneous amendments) bill. For further information click here .

Public Events & Conferences

Source/Date	Brief description
ASIFMA September 7-10, 2021	ASIFMA compliance week ASIFMA hosted this four-day virtual event for compliance, “designed by the industry for the industry” where the industry (sell-side, buy-side, regulators, law firms, consultants, and media) comes together once a year to meet and discuss important issues impacting this area. For further information click here .
September 29-30, 2021	Fixed income & FX leaders’ summit APAC—Raffles City Convention Centre, Singapore This two-day, in-person event is focused on bringing together the entire value chain of Fixed Income—the buy side, the regulators, the sell side, the technology providers, associations and the media community to discuss the growth of trading technology, automation and successfully overcoming market structure and regulatory challenges. For further information click here .

Clients Alerts & Briefings

Source/Date	Brief description
Dentons Rodyk (Singapore)	Enhancing powers of investigation—protecting Singapore’s reputation as a key finance hub
Monetary Authority of Singapore (MAS) July 27, 2021	<p>The MAS has issued a proposal for a series of amendments as part of the Financial Institutions (miscellaneous amendments) bill. The bill will facilitate amendments to various acts, including the Banking Act (BA), Credit Bureau Act, Financial Advisors Act (FAA), Insurance Act, Payment Services Act, Securities and Futures Act (SFA), Trust Companies Act and a new omnibus Act for the financial sector (the New Act).</p> <p>While the MAS already has investigative powers under the SFA and the FAA, these proposed amendments seek to (i) enhance its investigative powers and (ii) clarify and expand its reprimand powers, which will bolster the MAS’s supervisory and enforcement powers.</p> <p>For further information click here.</p>
Dentons Rodyk (Singapore) April 21, 2021	The right balance? SGX’s proposed regulatory framework for SPACs
	<p>On March 31, 2021, the Singapore Exchange (SGX) issued a consultation paper in relation to a proposed regulatory framework for the listing of SPACs on its Mainboard (SGX Consultation Paper) to seek market feedback for its proposals. The consultation remains open until April 28, 2021.</p> <p>For further information click here.</p>

Key Regulatory Developments in China

Source/Date	Brief description
China Banking and Insurance Regulatory Commission (CBIRC) September 3, 2021	<p>CBIRC solicits public opinions on insurance group company rules</p> <p>In order to strengthen the supervision and administration of insurance group companies, effectively prevent operational risks of insurance groups and to promote the healthy development of the financial and insurance industries, the CBIRC has revised the Measures for the Administration of Insurance Group Companies (Trial) and prepared the Rules on Insurance Group Companies (for Consultation) and is soliciting opinions on them.</p> <p>In the next step, CBIRC will extensively listen to the opinions and suggestions of all sectors, and then will further revise and improve these according to the feedback from all sectors. The finalized measures and rules will be released and implemented in due course.</p> <p>For further information, click here.</p>
China Banking and Insurance Regulatory Commission (CBIRC) August 26, 2021	<p>CBIRC issues newly revised Measures on Insurance Clauses and Premium Rates of Property & Casualty Insurance Companies</p> <p>In order to strengthen and improve the product supervision of property insurance companies and lay a solid foundation for the product supervision system, the CBIRC recently issued the newly revised Measures on Insurance Clauses and Premium Rates of Property & Casualty Insurance Companies (the "Measures").</p> <p>The revision of the Measures is an important step in improving the product supervision system of property insurance companies, which is conducive to strengthening and improving the product supervision of property insurance companies, standardizing the development of insurance clauses and in determining the premium rates of property insurance companies as well as further improving the overall quality of insurance products in the property insurance industry.</p> <p>For further information, click here.</p>

July 30, 2021

CBIRC issues General Office Notice aimed at standardizing work arrangements for non-financial subsidiaries of trust companies

In order to govern the market chaos of non-financial subsidiaries of trust companies, prevent and defuse financial risks, and promote the return of trust companies to their roots and transformation and development, the CBIRC issued the Notice of the General Office on Clearing and Regulating the Business of Non-financial Subsidiaries of Trust Companies.

The Notice consists of seven articles, with the main idea of “reducing levels and standardizing business,” strengthening the control of first-level domestic non-financial subsidiaries of trust companies, clarifying and standardizing work arrangements. The main issues include the following: 1) Compression of the hierarchy—from the date of issuance of the Notice, trust companies shall not add domestic first-level, non-financial subsidiaries. Already established first-level domestic, non-financial subsidiaries shall not make new investments in domestic and foreign enterprises. A trust company may choose to retain a domestic first-level, non-financial subsidiary currently engaged in a specific business, and shall, in a planned way, liquidate its investment in the relevant enterprises by transferring equity or other means in accordance with the requirements of the Circular. 2) Standardization of business operations—on the one hand, new businesses of domestic first-level, non-financial subsidiaries that trust companies choose to keep should be regulated, and existing businesses should be required. On the other hand, it is clear that the relevant enterprises are not allowed to add new business in principle before the completion of the clean-up work. 3) Clear cleaning and standard work arrangements—implement the principal responsibility of trust companies, strengthen the supervision and management responsibilities of regulatory departments, and jointly promote the orderly development of this work.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

July 16, 2021

CBIRC issues supervisory assessment measures on consumer rights protection in banking and insurance institutions

The CBIRC recently issued the Measures for the Supervision and Evaluation of Consumer Rights Protection in Banking and Insurance Institutions (the “Measures”), in order to implement General Secretary Xi Jinping’s “people-centered” development thought, to enrich the regulatory system that places equal emphasis on prudential supervision and behavioral supervision, and to effectively protect the legitimate rights and interests of consumers in the banking and insurance industry.

The issuance and implementation of the Measures is an important step taken by the CBIRC to strengthen behavior supervision and establish and perfect a mechanism conducive to protecting the rights and interests of financial consumers. In the next step, the CBIRC will conduct an annual consumer insurance regulatory evaluation on the protection of consumer rights and interests of banking and insurance institutions, promote the improvement of consumer rights and interests protection in the banking and insurance industry, create a better financial consumption environment for the people, and effectively improve the sense of gain and satisfaction of financial consumers.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

June 8, 2021

CBIRC issues code of corporate governance of banking and insurance institutions

In order to promote the quality and efficiency of corporate governance of banking and insurance institutions and promote the analytical and healthy development of banking and insurance institutions, the CBIRC formulated the Code of Corporate Governance of Banking and Insurance Institutions (the “Code”), which becomes effective as of the date of issuance.

The issuance and implementation of the Code is an important measure taken by the CBIRC in implementing the spirit of the Central Economic Work Conference and in improving the corporate governance of the banking and insurance industry. It is of great significance to promote banking and insurance institutions to strengthen risk prevention and control, achieve high-quality development and build a new development pattern with better services. In the next step, the CBIRC will guide and urge all banking and insurance institutions to earnestly implement the Code, continuously strengthen corporate governance supervision, constantly improve the analytical and effective corporate governance of China’s banking and insurance institutions, and to strive to build a banking and insurance corporate governance mechanism with Chinese characteristics.

For further information, click [here](#).

China Banking and
Insurance Regulatory
Commission (CBIRC)

May 31, 2021

CBIRC issues interim measures on evaluating performance of directors and supervisors of banking and insurance institutions

On July 1, 2021 the trial Interim Measures on the Performance Evaluation of Directors and Supervisors of Banking and Insurance Institutions came into force. It is intended to further standardize the performance behavior of directors and supervisors of banking and insurance institutions and improve the quality and efficiency of their performance.

These interim measures are essential for strengthening the governance and supervision of banking and insurance companies in accordance with the law. In the next step, CBIRC will strengthen supervision and guidance, do a good job in implementing the measures, and take this as an opportunity to further strengthen the standardization and effectiveness of the performance of the duties of the directors and supervisors of banking and insurance institutions, improve the quality and efficiency of the operation of the board of directors and the board of supervisors, and promote the steady operation and sustainable development of banking and insurance institutions.

For further information, click [here](#).

China Banking and
Insurance Regulatory
Commission (CBIRC)

May 27, 2021

CBIRC issues interim rules on marketing wealth management products by wealth management companies

The CBIRC has issued the Interim Rules on the Marketing of Wealth Management Products by Wealth Management Companies (the "Rules"), which came into force on June 27, 2021.

From December 25, 2020 to January 29, 2021, the CBIRC solicited public opinions on the Rules. Opinions showed that all parties support the Rules on the whole. After careful study of the feedback from all parties the CBIRC fully absorbed the analytical and reasonable suggestions and further improved these rules.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

May 7, 2021

CBIRC issues rules for licensing banking and insurance institutions

The License Administration Measures of Banking and Insurance Institutions (the “Measures”) was prepared by the CBIRC in order to standardize and unify the license administration rules of the banking and insurance industries and to further strengthen the license administration requirements for these institutions.

The Measures consist of 22 articles. The main points addressed include the following: 1) Licenses issued by the CBIRC to banking and insurance institutions are consolidated into three types: financial licenses, insurance licenses and insurance intermediary licenses, with clearly defined objectives for each type of license. 2) The content recorded in the license has been unified, with all licenses including the following: name of the institution, scope of business, date of approval, domicile of the institution, date of license issue and issuing authority. 3) Management regulations and time limit requirements related to the issuance, replacement and return of licenses by banking and insurance institutions have been optimized and unified. 4) The responsibilities and requirements of CBIRC and its local offices on license management have been clarified. 5) Failing to use or manage the licenses in accordance with regulations will result in punishment in accordance with relevant laws and regulations.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

April 25, 2021

CBIRC issues Notice on ensuring stability and vitality of micro and small businesses

In order to thoroughly implement the spirit of the Fifth Plenary Session of the 19th CPC Central Committee, make a good start for the economic and social development in the 14th Five-Year Plan period, and in accordance with the Central Economic Work Conference and the Report on the Work of the Government, the CBIRC issued the Notice on Further Promoting the High-quality Development of Financial Services for Micro and Small Enterprises in 2021 (the “Notice”), in a bid to continue to ensure stability on the six fronts and security in the six areas, strengthen inclusive financial services and increase the vitality of micro and small enterprises as well as individual business owners.

The Notice follows the theme of high-quality development, and focuses on the overall objective of promoting effective growth in total financing for micro and small enterprises with significant improvement in quality, efficiency and effectiveness. It specifies certain requirements for banking and insurance institutions.

For further information, click [here](#).

Public Events & Conferences

Source/Date	Brief description
China Securities Regulatory Commission (CSRC) September 3, 2021	<p>CSRC solicits public opinions on basic institutional arrangements of Beijing Stock Exchange</p> <p>To seriously “deepen the transformation of the ‘new third board,’” and “build the Beijing stock exchange,” the CSRC is soliciting public opinions on the related basic arrangements of the Beijing Stock Exchange.</p> <p>In the spirit of important instructions and in accordance with the decision of the CPC Central Committee and the State Council deployment, the CSRC announced the setup of a stock exchange based in Beijing, focused on small and medium-sized businesses. The new exchange will adhere to appropriate investor appropriateness management requirements, form a set of differentiated institutional arrangements that fit the characteristics of small and medium-sized enterprises, and explore methods of inclusive finance that the capital market supports and serves the technological innovation of small and medium-sized enterprises.</p> <p>The CSRC strictly follows the provisions of the Securities Law and Company Law, respects the development laws and growth stages of small and medium-sized businesses, and will look to the following CSRC-issued measures as a basis: the Measures of the Beijing Stock Exchange for the Registration of Public Offerings of Stocks to Unqualified Qualified Investors (Trial Implementation), Measures for the Administration of Registration of Securities Issuance by Listed Companies of the Beijing Stock Exchange (Trial Implementation) and Measures for Continuous Supervision of Listed Companies of Beijing Stock Exchange (Trial). These regulations form the preliminarily basis of the institutional system of issuing and financing, continuous supervision and exchange governance of the Beijing Stock Exchange.</p> <p>For further information, click here.</p>
China Banking and Insurance Regulatory Commission (CBIRC) September 6, 2021	<p>CBIRC holds meeting of Solvency Supervisory Committee</p> <p>CBIRC held a working meeting of the Solvency Regulatory Committee, which analyzed the solvency and risk situation of the insurance industry in the second quarter of 2021, reviewed the comprehensive risk rating results of insurance companies and regulatory measures for some insurance companies, and laid out the next stage of work. CBIRC Party committee member, vice Chairman Zhou Liang chaired the meeting.</p> <p>For further information, click here.</p>

China Banking and Insurance Regulatory Commission (CBIRC)

August 19, 2021

PBC and CBIRC hold regulatory talks with Evergrande Group

On August 19, 2021, responsible officials of the People's Bank of China (PBC) and the China Banking and Insurance Regulatory Commission (CBIRC) held regulatory talks with senior executives of the Evergrande Group. The PBC and CBIRC officials pointed out that as a leading enterprise in the real estate industry, the Evergrande Group must conscientiously implement the central government's strategic plan for stable and healthy development of the real estate market, strive to maintain stable operations, actively resolve debt risks, and maintain the real estate market and financial stability; the Evergrande Group should better conduct information disclosures on major issues according to laws and regulations, and make prompt clarifications while not disseminating false information.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

June 24, 2021

Vice Chairman Zhou Liang speaks at conference on carbon issues, green finance development

Comprehensively upgrading the green finance development under the guidance of General Secretary Xi Jinping's thought on an ecological civilization

Speech at the Conference of Promoting Carbon Peaking, Carbon Neutrality and Accelerating Green Finance Development

Zhou Liang

Vice Chairman, CBIRC

June 11, 2021

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

June 3, 2021

CBIRC holds meeting of Solvency Supervisory Committee

The CBIRC recently held a meeting of the Solvency Supervisory Committee, chaired by Vice Chairman ZHOU Liang. The meeting analyzed the solvency and risk condition of the insurance industry in the first quarter of 2021, reviewed the comprehensive risk rating results of insurance companies and regulatory measures for some companies, and set forth work plans for the next stage.

At the end of the first quarter of 2021, the average comprehensive solvency ratio of the 179 insurance companies reviewed at the meeting was 246.7%, and the average core solvency ratio was 234%. The average comprehensive solvency ratios of life insurance companies, property and casualty insurance companies, and reinsurance companies were 238.6%, 285.4% and 336.2% respectively. As for comprehensive risk ratings, 100 insurance companies were rated as Class A, 72 as Class B, 4 as Class C and 2 as Class D.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

May 18, 2021

CBIRC holds meeting on supporting development of Yangtze River Economic Belt

CBIRC held a special meeting on April 28 to discuss the deployment of the banking and insurance industries to support the development of the Yangtze River Economic Belt. CBIRC Party committee member and vice chairman Zhou Liang presided over the meeting and delivered a speech.

The meeting stressed that promoting development of the Yangtze Economic Belt is a major decision made by the CPC Central Committee with General Secretary Xi Jinping at its core under new historical conditions, a major strategy that bears on China's overall development, and is of great significance to realizing the two Centenary Goals and the Chinese Dream of national rejuvenation. The whole system must thoroughly study and understand the spirit of General Secretary Xi Jinping's important speeches and instructions, and effectively integrate their thinking into the decisions and plans of the CPC Central Committee.

For further information, click [here](#).

China Banking and Insurance Regulatory Commission (CBIRC)

April 29, 2021

Financial Regulators hold joint regulatory talk with Internet platform enterprises engaged in financial businesses

In order to thoroughly implement the guidelines of the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China (CPC), the Central Economic Work Conference convened at the end of 2020, and the ninth meeting of the Central Commission for Financial and Economic Affairs, also looked at how to further strengthen the regulation of Internet platform enterprises engaging in financial businesses, enhance anti-monopoly stance and prevent disorderly capital expansion, and promote the regulated, sound and sustainable development of the platform economy. Financial regulators, including the People's Bank of China (PBC), the China Banking and Insurance Regulatory Commission (CBIRC), the China Securities Regulatory Commission (CSRC), and the State Administration of Foreign Exchange (SAFE) which had a joint regulatory talk with some Internet platform enterprises engaged in financial businesses on April 29, 2021. PBC Deputy Governor Pan Gongsheng presided over the regulatory talk. The actual controllers or representatives of 13 Internet platform enterprises including Tencent, Du Xiaoman Financial, JD Finance, ByteDance, Meituan Finance, DiDi Finance, Lufax, Airstar Digital Technology, 360 DigiTech, Sina Finance, Suning Finance, Gome Finance and Ctrip Finance attended the regulatory talk.

For further information, click [here](#).

Key Regulatory Developments in Hong Kong

Source/Date	Brief description
The Hong Kong Monetary Authority (“HKMA”) September 10, 2021	HKMA Promulgates Implementation Details for Cross-boundary Wealth Management Connect Pilot Scheme (“Cross-boundary WMC”) in the Guangdong-Hong Kong-Macao Greater Bay Area The HKMA promulgated the implementation details for the Cross-boundary WMC, providing supervisory guidance for the industry. The People’s Bank of China and the Monetary Authority of Macao also promulgated the respective implementation details of the Cross-boundary WMC applicable to the Mainland and Macao. Banks may start offering Cross-boundary WMC services upon completion of the relevant preparatory work. For more information, click here .
The securities and Futures Commission (“SFC”) August 20, 2021	The SFC concludes consultation on climate-related risks in funds The SFC issued amendments to the Fund Manager Code of Conduct and a circular setting out expected standards for fund managers managing collective investment schemes to take climate-related risks into consideration in their investment and risk management processes and make appropriate disclosures. For more information, click here .
SFC August 10, 2021	SFC to introduce investor identification and over-the-counter (“OTC”) securities transaction reporting The SFC issued consultation conclusions on proposals to introduce investor identification for the securities market in Hong Kong and require reporting of OTC securities transactions. Under the investor identification regime, licensed corporations and registered institutions will submit to The Stock Exchange of Hong Kong Limited (“SEHK”) the names and identity document information of clients placing securities orders on SEHK. For more information, click here .

HKMA

July 16, 2021

HKMA Releases the Guideline on Fund Certification for Carried Interest Tax Concession

The HKMA issued a guideline on the certification of funds under Schedule 16D to the Inland Revenue Ordinance in relation to tax concessions for carried interest.

The Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Ordinance 2021 was enacted to give profits tax and salaries tax concessions in relation to eligible carried interest received by, or accrued to, qualifying persons and qualifying employees on or after 1 April 2020 from the provision of investment management services to certified investment funds. The tax concessions aim to attract more private equity funds to operate and be managed in Hong Kong, thereby promoting the development of the investment management and related professional services industries in Hong Kong.

For more information, click [here](#).

SFC

June 17, 2021

Implementation of Hong Kong-Thailand Mutual Recognition of Funds

The SFC and the Securities and Exchange Commission of Thailand announced that the implementation of the Mutual Recognition of Funds scheme has come into effect

For more information, click [here](#).

SFC

June 29, 2021

Court of Appeal grants SFC \$622 million compensation orders against former directors of EganaGoldpfeil (Holdings) Ltd (“EHL”)

The SFC has obtained compensation orders under the Securities and Futures Ordinance from the Court of Appeal against three former directors of EHL following an appeal against the lower court’s decision.

The three former EHL directors were ordered to pay, jointly and severally, \$622 million as compensation to EHL for the company’s loss of funds as a result of their misconduct and their failure to act in the best interest of EHL.

They were found to have failed to carry out proper enquiries and perform appropriate due diligence before causing or permitting various subsidiaries of EHL to enter into transactions that were not genuine commercial transactions. The concerned subsidiaries were found by the Court to be mere conduits for the transfer of \$622 million from EHL to Peninsula International Ltd, a company owned by the family of EHL’s then chairman, to purchase some of the company’s shares, instead of the purported transactions as recorded in EHL’s internal accounting records.

For more information, click [here](#).

HKMA

The HKMA Unveils “Fintech 2025” Strategy

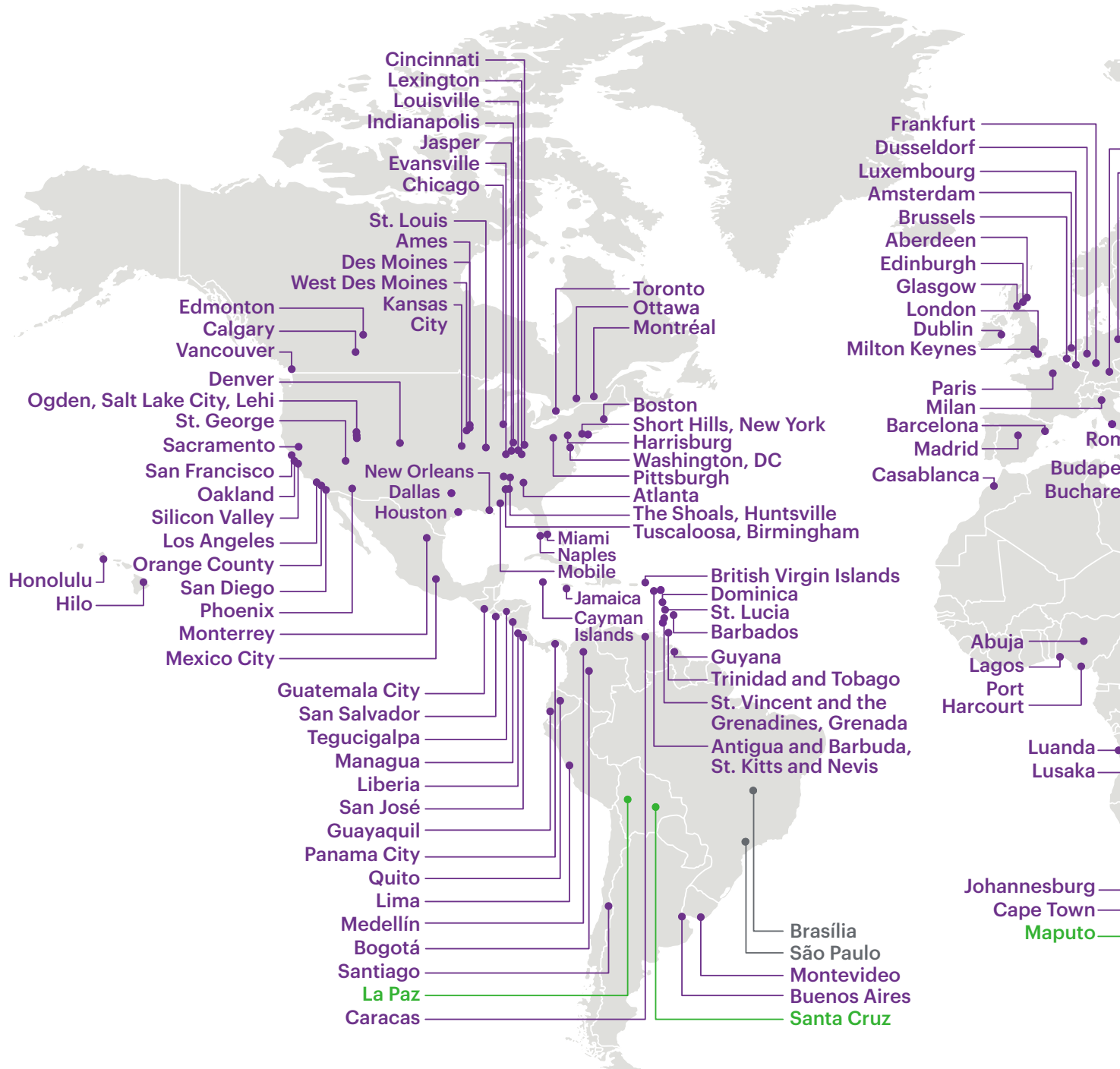
June 8, 2021

Mr Eddie Yue, Chief Executive of the HKMA, outlined the new fintech strategy, which aims to encourage the financial sector to adopt technology comprehensively by 2025, as well as to promote the provision of fair and efficient financial services for the benefit of Hong Kong citizens and the economy. The five focus areas put forward by the strategy are:

1. All banks go fintech;
2. Future-proofing Hong Kong for Central Bank Digital Currencies;
3. Creating the next-generation data infrastructure;
4. Expanding the fintech-savvy workforce; and
5. Nurturing the ecosystem with funding and policies

For further information, click [here](#).

Global presence

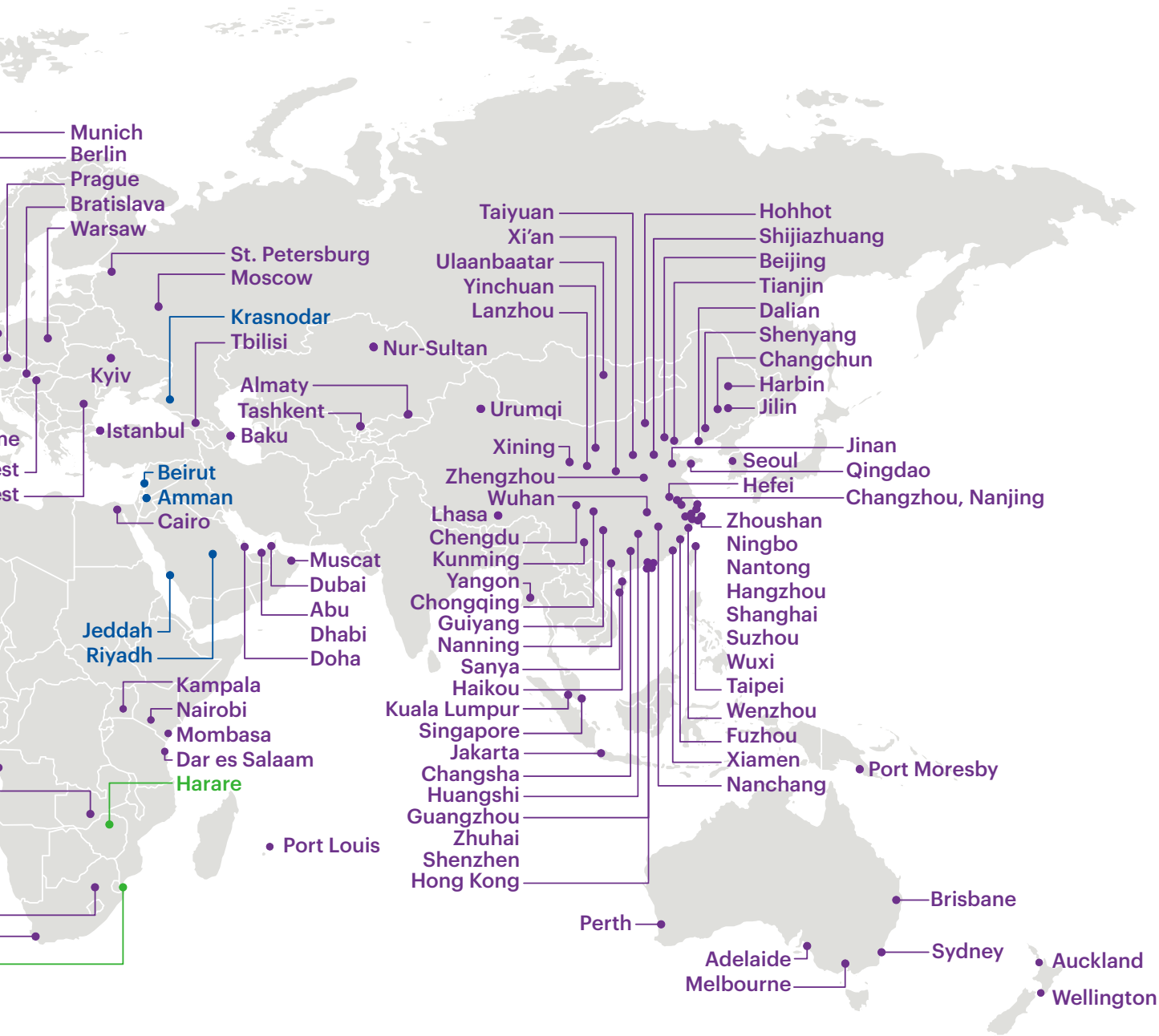


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July 2021

Editorial Board



Stephen Senderowitz
Partner, Chicago
D +1 312 876 8141
[stephen.senderowitz@
dentons.com](mailto:stephen.senderowitz@dentons.com)



Dr. Holger Schelling
Partner, Frankfurt
D +49 69 45 00 12 345
[holger.schelling@
dentons.com](mailto:holger.schelling@dentons.com)



Dr. Markus Schrader
Counsel, Frankfurt
D +49 69 45 00 12 362
[markus.schrader@
dentons.com](mailto:markus.schrader@dentons.com)



Louise Massey
Partner, Sydney
D +61 2 9931 4959
[louise.massey@
dentons.com](mailto:louise.massey@dentons.com)

Contributors

Australia



Elise Ivory
Partner, Sydney
D +61 2 9931 4810
elise.ivory@dentons.com

Belgium



Nora Wouters
Partner, Brussels
D +32 2 552 2936
nora.wouters@dentons.com

Canada



Tracy Molino
Counsel, Toronto
D +1 416 862 3417
tracy.molino@dentons.com

Czech Republic



Daniel Hurych
Partner, Prague
D +420 236 082 206
daniel.hurych@dentons.com

Germany



Dr. Arne Kluwer
Partner, Frankfurt
D +49 69 4500 12 360
arne.kluwer@dentons.com



Robert Michels
Office Managing Partner, Frankfurt
D +49 69 45 00 12 250
robert.michels@dentons.com



Dr. Holger Schelling
Partner, Frankfurt
D +49 69 45 00 12 345
holger.schelling@dentons.com



Dr. Kai Goretzky
Partner, Frankfurt
D +49 69 45 00 12 460
kai.goretzky@dentons.com

Hong Kong



Dr. Markus Schrader
Counsel, Frankfurt
D +49 69 45 00 12 362
markus.schrader@dentons.com



Desmond Lee
Counsel, Hong Kong
D +852 2533 3694
desmond.lee@dentons.com



Julianne Doe
Partner, Hong Kong
D +852 2533 3689
julianne.doe@dentons.com

Italy



Alessandro Engst
Partner, Rome
D +39 06 809 120 17
alessandro.engst@dentons.com



Bruno Hrovat
Partner, Luxembourg
D +352 46 83 83 229
bruno.hrovat@dentons.com

Netherlands



Pien Kerckhaert
Partner, Amsterdam
D +31 6 31 67 03 95
pien.kerckhaert@dentons.com



Arno Voerman
Partner, Amsterdam
D +31 6 11 38 85 38
arno.voerman@dentons.com

Singapore



Shobna Chandran
Partner, Singapore
D +65 6885 3623
shobna.chandran@dentons.com



Herman Jeremiah
Senior Partner, Singapore
D +65 6885 3614
herman.jeremiah@dentons.com



Jacqueline Loke
Senior Partner, Singapore
D +65 6885 3699
jacqueline.loke@dentons.com



Ashwin Nair
Senior Associate, Singapore
D +65 6885 3734
ashwin.nair@dentons.com

Spain



Jesús Mardomingo
Partner, Madrid
D +34 91 43 61 370
jesus.mardomingo@dentons.com

United Kingdom



Celyn Armstrong
Partner, London
D +44 20 7246 7174
celyn.armstrong@dentons.com



Katharine Harle
Partner, London
D +44 20 7320 6573
katharine.harle@dentons.com



Jonathan Garforth
Partner, London
D +44 20 7320 3743
jonathan.garforth@dentons.com



Michael Wainwright
Partner, London
D +344 20 7246 7735
michael.wainwright@dentons.com

United States



Stephen Senderowitz
Partner, Chicago
D +1 312 876 8141
stephen.senderowitz@dentons.com



Jacqui Giannini
Senior Managing Associate, Chicago
D +1 312 876 2395
jacqui.giannini@dentons.com

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