

大成 DENTONS

Global Financial Markets Regulatory Review

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Editorial note

Dentons is pleased to present the August 2022 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 and Date	Brief description
<p>Australian Securities and Investment Commission</p> <p>June 23, 2022</p>	<p>ASIC releases new and updated guidance for CCIVs</p> <p>The Australian Securities and Investment Commission (ASIC) has released a range of documents to support the licensing and other requirements for corporate collective investment vehicles (CCIVs). The requirements came into effect on 1 July 2022, when the CCIVs regime commenced.</p> <p>A CCIV is a collective investment vehicle in the form of a new type of company limited by shares. The corporate director of a CCIV is responsible for operating the business and conducting the affairs of the CCIV. CCIVs share similar characteristics to some other internationally recognised investment structures and are designed to increase the international competitiveness of Australia’s managed funds industry.</p> <p>As required for the commencement of the CCIVs regime, ASIC has updated a number of key regulatory guides. ASIC will shortly release a new legislative instrument that prescribes the applicable financial resources requirements for corporate directors of retail CCIVs.</p> <p>ASIC will also continue to assess whether other regulatory guides and their associated legislative instruments need to be amended to reflect the CCIVs regime and update these accordingly.</p> <p>For further information, click here.</p>
<p>Australian Securities and Investment Commission</p> <p>June 17, 2022</p>	<p>ASIC reduces administrative burden for authorised representatives appointing claims handling staff</p> <p>ASIC has issued relief to reduce the administrative burden on general insurance industry participants of notifying ASIC of large numbers of employees who provide claims handling and settling services on their behalf.</p> <p>ASIC has made a legislative instrument, ASIC Corporations (Notification of Authorised Representatives) Instrument 2022/301, which exempts Authorised Representatives from the requirement to notify ASIC of the sub-authorisation of employees who provide a claims handling and settling service on their behalf. Authorised Representatives are persons (including companies) authorised to provide a financial service on behalf of an Australian Financial Services (AFS) licensee.</p> <p>For further information, click here.</p>

Source and Date	Brief description
<p>Australian Prudential Regulation Authority</p> <p>June 16, 2022</p>	<p>Recognition of ARPC as high-grade APRA authorised reinsurance – Consequential changes to reporting standards</p> <p>The Australian Prudential Regulation Authority (APRA) is proposing to make consequential changes to six general insurance reporting standards that incorporate APRA's earlier clarification of the treatment of reinsurance recoverables from the Australian reinsurance pool corporation (ARPC).</p> <p>The proposed changes align the general insurance reporting framework with APRA's clarification that reinsurance recoverables are not subject to a capital charge. APRA therefore proposes including the ARPC in the definition of an "APRA authorised reinsurer".</p> <p>It is proposed that this change be made in the following reporting standards:</p> <ul style="list-style-type: none"> • Reporting Standard GRS 114.1 Assets by Counterparty Grade • Reporting Standard GRS 114.1.G Assets by Counterparty Grade • Reporting Standard GRS 114.3 Off-balance Sheet Business • Reporting Standard GRS 114.3.G Off-balance Sheet Business • Reporting Standard GRS 117.0 Asset Concentration Risk Charge • Reporting Standard GRS 117.0.G Asset Concentration Risk Charge <p>For further information, click here.</p>
<p>Australian Prudential Regulation Authority</p> <p>June 14, 2022</p>	<p>APRA finalises its macroprudential policy framework</p> <p>APRA has finalised amendments to its prudential framework to give effect to macroprudential policy measures, following consultation with industry participants late last year.</p> <p>The new framework has been given effect through new requirements on authorised deposit-taking institutions (ADIs) set out in an attachment to APRA's prudential standard for credit risk, Prudential Standard APS 220 Credit Risk Management. The attachment, Macroprudential policy credit measures, comes into effect from September 2022.</p> <p>Under the new requirements, ADIs must be operationally prepared to implement certain macroprudential policy measures, if needed. In particular, banks will need to have systems in place to limit growth in higher risk residential mortgage lending, such as loans at high debt-to-income multiples or high loan-to-valuation ratios.</p> <p>The new requirements are aimed at strengthening the transparency, implementation and enforceability of future policy responses aimed at reducing financial stability risks.</p> <p>For further information, click here.</p>

Source and Date	Brief description
<p>Australian Securities and Investment Commission</p> <p>June 9, 2022</p>	<p>ASIC releases Information Sheet on warnings and reprimands given to financial advisers</p> <p>The requirement for ASIC to give warnings and reprimands to financial advisers in specified circumstances was introduced by the <i>Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Act 2021</i> (Better Advice Act).</p> <p>The Better Advice Act gives effect to Recommendation of 2.10 of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry by giving the Financial Services and Credit Panel its own legislative functions and powers to address a range of circumstances and misconduct by financial advisers.</p> <p>ASIC has released Information Sheet 270 Warnings and Reprimands (INFO 270) which explains:</p> <ul style="list-style-type: none"> • what warnings and reprimands are • when ASIC will give a warning or reprimand • how ASIC will communicate the giving of a warning or reprimand • when and to whom ASIC will provide procedural fairness before giving a warning or reprimand, and • the adviser’s right of review of ASIC’s decision to give a warning or reprimand. <p>For further information, click here.</p>
<p>Australian Securities and Investment Commission</p> <p>June 2, 2022</p>	<p>ASIC releases updated (voluntary) ePayments Code released</p> <p>ASIC updated the ePayments Code to cover payments made using the New Payments Platform. ASIC states that this Code has also been updated to ‘strengthen its protections by removing ambiguity and, where appropriate, expanding protections’ in the following areas:</p> <ul style="list-style-type: none"> • compliance monitoring and data collection • mistaken internet payments • unauthorised transactions • complaints handling • facility expiry dates. <p>The voluntary Code regulates electronic payments including ATM, EFTPOS and credit card transactions, online payments, internet and mobile banking, and BPAY.</p> <p>For further information, click here.</p>

Source and Date

Australian Securities
and Investment
Commission

May 26, 2022

Brief description

ASIC proposes extending its binary options product intervention order

ASIC has released *Consultation Paper 362 Extension of the binary options product intervention order (CP 362)*, seeking feedback on a proposal to extend its product intervention order banning the issue and distribution of binary options to retail clients, until it is revoked or sunsets on 1 October 2031.

ASIC banned the sale of binary options to retail clients, with effect from 3 May 2021, after finding that binary options had resulted in and were likely to result in significant detriment to retail clients. The product intervention order will expire on 7 October 2022 unless it is extended with the approval of the Minister.

Feedback for this consultation has now closed. For further information, click [here](#).



Source and Date	Brief description
<p>Australian Securities and Investment Commission</p> <p>May 12, 2022</p>	<p>ASIC puts licensees on notice of the importance of good cyber security following <i>RI Advice Group</i> decision</p> <p>In an Australian first, an Australian financial services (AFS) licensee (<i>RI Advice Group Pty Ltd</i>) has been found to have breached its licence obligations by failing to do all things necessary to ensure the financial services covered by the licence were provided efficiently and fairly, and by failing to adequately manage its cybersecurity risks.</p> <p>In the judgment it was noted that <i>RI Advice Group Pty Ltd</i> had a number of inadequate risk management practices across its network. This included some of its authorised representatives failing to have up-to-date antivirus software, system backups, email filtering or quarantining, and poor password practices. Inadequacies in its cybersecurity risk management lead to a number of cyber incidents affecting clients in the six-year period to May 2020.</p> <p>With financial services continuing to move online, this decision highlights the importance of good cybersecurity.</p> <p>The Australian Cyber Security Centre (ACSC) recommends organisations implement eight essential mitigation strategies, at a minimum, from their Strategies to mitigate cyber security incidents. By implementing these steps, firms protect themselves against many vulnerabilities. Further, ASIC has set out that it expects AFS licensees to do the following:</p> <ul style="list-style-type: none"> • Be aware of the potential consumer harms that arise from cybersecurity shortcomings • Adopt good cybersecurity risk management practices to reduce potential harm to consumers. In this respect, ASIC expects active management of cyber risks and continuous cybersecurity improvement, including assessment of cyber incident preparedness and review of incident response and business continuity plans • Act quickly in the event of a cyber incident to minimise the risk of ongoing harm. Theft of sensitive personal information can significantly affect consumers’ financial and physical well-being and can be long-lasting. In this respect, ASIC provides that all organisations should regularly re-assess their cyber risks and ensure their detection, mitigation and response measures adequately support the size and complexity of their business, and the sensitivity of the information they hold • Report cyber incidents to the ACSC. Licensees should also consider if any obligation arises to report the incident to ASIC <p>For further information, click here.</p>

Source and Date	Brief description
<p>Australian Transaction Reports and Analysis Centre</p> <p>May 2, 2022</p>	<p>AUSTRAC accepts enforceable undertaking from National Australia Bank</p> <p>The Australian Transaction Reports and Analysis Centre (AUSTRAC) has accepted an enforceable undertaking from National Australia Bank (NAB) to uplift its compliance with Australia’s anti-money laundering and counter-terrorism financing (AML/CTF) laws.</p> <p>The action follows an AUSTRAC enforcement investigation which identified concerns about NAB’s AML/CTF program, systems and controls.</p> <p>AUSTRAC identified non-compliance in targeted compliance assessments, as well as through self-disclosures from NAB. AUSTRAC notified NAB of the formal enforcement investigation into five NAB reporting entities in June 2021, following ongoing regulatory engagement. The entities are National Australia Bank Limited, JBWere Limited, Wealthhub Securities Limited, Medfin Australia Pty Ltd, and AFSH Nominees Pty Ltd.</p> <p>NAB has undertaken to implement a comprehensive remedial action plan, which will see improvements to its systems, controls and record-keeping, including:</p> <ul style="list-style-type: none"> • the NAB designated business group AML/CTF Program • applicable customer identification procedures • customer risk assessment and enhanced customer due diligence • transaction monitoring • governance and assurance. <p>AUSTRAC will monitor NAB’s progress to ensure that actions are taken within the timeframes, and maintain regular, ongoing discussions with NAB. An independent auditor will report to AUSTRAC annually on progress, with the final report to be provided to AUSTRAC by March 2025.</p> <p>For further information, click here.</p>

Source and Date

Australian Prudential
Regulation Authority

April 21, 2022

Brief description

APRA releases risk management expectations and policy roadmap for APRA-regulated entities that engage in ,activities associated with crypto-assets'

APRA has released a letter to all APRA-regulated entities that engage in activities associated with crypto-assets setting out its risk management expectations and policy roadmap.

APRA has advised that it expects that all regulated entities will adopt a prudent approach if they are undertaking activities associated with crypto-assets, and ensure that any risks are well understood and well managed before launching material new initiatives. In particular, APRA expects that all regulated entities will:

- conduct appropriate due diligence and a comprehensive risk assessment before engaging in activities associated with crypto-assets, and ensure that they understand, and have actions in place to mitigate, any risks that they may be taking on in doing so;
- consider the principles and requirements of Prudential Standard CPS 231 Outsourcing or Prudential Standard SPS 231 Outsourcing when relying on a third party in conducting activities involving crypto-assets; and
- apply robust risk management controls, with clear accountabilities and relevant reporting to the Board on the key risks associated with new ventures. A high-level summary of the potential prudential risks to be considered for specific activities is provided in Annex A to this letter;
- need to ensure they comply with all conduct and disclosure regulation administered by ASIC. This will require robust conduct risk management and consideration of distribution practices and product design, as well as consideration of disclosure; and
- consult with APRA and ASIC where they are unclear on prudential, disclosure or conduct requirements and expectations when undertaking activities associated with crypto-assets. ASIC has provided specific guidance to help entities understand their existing obligations under the Corporations Act and ASIC Act in ASIC Information Sheet 225.

For further information on APRA's risk management expectations and its policy roadmap, click [here](#).

Source and Date

Australian Transaction
Reports and Analysis
Centre

April 21, 2022

Brief description

AUSTRAC works with businesses to target ransomware and criminal use of digital currencies

AUSTRAC has released two new financial crime guides to help businesses stop ransomware attack payments and the criminal abuse of digital currencies.

Cyber-enabled crime is an increasing threat to Australians. According to the Australian Cyber Security Centre (ACSC), 500 ransomware attacks were reported in the 2020-21 financial year, an increase of nearly 15 per cent from the previous year.

Digital currencies are increasing in value and acceptance, with Australians rapidly adopting this new technology. As the digital currency market continues to grow globally, criminals are increasingly using digital currencies to commit a range of serious crimes.

For further information on these guides, click [here](#) and [here](#).



An aerial photograph of a vast desert landscape, likely the Namib Desert, showing rolling sand dunes and a winding road. The scene is captured from a high angle, looking down on the terrain. The colors are muted, with shades of brown, tan, and grey. The lighting creates soft shadows, highlighting the textures of the sand and the curves of the dunes. A single road winds through the dunes, starting from the bottom left and curving towards the top right. The overall mood is serene and expansive.

Key Regulatory Developments in Europe

Key Regulatory Developments in the EU

Source and Date	Brief description
European Insurance and Occupational Pensions Authority (EIOPA) July 20, 2022	<p>EIOPA publishes guidance on integrating customer sustainability preferences in the suitability assessment under the Insurance Distribution Directive (IDD)</p> <p>The Guidance is based on Commission Delegated Regulation (EU) 2021/1257 and is intended to facilitate the implementation of the Delegated Regulation by NCAs as well as by insurance undertakings and insurance intermediaries providing advice on insurance-based investment products (IBIPs). The Regulation requires insurers and insurance intermediaries to integrate the customer's sustainability preferences into the sales process when advising on IBIPs. The aim of the Regulation is to prevent misselling practices or the misrepresentation of IBIPs as products that meet sustainability requirements when they do not (greenwashing).</p> <p>More information available here and here.</p>
European Central Bank (ECB) July 8, 2022	<p>ECB Supervisory stress test shows that banks must sharpen their focus on climate risk</p> <p>The results of the ECB climate risk stress test show that banks do not yet sufficiently incorporate climate risk into their stress-testing frameworks and internal models, despite some progress made since 2020. The test, which is part of the ECB's wider climate roadmap, is not a capital adequacy exercise but rather a learning one for banks and supervisors alike. Qualitative and quantitative information was collected to assess the sector's preparedness for climate risks and to gather best practices for managing climate-related risks. This exercise shows the ECB's commitment to guiding European banks through the green transition, which includes cooperating with authorities across Europe and beyond.</p> <p>More information is available here.</p>
Basel Committee on Banking Supervision (BCBS) May 31, 2022	<p>Basel committee finalizes principles on climate-related financial risks</p> <p>The Basel Committee published a finalized set of principles for the effective management and supervision of climate-related financial risks. It also furthered its work on specifying a prudential treatment of crypto-assets and issuing a second consultation paper and agreed on a way forward to reflect developments in the European banking union on the assessment methodology for global systemically important banks (G-SIBs). In addition, the Committee is continuing to assess risks to and vulnerabilities of the global banking system, including those ensuing from the war in Ukraine.</p> <p>More information is available here.</p>

Source and Date	Brief description
<p>European Securities and Markets Authority (ESMA)</p> <p>May 31, 2022</p>	<p>ESMA provides supervisors with guidance on integration of sustainability risks and disclosures related to asset management</p> <p>ESMA published a supervisory briefing to ensure convergence across the EU in the supervision of investment funds with sustainability features, and in combating greenwashing by investment funds. This work will help combat greenwashing by establishing common supervisory criteria for National Competent Authorities (NCAs), to effectively supervise investment funds with sustainability features.</p> <p>More information is available here.</p>
<p>European Central Bank (ECB)</p> <p>May 25, 2022</p>	<p>Russia-Ukraine war increases financial stability risks</p> <p>In its May 2022 Financial Stability Review, the ECB concluded that financial stability conditions in the euro area have worsened due to the Russian invasion of Ukraine, which has led to higher energy and commodity prices and an increased risk of euro area inflation and slower growth. Prices for commodities and energy have remained elevated and volatile, which has caused some stress in the derivatives markets for these products.</p> <p>More information is available here.</p>
<p>European Central Bank (ECB)</p> <p>May 5, 2022</p>	<p>ECB amends monetary policy implementation guidelines</p> <p>The ECB published amendments to its guidelines on the implementation of monetary policy in the Eurosystem. Among other changes the amended guidelines contain the first step in gradually phasing out the pandemic collateral-easing measures introduced in April 2020 as announced on March 24, 2022. The guidelines also include changes made to the clarification of the eligibility criteria for sustainability-linked bonds and asset-backed securities (ABSs).</p> <p>More information is available here.</p>
<p>European Supervisory Authorities (ESAs)</p> <p>April 19, 2022</p>	<p>ESAs publish joint Annual Report for 2021</p> <p>ESAs published their 2021 Annual Report, providing a detailed account of its joint work completed over the past year. The main areas of cross-sectoral focus continued to be joint risk assessment, enhancement of consumer protection, development of the regulatory and supervisory frameworks for sustainable finance and securitization. In addition, monitoring and contributing to the digital finance developments, supporting FinTech scale up through innovation hubs and sandboxes as well as cybersecurity completed the work program.</p> <p>More information is available here.</p>

Source and Date	Brief description
<p>European Supervisory Authorities (ESAs)</p> <p>April 13, 2022</p>	<p>ESAs see recovery stalling amid existing and new risks</p> <p>EBA, EIOPA and ESMA (ESAs) issued their first joint risk assessment report for 2022. The report highlights the increasing vulnerabilities across the financial sector as well as the rise of environmental and cyber risks. While during 2021 the financial sector recovered from the COVID-19 pandemic, financial markets remain vulnerable to changes in market sentiments, particularly regarding inflation pressures. Considering the risks and uncertainties, the ESAs advise national competent authorities, financial institutions, and market participants to take certain policy actions.</p> <p>More information is available here.</p>
<p>European Insurance and Occupational Pensions Authority (EIOPA)</p> <p>April 13, 2022</p>	<p>EIOPA consults on draft Guidelines on integrating customer sustainability preferences into the suitability assessment under the IDD</p> <p>The Guidelines stem from Commission Delegated Regulation (EU) 2021/1257 and aim at promoting a coherent application of the Delegated Regulation, restricting the potential for the misselling of insurance products and promoting a more convergent approach by NCAs in the supervision of insurance undertakings and insurance intermediaries.</p> <p>More information is available here.</p>
<p>European Banking Authority (EBA)</p> <p>April 1, 2022</p>	<p>EBA Risk Dashboard indicates limited direct impact on EU banks from Russian invasion of Ukraine but second-round effects could be more material</p> <p>A special feature of the EBA's Risk Dashboard highlights the potential impact of the Russian invasion of Ukraine on the EU/EEA banking sector. While the initial assessment found that the risks stemming from the Russian invasion do not pose a fundamental threat to the stability of the EU banking system, the long-term effects are expected to be more significant from a financial stability perspective. While EU bank capital and liquidity ratios remain high, and profitability has stabilized compared with the pre-pandemic period, cyber-, information and communication technology (ICT) risks remain high.</p> <p>More information is available here.</p>

Key Regulatory Developments in the Czech Republic

Source and Date	Brief description
Parliament of the Czech Republic April 13, 2022	<p>Bill reflecting the regulation on crowdfunding as well as other laws relating to the Capital Markets Union has been adopted by the Senate and signed by the president</p> <p>The European Parliament has approved Regulation (EU) 2020/1503 of the European Parliament and of the Council of October 7, 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the Regulation). The Regulation became applicable on November 10, 2021 and it is therefore directly applicable in the Czech Republic.</p> <p>The new Government of the Czech Republic resubmitted a bill to the Chamber of Deputies on December 15, 2021 amending certain financial market laws, in particular in connection with the implementation of European Union regulations relating to the Capital Markets Union, including the aforementioned Regulation.</p> <p>The bill was adopted by both chambers of the Parliament and signed by president.</p> <p>Full overview available here (in Czech only).</p>
Czech National Bank (CNB) April 11, 2022	<p>Inflation comes in above the CNB forecast and well above the upper boundary of the tolerance band in March 2022</p> <p>The price level rose by 12.7% year-on-year in March 2022. Inflation thus accelerated further, significantly exceeding the upper boundary of the tolerance band around the CNB's target. Consumer prices adjusted for the first-round effects of changes to indirect taxes rose by 12.4% year on year in March.</p> <p>The year-on-year increase in consumer prices in March was almost 3% higher than expected in the CNB's winter forecast with the biggest impact coming from a massive increase in fuel prices.</p> <p>According to the CNB the overall inflation reflects additional price shocks in connection with the war in Ukraine and sanctions against Russia, both in commodity prices and goods supplies. The exceptionally high increase in fuel prices in March was due to a marked rise in oil prices as a result of the outbreak of war in Ukraine and a temporary weakening of the koruna for the same reason.</p> <p>The CNB's winter forecast expected inflation to peak at around 10% in the first half of this year and return close to the 2% target over the monetary policy horizon, i.e. in the first half of 2023. However, the observed growth in commodity prices and the war in Ukraine are having a markedly inflationary effect on domestic price developments, especially in the short term.</p> <p>Full CNB comment available here (in English).</p>

Key Regulatory Developments in Germany

Source and Date	Brief description
Federal Financial Supervisory Authority (BaFin) July 25, 2022	BaFin welcomes agreement on new sustainability reporting in the EU <p>The Council of the European Union and the European Parliament reached an agreement on the EU Corporate Sustainability Reporting Directive (CSRD). BaFin, which supervises financial institutions in the implementation of the EU Disclosure Regulation (Regulation (EU) 2019/2088), welcomes this agreement. Among other things, the EU Disclosure Regulation requires financial institutions to disclose information on the consideration of material impacts of investment decisions on sustainability factors. From BaFin's perspective, the CSRD will lead to a better data basis and make it easier for financial institutions to comply with the disclosure requirements. The CSRD replaces the EU's Non-Financial Reporting Directive (NFRD). It includes more detailed reporting requirements for a significantly expanded group of users. It also expands the scope of sustainability information that institutions must provide in their management reports—for example on topics such as the environment, social issues and governance.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervision Authority (BaFin) July 4, 2022	BaFin publishes circular on high-risk states <p>BaFin publishes a circular in which they inform about high-risk states. These are states that have strategic deficiencies in their system to combat money laundering and terrorist financing. These deficiencies pose significant risks to the international financial system. BaFin also publishes legal consequences and measures for transactions involving these high-risk states.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervision Authority (BaFin) June 1, 2022	Crypto-securities registry: BaFin publishes guidance note <p>BaFin published a guidance note, "instructions on the application for permission for crypto-securities management." It includes initial guidance for companies on which aspects are of particular importance in the permission process from BaFin's perspective. The target group are companies that wish to apply for permission for crypto-securities registry management within the meaning of Section 1 (1a) sentence 2 no. 8 of the German Banking Act (KWG).</p> <p>More information (in German) is available here.</p>

Source and Date	Brief description
<p>German Federal Council (Bundesrat)</p> <p>April 28, 2022</p>	<p>Bundesrat introduces draft law to facilitate information transfer between stock exchanges and tax authorities in wake of cum-ex scandal</p> <p>The Bundesrat has introduced a draft law amending the German Stock Exchange Act (<i>Börsengesetz, BörsG</i>) in order to improve the transfer of information between tax authorities and stock exchanges. The draft law intends to facilitate earlier detection of tax crimes on capital markets and to protect trust in the integrity of securities trading, in particular in light of the recent Cum-Ex scandal (also known as the German Dividend Tax Scandal).</p> <p>More information (in German) is available here.</p>

<p>Federal Financial Supervision Authority (BaFin)</p> <p>April 1, 2022</p>	<p>BaFin and Bundesbank launch stress test for small and medium-sized institutions</p> <p>BaFin and Bundesbank have launched the fifth stress test to assess the financial situation of 1,300 small and medium-sized institutions under German national supervision (less significant institutions—LSIs). The exercise was originally scheduled for 2021 but was postponed due to the COVID-19 pandemic. As with previous stress tests, the outcome will be used to determine regulatory capital recommendations.</p> <p>More information (in German) is available here.</p>
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Key Regulatory Developments in Italy

Source and Date	Brief description
Institute for insurance supervision (IVASS) July 21, 2022	IVASS publishes regulation online comparison system IVASS published Regulation no. 51/2022 laying down provisions concerning the setting up of an online comparison system between insurance undertakings operating in Italy in the motor liability insurance class, referred to in articles 132-bis and 136, para. 3-bis of legislative decree no. 209 of 7 September 2005 (<i>Italian Insurance Code</i>). For further information (in Italian) click here .
Italian Gazzetta Ufficiale (G.U.) July 11, 2022	Ministry of Economic Development publishes decree on corporate officer requirements The Ministry of Economic Development (MiSE) published Decree no. 88 of May 2, 2022 concerning the fit and proper requirement to be met by directors/board members and statutory auditors those who perform key functions according to article 76 of the Legislative Decree No. 209 of September 7, 2005 (<i>Italian Insurance Code</i>). For further information (in Italian) click here .
Institute for insurance supervision (IVASS) June 24, 2022	IVASS launches public consultation on professional requirements and Internet domains IVASS published consultation paper no. 7/2022 on the draft measure on professional requirements and Internet domains amending IVASS Regulation no. 40/2018 (laying down provisions on insurance and reinsurance distribution). For further information (in Italian) click here .
Bank of Italy June 15, 2022	Bank of Italy publishes communication on distributed ledger technologies in finance and cryptoassets The Bank of Italy published a communication on distributed ledger technologies (DLT) in finance and cryptoassets. The document aims to draw the attention of supervised intermediaries, supervised entities, and of those who operate in various capacities in decentralized ecosystems, including users, to the risks and opportunities associated with the use of these technologies and with operations in cryptoassets. For further information (in English) click here .

Source and Date	Brief description
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Italian Government

May 25, 2022

Italian Government publishes decree on special register for crypto-asset services providers

The Ministry of Economy and Finance published in the Official Gazette the Decree of March 11, 2022 regulating the special register for crypto-asset services providers (Decree). The Decree mainly regulates:

- communication with the Business Register and information on the beneficial ownership;
- access to data and information by various stakeholders.

The Decree will enter into force on June 9, 2022. The Ministry of Economic Development (MiSE) will adopt within 60 days from that date a measure attesting the start of operation of the system for reporting data and information on the beneficial owner.

Obligated entities are required to submit to the Business Register communications on their beneficial ownership within 60 days following the publication of the MiSE’s measure.

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

Institute for insurance supervision (IVASS)

May 3, 2022

IVASS publishes regulation on communications relating to non-life premiums

IVASS published the Regulation no. 50/2022 laying down provisions relating to the communication of data and information on non-life premiums collected by undertakings through individual intermediaries or without any mediation.

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

Italian Financial Intelligence Unit

April 28, 2022

Italian Financial Intelligence Unit publishes FAQ on Russian and Belarusian deposits

The Italian Financial Intelligence Unit (FIU) published frequently asked questions regarding communications on Russian and Belarusian deposits that credit institutions are required to transmit in compliance with Regulation (EU) no. 833/2014 (concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine) and Regulation (EC) no. 765/2006 (concerning restrictive measures against President Lukashenko and certain officials of Belarus).

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

Source and Date	Brief description
<p>Bank of Italy</p> <p>April 21, 2022</p>	<p>Bank of Italy publishes fit and proper questionnaire for significant credit institutions</p> <p>The Bank of Italy requested banks classified as significant institutions under Regulation (EU) no.1024 of October 15, 2013 to adopt the ECB questionnaire, as integrated with the national regulatory specificities, for the purpose of carrying out a fit and proper assessment of the board members.</p> <p>For further information (in English) click here.</p>
<p>Institute for insurance supervision (IVASS)</p> <p>April 8, 2022</p>	<p>IVASS publishes FAQ on insurance and reinsurance distribution</p> <p>IVASS published FAQ in order to provide clarifications concerning IVASS Regulation no. 40 of August 2, 2018 “laying down provisions on insurance and reinsurance distribution”. In particular, the FAQ provides clarifications regarding:</p> <ul style="list-style-type: none"> • educational qualification for those involved in the distribution activity; • obligation to preserve documentation; and • digital domicile. <p>For further information (in Italian) click here.</p>
<p>Bank of Italy</p> <p>April 6, 2022</p>	<p>Bank of Italy launches public consultation on acquisition of qualified shareholdings</p> <p>The Bank of Italy launched a new consultation with the market on a draft regulation laying down provisions concerning the acquisition and variation of qualified shareholdings (i.e. equal to or greater than 10%, 20%, 30% and 50% of the share capital or voting rights) in banks, financial intermediaries, trust companies (in Italian <i>società fiduciarie</i>), IMEL, IP, SIM, SGR, SICAV and SICAF.</p> <p>For further information (in Italian) click here.</p>

Key Regulatory Developments in the Netherlands

Source and Date	Brief description
Dutch Parliament (House of Representatives) July 7, 2022	Publication of the Act of July 15, 2022, amending the Financial Supervision Act, the Financial Supervision Financing Act 2019 and some other laws in the field of financial markets (Financial Markets Amendment Act 2022) This proposal is a collective bill that is part, in principle, of an annual cycle of amendments to laws and regulations related to financial markets. Among other things this legislative proposal amends the Dutch Financial Supervision Act (DFSA) to provide the possibility for settlement agents, payment institutions, electronic money institution and investment firms to make use of an account with segregated assets. For further information (in Dutch), click here .
Ministry of Finance June 9, 2022	Regulation on indexation exemption limits Solvency II Basic The consultation concerns a proposal to amend the Exemption Regulation Wft. With this regulation, the boundary between exempted insurers and the Solvency II Basic regime will be indexed. For further information (in Dutch), click here .
Dutch Authority for the Financial Markets (AFM) June 3, 2022	AFM responds to EU consultation on regulation of ESG ratings providers In response to the European Commission's consultation on the functioning of the market for Environmental, Social & Governance (ESG) ratings, the AFM is in favor of introducing European regulation for ESG ratings providers to prevent the risk of greenwashing. For further information (in English), click here .
Dutch Parliament (House of Representatives) May 27, 2022	Act of May 11, 2022, amending Financial Supervision Act, Financial Supervision Financing Act 2019 and some other laws related to financial markets (Financial Markets Amendment Act 2022) is published This act is a collective act that forms part of (in principle) an annual cycle of amendments to laws and regulations related to financial markets. Among other things, the legislative proposal amends the Dutch Financial Supervision Act (DFSA) in order to provide for the possibility for settlement agents, payment institutions, electronic money institution and investment firms to make use of an account with segregated assets. For further information (in Dutch), click here .

Source and Date	Brief description
Ministry of Finance May 19, 2022	<p>Ministry of Finance consults on Insurance Recovery and Settlement Act Amendment</p> <p>This act intends to streamline the legal protection regime in the resolution of insurers and to make a number of minor improvements to the resolution framework for insurers.</p> <p>The deadline for submitting responses was June 16, 2022.</p> <p>For further information (in Dutch), click here.</p>
Ministry of Finance May 17, 2022	<p>Amendment to Trust Offices Supervision Act 2018 in connection with measures to prohibit trust services in cases with high integrity risks is introduced</p> <p>This bill prohibits trust offices from offering flow-through companies to their clients and from providing services through countries that fail to combat money laundering and the financing of terrorism or that take insufficient action against tax evasion and tax avoidance.</p> <p>The Dutch Parliament submitted questions by June 16, 2022.</p> <p>For further information (in Dutch), click here.</p>
Ministry of Finance May 2, 2022	<p>Implementing decree on registration of UBOs of trusts and similar legal arrangements is published</p> <p>This decree, together with the Registration of Ultimate Beneficial Owners of Trusts and Similar Legal Arrangements Implementation Act, implements the obligation to maintain and centrally register information about the ultimate beneficial owners (UBOs) of trusts and similar legal arrangements. This obligation arises from Article 31 of the European Fourth Anti-Money Laundering Directive¹, as amended by European Directive (EU) 2018/843 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing.</p> <p>For further information (in Dutch), click here.</p>
Dutch National Bank (DNB) May 2, 2022	<p>DNB publishes Q&A on using leverage when acquiring or increasing a qualifying holding in an insurer in the context of a DNO</p> <p>With this Q&A, the DNB aims to clarify how it assesses the use of leverage when evaluating a declaration of no objection (DNO). The DNB also explains that it can impose conditions on the use of leverage when granting a DNO.</p> <p>The deadline for submitting responses was June 17, 2022.</p> <p>For further information (in Dutch), click here.</p>

Source and Date	Brief description
<p>Ministry of Finance</p> <p>April 29, 2022</p>	<p>Ministry of Finance consults on the Financial Markets Amendment Act 2024</p> <p>This proposal aims to include an obligation in the Dutch Financial Supervision Act (<i>Wet financieel toezicht</i>) for insurers to submit to disciplinary proceedings in order to further secure and, where necessary, improve the standards of conduct generally accepted within the insurance industry. The proposal also reinforces and amends the Supervision of Trust Offices Act 2018 (<i>Wet toezicht trustkantoren 2018</i>), expands the bonus prohibition in state aid and makes amendments to the prudential supervision of insurers with the intention of improving policyholder protection. In addition, the proposal contains a number of smaller amendments and improvements to financial markets legislation.</p> <p>The deadline for submitting responses was June 12, 2022.</p> <p>For further information (in Dutch), click here.</p>
<p>Dutch Parliament (House of Representatives)</p> <p>April 17, 2022</p>	<p>Bill to amend Act on Supervision of Trust Offices 2018</p> <p>On April 17, 2022 a legislative proposal was introduced in the house of representatives. The proposed legislation aims to amend the Trust Offices Supervision Act 2018 due to an emergency measure to prohibit trust services to clients in the Russian Federation or Republic of Belarus.</p> <p>For further information (in Dutch), click here.</p>
<p>Dutch Authority for the Financial Markets (AFM)</p> <p>April 14, 2022</p>	<p>AFM response to consultation on update of Dutch Corporate Governance Code</p> <p>The AFM welcomes the update of the Dutch Corporate Governance Code (Code) by the Corporate Governance Code Monitoring Committee (MCCG) and also has suggestions for its improvement. The AFM sets these out in full in its consultation response (in Dutch), in which it also expresses its appreciation for the work of the MCCG.</p> <p>For further information (in Dutch), click here.</p>
<p>Ministry of Finance</p> <p>April 2, 2022</p>	<p>Ministry of Finance consults on draft Decree on Future Pensions</p> <p>On April 2, 2022 the Ministry of Finance opened a consultation on the draft Decree on Future Pensions, which lays down further rules regarding the legal framework for pension agreements, the safeguards for a balanced transition, information requirements, dispute resolution and the tax framework for pension agreements.</p> <p>The deadline for submitting responses was April 30, 2022.</p> <p>For further information (in Dutch), click here.</p>

Key Regulatory Developments in Romania

Source and Date	Brief description
Romanian Parliament July 11, 2022	<p>New legal framework for the creation of Romanian development banks</p> <p>The Romanian Parliament has adopted a law creating the legal framework for the constitution and functioning of development banks in Romania.</p> <p>Development banks would be owned solely by the Romanian state, but would otherwise be subject to approval and supervision by the National Bank of Romania. According to the law, the Romanian state will also act as a guarantor for enforcing the principal of any payment obligations contracted by the bank on its own account, as well as any guarantee obligations assumed by the bank (to the extent such obligations do not benefit from any other guarantee).</p> <p>Development banks are expected to provide financial products primarily to eligible beneficiaries such as SMEs, public utility companies</p>
Financial Supervisory Authority (FSA) and the National Bank of Romania (NBR) June 22, 2022	<p>Romanian financial authorities transpose the Commissions' delegated directive integrating sustainability into MiFID II product governance obligations</p> <p>The FSA and NBR amended their joint Regulation no. 10/4/2018 for the purpose of transposing Commission Delegated Directive (EU) 2021/1269 of April 21, 2021 into the Romanian regulatory framework.</p> <p>The amendments will mean that investment firms should consider sustainability factors in the process of manufacturing and distribution of financial instruments or other product governance arrangements addressed to clients seeking financial instruments with a sustainability-related profile.</p> <p>Regulation 12/9/2022 will enter into force on November 22, 2022.</p> <p>The text of the newly issued Regulation (only in Romanian) can be found here, while the text of the consolidated Regulation (only in Romanian) can be found here.</p>

Source and Date	Brief description
<p>Romanian Parliament</p> <p>June 15, 2022</p>	<p>Amendments to the framework governing bills of exchange and promissory notes</p> <p>The Romanian Parliament adopted a number of amendments to the legal framework applicable to bills of exchange and promissory notes by amending Law no. 58/1934, the primary source of law in this area.</p> <p>Most notably, following the amendments, bills of exchange can now be used electronically by beneficiaries that meet certain eligibility criteria established by credit institutions, and transmission thereof should comply with certain security standards imposed by the National Bank of Romania.</p> <p>Other changes include the requirement to insert additional information on bills of exchange, but also other changes meant to modernize the legal framework of bills of exchange and promissory notes.</p>
<p>National Bank of Romania (NBR)</p> <p>May 23, 2022</p>	<p>NBR establishes Payments Committee</p> <p>The NBR has set up an advisory entity aimed at supporting the NBR Board in fulfilling its statutory tasks of promoting and monitoring the smooth functioning of payment systems and instruments in Romania.</p> <p>This Payments Committee will collect data to be periodically transmitted to the European Central Bank, which requested the establishment of this entity.</p> <p>The text of the regulation (in English) can be found here.</p>
<p>National Bank of Romania (NBR)</p> <p>May 3, 2022</p>	<p>TIBER-RO cyber-resilience test framework</p> <p>The NBR recently issued Regulation no. 6/2022 on the framework for implementing the TIBER-EU framework for testing cyber-resilience within the Romanian financial and banking system.</p> <p>The framework was developed by the European Central Bank and is applicable to financial market infrastructures, credit institutions and other financial institutions. The regulation provides for controlled tests on the production environment to simulate cyber-attacks by advanced and persistent entities, including organized crime groups or state actors, based on a distinct methodology and using information on threats and vulnerabilities specific to the tested entity. Critical participants in the financial markets will be required to undergo such tests at least once every three years (but other institutions are entitled to conduct voluntary tests).</p> <p>The regulation includes requirements applicable for testing service providers.</p> <p>The text of the NBR Regulation no. 6/2022 (in Romanian) can be found here.</p>

Source and Date	Brief description
<p>National Bank of Romania (NBR)</p> <p>April 21, 2022</p>	<p>NBR amends rules governing Credit Risk Center, enabling EU creditors to obtain risk information</p> <p>The NBR has introduced a number of amendments to the rules governing the Credit Risk Center (CRC)—the Romanian entity that records credit risk information on borrowers). The main change is that the regulation now enables creditors from other member states to access credit risk information from the CRC. Applicants will need to submit a formal request, together with the written consent of the person whose details are being accessed.</p> <p>The text of the regulation (in Romanian only) can be found here.</p>

National Bank of Romania (NBR)

April 1, 2022

NBR introduces new requirements for credit institutions' risk policies, including ESG elements

The NBR has amended one of its key prudential regulations and will now require credit institutions under its supervision to include environmental and social governance factors in their risk strategy. Credit institutions will be required to put in place policies that will take into account, among others: (1) the physical risk determined by the effects of climate change over the financial performance of debtors, (2) the transition risk determined by the impact over the debtor of a transition to a low greenhouse gas-emission economy and (3) the risk in market changes and consumer preference—all of which would be in line with the risk appetite of a credit institution.

The regulatory changes, the bulk of which came into force on April 1, also require enhanced scrutiny by credit institutions in financing activities in certain areas such as real estate, shipping or, generally, with respect to project finance.

The text of the regulation (in Romanian only) can be found [here](#).

Key Regulatory Developments in Spain

Source and Date	Brief description
Official State Gazette July 29, 2022	<p>Organic Law 9/2022, of July 28, establishing rules that facilitate the use of financial and other information for the prevention, detection, investigation or prosecution of criminal offenses.</p> <p>This law amends Organic Law 8/1980, of September 22, 1980, on the Financing of the Financing of the Autonomous Communities and other related provisions, and amending Organic Law 8/1980 of September 22, 1980, on the Financing of the Autonomous Communities and amending Organic Law 10/1995, of November 23, 1995, of the Penal Code.</p> <p>Complete reference to the Official State Gazette is available (in Spanish) here.</p>
Official State Gazette July 18, 2022	<p>Public statement on upcoming implementation of amendment to delegated regulation 2017/565 as regards the consideration of sustainability preferences of clients in the sustainability assessment</p> <p>Regulation (EU) 2021/1253 of 22 April 2021, amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organizational requirements and operating conditions for investment firms, will start being implemented on August 2, 2022.</p> <p>Complete reference to the public statement is available (in English) here.</p>
National Stock Markets Commission (CNMV) June 24, 2022	<p>CNMV publishes study on cryptocurrencies and effectiveness of adopted measures</p> <p>The objective is to promote greater involvement of institutional investors and asset managers with listed companies, so that they have better informed investors, more active and more involved in their strategy and decisions. It will in turn benefit the openness and attention of issuers to the interests of their shareholders, in a process of continuous improvement of its corporate governance and of its management.</p> <p>Complete reference to the study is available (in Spanish) here.</p>
National Stock Markets Commission (CNMV) June 16, 2022	<p>The CNMV publishes annual report</p> <p>Complete reference to the press release is available (in English) here.</p>
National Stock Markets Commission (CNMV) June 13, 2022	<p>Communication from CNMV on the process of setting prices in collective investment institutions and venture capital entities</p> <p>Complete reference to the press release is available (in Spanish) here.</p>

Source and Date	Brief description
<p>Official State Gazette</p> <p>June 8, 2022</p>	<p>Circular 2/2022, of May 26, of the National Commission of the Market of Values, which approves notification models of significant holdings, of issuer operations on shares own, and market makers</p> <p>Complete reference to the extract of the Official State Gazette is available (in Spanish) here.</p>
<p>National Stock Markets Commission (CNMV)</p> <p>May 27, 2022</p>	<p>The CNMV adopts modification of ESMA guidelines on delay in disclosing privileged information and interactions with prudential supervision, in accordance with market abuse regulation</p> <p>Complete reference to the press release is available (in Spanish) here.</p>
<p>National Stock Markets Commission (CNMV)</p> <p>May 11, 2022</p>	<p>The CNMV adopts EBA guidelines on sound remuneration policies for IFS under directive (EU) 2019/2034</p> <p>Complete reference to the press release is available (in English) here.</p>
<p>National Stock Markets Commission (CNMV)</p> <p>May 4, 2022</p>	<p>CNMV Bulletin: Includes the usual report on markets and their agents and two articles on margin calls and liquidity pressures under EMIR and on integrating climate risk into supervision</p> <p>Complete reference to the press release is available (in English) here.</p>
<p>Bank of Spain</p> <p>April 26, 2022</p>	<p>Financial stability report. Special chapter on Crypto assets</p> <p>Complete reference to the chapter is available (in English) here.</p>
<p>National Stock Markets Commission (CNMV)</p> <p>April 19, 2022</p>	<p>The CNMV approves technical guide for evaluating suitability and adopts ESMA guidelines regarding certain aspects of suitability requirements and only execution of MIFID II</p> <p>Complete reference to the press release (in Spanish) is available here.</p>
<p>National Stock Markets Commission (CNMV)</p> <p>April 8, 2022</p>	<p>Public consultation for draft circular on IIC prospectus and registration of document with fundamental information for investor (DFI)</p> <p>Complete reference to the press release is available (in Spanish) here.</p>

Source and Date	Brief description
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Official State Gazette

April 6, 2022

Circular 3/2022, of March 30, of the Bank of Spain, which modifies Circular 2/2016, of February 2, to credit institutions, on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013; Circular 2/2014, of January 31, to credit institutions, on the exercise of various regulatory options contained in 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; and Circular 5/2012, of June 27, to credit institutions and payment service providers, on transparency of banking services and responsibility in granting loans

Complete reference to the extract of the Official State Gazette is available (in Spanish) [here](#).

National Stock Markets Commission (CNMV)

April 5, 2022

Session on the US libor transition

This session was intended to facilitate knowledge sharing and raise awareness in Latin America about the demise of USD LIBOR and the transition to alternative rates, particularly the Secured Overnight Financing Rate (SOFR).

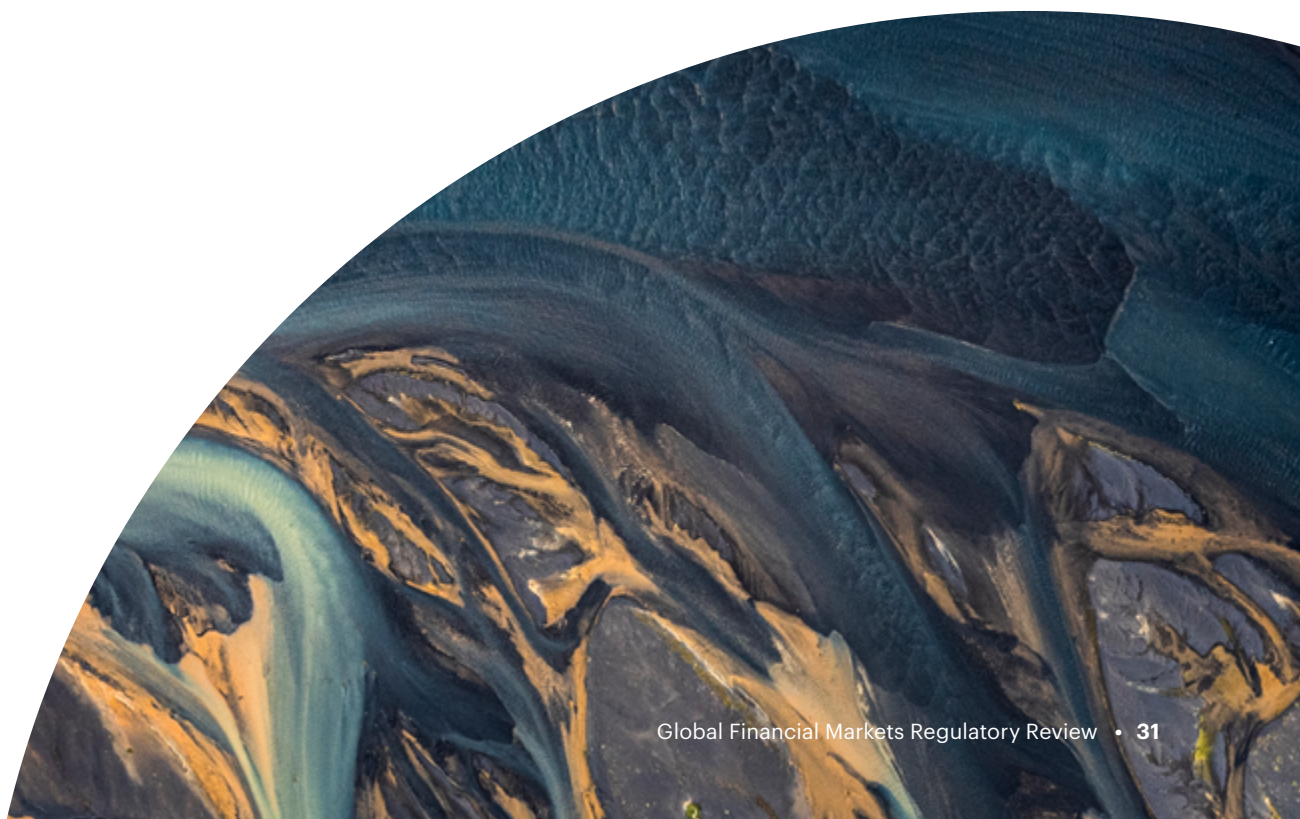
Complete reference to the press release is available (in Spanish) [here](#).

National Stock Markets Commission (CNMV)

April 4, 2022

CNMV provides data on decisions adopted by investment companies with variable capital (SICAV) before recent tax change

Complete reference to the press release is available (in Spanish) [here](#).



Key Regulatory Developments in the United Kingdom

Source and Date	Brief description
Financial Conduct Authority (FCA)	<p>Key Enforcement takeaways from the FCA annual report and accounts 2021/22</p> <p>On July 19th, the FCA published its ‘annual report’ for 2021/22. Key things to note from an enforcement perspective are:</p> <ol style="list-style-type: none">1. ‘Market Cleanliness’ data (ie. indicating levels of market abuse) shows improvement as compared to 2020. However, this update should be read with caution as the FCA also notes that there has been an increase in referrals for insider dealing and market manipulation;2. There were 38 cases of skilled person reports being commissioned by the FCA, using their power under section 166 of the Financial Services and Markets Act 2000 (FSMA). Investment management was the sector where reports were commissioned (11 reports), followed by the retail investments sector and the retail banking and payments sector (8 reviews each); and3. Only 81 cases were referred to the Regulatory Decisions Committee (RDC) in 2021/22 with 86 completed. This is significantly lower than 2020/21, when 224 and 229 were referred/completed respectively, but can be largely attributed to the change in the RDC’s remit as of November 2021. <p>For further information, click here.</p>
Financial Conduct Authority (FCA) July 27, 2022	<p>FCA publish policy statement on a new consumer duty</p> <p>The FCA have published a policy statement and corresponding guidance for a new consumer duty set to impose higher expectations on the standard of care firms give to consumers. The new consumer duty requires firms to assess and evidence how they deliver good outcomes to their consumers. Together with the FCA’s data-centered approach, the new consumer duty should assist in identifying practices with negative outcomes and the intervention of such practices at earlier stages. These changes will affect the Handbook, the Glossary, PRIN, COCON, GEN and PROD.</p> <p>The FCA has introduced a two-phase implementation period for the new consumer duty:</p> <ol style="list-style-type: none">1. End of July 2023: the new consumer duty will apply to all new products and services and all existing products and services that remain on sale or open for renewal2. End of July 2024: the new consumer duty will be fully in force and will apply to all closed products and services <p>For further information, click here.</p>

Source and Date	Brief description
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Financial Conduct Authority (FCA), Bank of England (BoE), Prudential Regulation Authority (PRA)

July 21, 2022

FCA, BoE and PRA publish discussion paper on critical third parties (CTPs)

The discussion paper, titled “operational resilience: CTPs to the UK financial sector”, maps out potential powers the FCA, BoE and PRA may use in their supervisory position under the Financial Services and Markets Bill 2022-23 to strengthen the resilience of services provided to the UK’s financial sector by CTPs. The aim of the discussion paper is to reduce the risk of systemic disruption in the services provided by CTPs.

The discussion paper highlights the following three measures:

1. A framework for the FCA, BoE and PRA to identify CTPs and designate them to the HMRC
2. Minimum standards of resilience for designated CTPs that provide services to firms and financial market infrastructures
3. Tools for CTPs to assess their resilience standards

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

Financial Conduct Authority (FCA),

June 17, 2022

FCA provides update on their market abuse and manipulation work

Seemingly in direct response to “press reports about [their]... approach” the FCA published a press release about its work on market abuse and manipulation on 17 June 2022.

They emphasized:

- Building an ‘aggregate picture’ through daily monitoring of data (30 million transaction reports and 100 million order reports daily) and suspicious transaction and order reports (STORs) (90 per week);
- Working internationally (notably with Dubai, France and the US);
- Publishing best practice guidance and highlighting weaknesses, as well as findings of its oversight work on ‘Market Watch’ publications;

It is notable that shortly after the update was made, the FCA announced that it was pursuing the re-trial of two individuals for insider dealing where the jury could not reach a verdict earlier in the year ([here](#)).

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

Source and Date	Brief description
<p>Financial Conduct Authority (FCA)</p> <p>June 16, 2022</p>	<p>CEOs reminded to support consumers affected by rising cost of living by FCA</p> <p>In a Dear CEO letter sent to over 3,500 lenders on June 16th, the FCA emphasized the importance of treating existing and new borrowers fairly in compliance with its Principles for Business. They also highlighted the rules in MCOB 13, CONC 6, 7 and CONC 5D which set out their requirements and expectations of firms when dealing with borrowers in financial difficulty.</p> <p>The FCA commends the work undertaken to embed its vulnerable customer guidance (although noting that there is still work to do to make the vulnerable customer experience on par with other customers) and strongly encourages firms offering buy-now-pay-later products to – whether authorised or not – ensure that they follow the guidance in the letter with regards to those products.</p> <p>The letter also shared findings from their work investigating how firms are meeting their obligations to ‘borrowers in financial difficulty’ which shows that many of the firms reviewed need to improve the experience and the outcomes received by their customers. It goes on to include an annex summarizing specific expectations of lenders when supporting borrowers in financial difficulty.</p> <p>The FCA intends to publish its findings from its investigation into the experiences of borrowers in financial difficulty later in 2022 and plans to consult on its tailored support guidance (TSG) for mortgages, consumer credit and overdrafts.</p> <p>For further information, click here.</p>
<p>Financial Ombudsman Services (FOS)</p> <p>June 14, 2022</p>	<p>The FOS starts discussion on the future of its funding</p> <p>On June 14th the FOS published a discussion paper entitled “Creating a funding model for the future” which invited a host of relevant parties to provide feedback on proposed changes to their funding model before August 5th. A statement is anticipated in October with any options forming part of the FOS’ consultation on its 2023/24 budget, expected later in 2022.</p> <p>Proposed future funding structures include:</p> <ul style="list-style-type: none"> • Simplifying the voluntary jurisdiction (VJ) levy so that it is charged as a fixed fee and changing the compulsory jurisdiction (CJ) levy so that it covers fixed overheads rather than a proportion of income; • Differing the case fee model to reflect the range of case complexity; • Charging different case fees according to the state the case has reached before it is resolved; and • Longer-term funding issues including discounts for cases resolved in batches and adding supplementary fees for uncooperative firms. <p>For further information, click here.</p>

Source and Date	Brief description
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Financial Conduct Authority (FCA)

May 19, 2022

Policy Statement published on FCA’s cancellation and variation powers in line with ‘use it or lose it’ initiative

On May 19th, 2022 the FCA published a policy statement to reflect its new powers to take quicker action to cancel permissions that are not used or needed in its Handbook and Enforcement Guide.

Since its pilot phase, 264 firms have voluntarily cancelled their permission to carry out regulated activities, with a further 47 firms seeking to modify them.

As per the policy statement, the FCA will be able to start the cancellations process as soon as it considers that the permissions are not being used (removing the requirement that the permissions must not have been used for 12 months or more), by serving 14 days’ notice on a firm. Permissions can be removed or varied as soon as one month from notification.

Authorised firms not carrying on any FCA-regulated activity, or those that no longer carry out a particular activity within the scope of their permission, should consider asking the FCA to cancel that permission. Firms may also be treated as not carrying on regulated activity if they breach any Handbook requirement to pay a periodic fee or levy or fail to provide the FCA with information.

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



Source and Date	Brief description
<p>Prime Minister's Office, 10 Downing Street and HRH The Prince of Wales, Prince Charles</p> <p>May 10, 2022</p>	<p>The Financial Services and Markets Bill and the Economic Crime and Corporate Transparency Bill on the Horizon</p> <p>In the UK, the 'Queen's Speech' provides an update on the government's legislative priorities for the next parliamentary session; whilst it is delivered by the monarch (or, in this case, her son) to both houses of parliament, it is written by the government and approved by the cabinet.</p> <p>On May 10th, Queens Speech gave some further details on two key pieces of legislation on the horizon:</p> <ul style="list-style-type: none"> • The Financial Services and Markets Bill; and • Economic Crime and Corporate Transparency Bill. <p>The Financial Services and Markets Bill is set to introduce wide-ranging measures to strengthen UK's financial services industry, ensure a greater focus on growth and international competitiveness and to regulate markets to promote investment. The main element of this is to replace retained EU law with an approach to regulation designed to better suit the interests of the UK, including reformation of the Solvency II legislation. Equally, the legislation wants to ensure that people across the UK can access their own cash with ease, add protection for those investing in or using financial products and add support for those victims of scams.</p> <p>As the name suggests, the Economic Crime and Corporate Transparency Bill aims to help tackle illicit finance, money laundering and fraud, including by creating the ability to seize and recover crypto-assets more quickly and easily and enable businesses in the financial sector to share information more effectively to prevent and detect economic crime.</p> <p>For further information, click here.</p>

Key Regulatory Developments in Canada



Source and Date	Brief Description
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CSA
July 28, 2022

Alberta and Saskatchewan securities regulators expand the self-certified investor prospectus exemption to facilitate investment

The Alberta Securities Commission (ASC) and the Financial and Consumer Affairs Authority of Saskatchewan (FCAA) have amended the self-certified investor prospectus exemption in response to market feedback to provide greater flexibility to businesses and investors in Alberta and Saskatchewan. The exemption has been implemented on a three-year pilot basis expiring on March 31, 2024.

Self-certified investors are considered to have financial and investment knowledge, and acknowledge that they understand certain investment considerations and risks, subject to certain limits. The amendments allow for the sale and resale of securities to a self-certified investor. The exemption will treat them similarly to accredited investors.

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

Federal Privacy Bill C-27
June 16, 2022

Bill C-27 “An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act and to make consequential and related amendments to other Acts.”

Once passed, the Bill will replace Canada’s federal private sector privacy law, the *Personal Information Protection and Electronic Documents Act* (PIPEDA), and create a new privacy regime in Canada that includes a tribunal and imposing new rules on organizations collection, use, and disclosure of personal information.

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

Payments Canada
July 12, 2022

The Retail Payment Activities Act and what it means for retail payments

On April 30, 2021, the federal government introduced *An Act Respecting Retail Payment Activities* (short title, *Retail Payment Activities Act* (RPAA)). Once passed, the RPAA will regulate “retail payment activities” that are either:

- Performed by a “payment service provider” (“PSP”) that has a place of business in Canada, or
- Performed for an “end user” in Canada by a PSP that does not have a place of business in Canada, but directs retail payment activities at individuals or entities that are in Canada.

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

Source and Date	Brief Description
<p>CSA</p> <p>June 9, 2022</p>	<p>Canadian securities regulators propose changes to enhance derivatives data reporting</p> <p>The CSA published for comment proposed amendments designed to streamline and internationally harmonize over-the-counter derivatives data reporting standards. These amendments are expected to reduce the complexity of market participants' reporting systems and decrease ongoing operational and compliance costs while improving the consistency and quality of the data available to regulators and the public.</p> <p>In addition to harmonizing data reporting standards, other proposed amendments include:</p> <ul style="list-style-type: none"> • updated requirements for trade repository governance, operations and management of risk to align with international standards; • improvements designed to enhance data accuracy and consistency, such as data validation and verification, similar to other global regulators; • increased harmonization among the CSA, such as a harmonized threshold in the commodity derivatives exclusion for non-dealers; • new technical manuals that provide clarity regarding the format and values for reporting. <p>For more information, please click here.</p>

Payments Canada

June 6, 2022

Introducing ISO 20022 to Lynx: what it means for high-value payments in Canada

SWIFT is spearheading a global initiative to implement ISO 20022 for cross-border payments. By November 2022, all financial institutions on the SWIFT network must be in a position to receive payments using the ISO 20022 messaging standard.

ISO 20022 will ultimately improve client experiences, drive operational efficiencies, and reduce costs and risks. This is a mandatory change that significantly improves the quality of data exchanged across the payment ecosystem. Financial institutions will be able to deliver innovative services, provide better customer experiences, and benefit from fewer processing exceptions that create friction and delays. These benefits also extend to the corporate customers of banks who will soon be able to improve reconciliation within their back-end systems, for example, with simpler matching of invoices to payments.

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

Source and Date	Brief Description
<p>Bank of Canada</p> <p>May 11, 2022</p>	<p>Release of the 2021 Bank of Canada FMI Oversight Activities Annual Report</p> <p>The Bank of Canada today published the Bank of Canada Oversight Activities for Financial Market Infrastructures 2021 Annual Report. The Report reviews the Bank’s oversight of designated clearing and settlement systems, also known as financial market infrastructures (FMIs). The Bank has a mandate to ensure that designated FMIs are following sound risk management practices and the Report provides stakeholders with information about:</p> <ul style="list-style-type: none"> • the Bank’s approach to oversight of FMIs • improvements that designated FMIs made to their risk management practices in 2021 • ongoing and new expectations set by the Bank for designated FMIs to enhance their risk management practices in 2022 and beyond • other activities conducted by the Bank in relation to its mandates for FMI oversight, resolution and crisis preparedness <p>For more information, please click here.</p>

<p>CDIC</p> <p>May 2, 2022</p>	<p>Changes to expand CDIC deposit protection now in effect</p> <p>The CDIC is ushering in the second phase of changes to further expand and strengthen deposit protection, in effect as of April 30, 2022. There are now eight separately protected coverage categories that can receive up to \$100,000 (principal and interest combined) in protection at each CDIC member institution, making this the broadest federal deposit insurance framework in Canada’s history. CDIC coverage categories are:</p> <ul style="list-style-type: none"> • Tax-Free Savings Accounts • Registered Education Savings Plans • Registered Disability Savings Plans • Registered Retirement Savings Plans • Registered Retirement Income Funds • Deposits in one name • Joint deposits • Trust deposits <p>For more information, please click here.</p>
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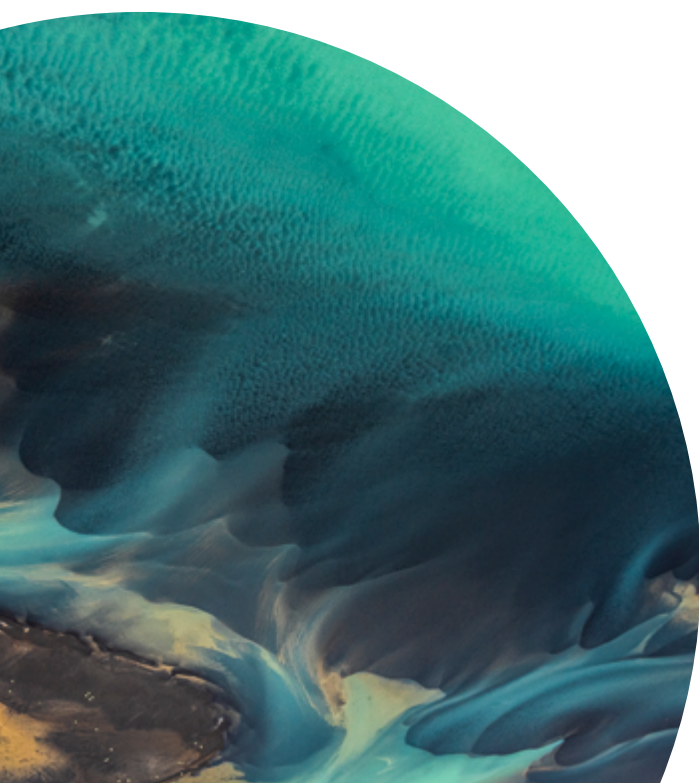
Source and Date	Brief Description
FINTRAC April 27, 2022	<p>Crowdfunding platforms and certain payment service providers must register with FINTRAC and the definition of “EFT” has been amended</p> <p>These changes mean that crowdfunding platforms and certain payment service providers are now covered as money services businesses or foreign money services businesses under the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>, and have the following obligations:</p> <ul style="list-style-type: none"> • Register with FINTRAC • Develop and maintain a compliance program • Carry out know your client requirements, including verifying the identity of persons and entities for certain activities and transactions • Keep certain records, including records related to transactions and client identification • Report certain transactions to FINTRAC <p>For more information, please click here.</p>

Bank of Canada
 April 22, 2022

Bank of Canada announces increases to the limit for Securities Repo and Overnight Reverse Repo operations

Effective April 25, 2022, the maximum total bidding amount across all securities in the Securities Repo Operation (SRO) will increase to \$5,000 million for each counterparty. The maximum bid rate will remain at 10 basis points below the target for the overnight rate. The Overnight Reverse Repo operation counterparty limit will likewise increase to \$5,000 million, less any amount the counterparty has transacted that day in the Bank’s SRO.

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



Source and Date	Brief Description
<p>CSA</p> <p>April 14, 2022</p>	<p>Canadian securities regulators reduce regulatory burden related to the interpretation of the primary business requirements</p> <p>The CSA published changes to harmonize the interpretation of the financial statement requirements for a long form prospectus, such as in an issuer’s initial public offering. Specifically, the changes apply in situations where an issuer has acquired a business, or proposes to acquire a business, that a reasonable investor would regard as being the primary business of the issuer. The changes were informed by stakeholder feedback that certain inconsistent interpretations of the primary business requirements add time, cost and uncertainty for issuers.</p> <p>The changes provide additional guidance on the interpretation of primary business including in what situations, and for which time periods, financial statements would be required. They provide guidance on the circumstances when additional information may be necessary for the prospectus to meet the requirement to contain full, true and plain disclosure of all material facts relating to the securities being distributed. The changes also clarify when an issuer can use the optional tests to calculate the significance of an acquisition, and when an acquisition of a mining asset would not be considered an acquisition of a business for securities legislation purposes.</p> <p>For more information, please click here.</p>

<p>Department of Finance</p> <p>March 22, 2022</p>	<p>Government moves forward with open banking and names a lead</p> <p>The federal government is taking the next step towards establishing Canada’s open banking system with the selection of Abraham Tachjian as the open banking lead.</p> <p>An open banking system aims to give Canadians and businesses greater control over their financial data and be better equipped to manage their finances. Open banking would enable consumers to transfer their financial data between financial institutions and accredited third parties in a secure and consumer-friendly way. It will also benefit small businesses by helping to streamline operations and by providing faster access to credit. Mr. Tachjian’s mandate is to develop a “made-in-Canada” regime based on the recommendations in the final report of the Advisory Committee on Open Banking.</p> <p>For more information, please click here.</p>
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Source and Date	Brief Description
FCAC January 26, 2022	<p>Financial Consumer Agency of Canada (the FCAC) published its Guideline on Complaint-Handling Procedures for Banks and Authorized Foreign Banks</p> <p>The Guideline sets out its expectations with respect to Banks' and Authorized Foreign Banks' (Banks) implementation of the complaint-handling provisions in the Bank Act and the Financial Consumer Protection Framework Regulations. The Guideline is framed by the principles of effectiveness, timeliness and accessibility, and the FCAC recommends that Banks should be guided by these principles when establishing and implementing their complaint-handling policies and procedures (the Policies).</p> <p>For more information, please click here.</p>



Key Regulatory Developments in the United States

The background of the slide is a monochromatic blue image of a desert landscape. It features rolling sand dunes in the foreground and middle ground, with a large, craggy rock formation or mesa in the background. The lighting creates soft shadows and highlights on the sand, giving it a textured appearance. The overall mood is serene and expansive.

Source and Date	Brief description
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Securities and Exchange Commission (SEC)

July 29, 2022

SEC Re-Proposes Amendments to Exemption from National Securities Association Membership

The Securities and Exchange Commission re-proposed rule amendments that would narrow the exemption from Section 15(b)(8) of the Securities Exchange Act, which requires any broker or dealer registered with the Commission to become a member of a national securities association unless the broker or dealer effects transactions in securities solely on an exchange of which it is a member. FINRA currently is the only registered national securities association.

Exchange Act Rule 15b9-1 provides an exemption from Section 15(b)(8) under which certain Commission-registered dealers may engage in unlimited proprietary trading of securities on any national securities exchange of which they are not a member or in the over-the-counter market without triggering Section 15(b)(8)'s FINRA membership requirement.

The proposed amendments would replace this proprietary trading exemption with narrow exemptions from Section 15(b)(8)'s FINRA membership requirement. Under the proposed amendments, a broker-dealer that carries no customer accounts and effects securities transactions other than on a national securities exchange where it is a member would be exempt from Section 15(b)(8) only if those transactions result from routing for order protection purposes by a national securities exchange where the broker-dealer is a member or constitute the execution of the stock leg of a stock-option order.

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

Commodity Futures Trading Commission (CFTC)

July 18, 2022

CFTC Extends Public Comment Period on Request for Information on Climate-Related Financial Risk

The Commodity Futures Trading Commission is extending the deadline for the public comment period on a Request for Information on Climate-Related Financial Risk (RFI) to October 7.

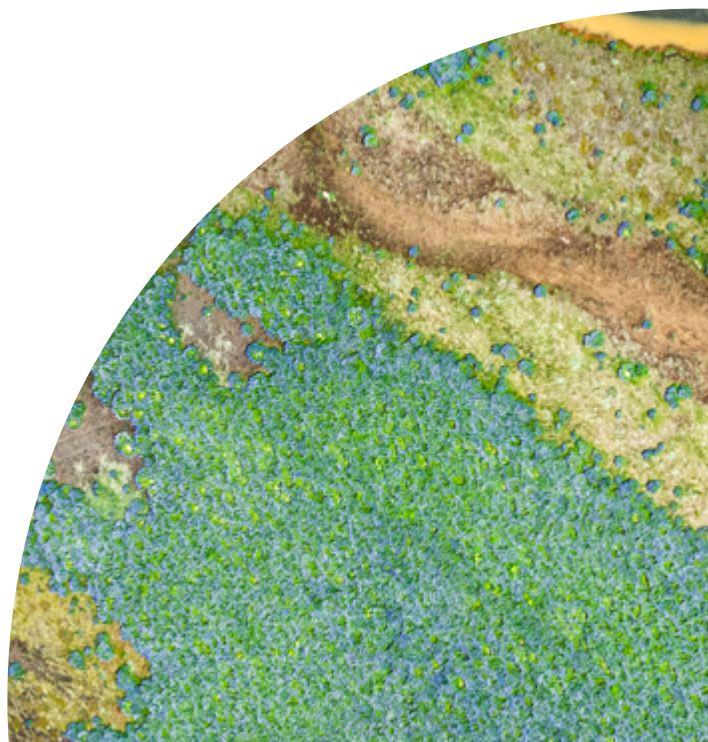
The CFTC is seeking public feedback on all aspects of climate-related financial risk, including as it may pertain to the derivatives markets, underlying commodities markets, registered entities, registrants, and other related market participants. The RFI also seeks responses on questions specific to data, scenario analysis and stress testing, risk management, disclosure, product innovation, voluntary carbon markets, digital assets, greenwashing, financially vulnerable communities, and public-private partnerships and engagement.

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

Source and Date	Brief description
<p>Commodity Futures Trading Commission (CFTC)</p> <p>July 14, 2022</p>	<p>CFTC Adds 34 Unregistered Foreign Entities to RED List</p> <p>As part of the Commodity Futures Trading Commission’s ongoing efforts to protect Americans from fraud, the CFTC added another 34 unregistered foreign entities to its Registration Deficient List (RED List). Launched in 2015, CFTC’s RED List now has 202 entities.</p> <p>A firm is added to the RED List when the CFTC determines, from investigative leads and public inquiries, that it is not registered with the Commission and appears to be acting in a capacity that requires registration, such as trading binary options, foreign currency (forex), or other products.</p> <p>Further information, including the list of entities, can be found here.</p>
<p>Securities and Exchange Commission (SEC)</p> <p>July 13, 2022</p>	<p>SEC Proposes Amendments to Shareholder Proposal Rule</p> <p>The Securities and Exchange Commission proposed amendments to the rule that governs the process for including shareholder proposals in a company’s proxy statement. Under Rule 14a-8, companies generally must include shareholder proposals in their proxy statements. The rule, however, provides several bases for exclusion, including several substantive requirements that proposals must comply with to avoid exclusion. The proposed amendments would revise three of the bases for exclusion to promote more consistency and predictability in application.</p> <p>The proposed amendments to Rule 14a-8 would revise the following bases for exclusion:</p> <ul style="list-style-type: none"> • Substantial Implementation. The proposed amendments would specify that a proposal may be excluded under this provision if the company has already implemented the “essential elements” of the proposal. • Duplication. The proposed amendments would specify that a proposal “substantially duplicates” another proposal previously submitted for the same shareholder meeting if it addresses the same subject matter and seeks the same objective by the same means. • Resubmission. The proposed amendments would provide that a proposal constitutes a resubmission if it substantially duplicates another proposal that was previously submitted for the same company’s prior shareholder meetings. <p>Further information can be found here.</p>

Source and Date	Brief description
<p>Securities and Exchange Commission (SEC)</p> <p>July 13, 2022</p>	<p>SEC Adopts Amendments to Proxy Rules Governing Proxy Voting Advice</p> <p>The Securities and Exchange Commission today voted to adopt amendments to its rules governing proxy voting advice as proposed in November 2021. The final amendments aim to avoid burdens on proxy voting advice businesses that may impair the timeliness and independence of their advice. The amendments also address misperceptions about liability standards applicable to proxy voting advice while also preserving investors’ confidence in the integrity of such advice.</p> <p>The final amendments rescind two rules applicable to proxy voting advice businesses that the Commission adopted in 2020. Specifically, the final amendments rescind conditions to the availability of two exemptions from the proxy rules’ information and filing requirements on which proxy voting advice businesses often rely. Those conditions require that: (1) registrants that are the subject of proxy voting advice have such advice made available to them in a timely manner; and (2) clients of proxy voting advice businesses are provided with a means of becoming aware of any written responses by registrants to proxy voting advice. Institutional investors and other clients of proxy voting advice businesses have continued to express concerns that these conditions could impose increased compliance costs on proxy voting advice businesses and impair the independence and timeliness of their proxy voting advice.</p> <p>The final amendments also delete the 2020 changes made to the proxy rules’ liability provision. Although the 2020 changes were intended to clarify the application of this liability provision to proxy voting advice, they instead created a risk of confusion regarding the application of this provision to proxy voting advice, undermining the goal of the 2020 changes. The final amendments address the confusion while affirming that proxy voting advice generally is subject to liability under the proxy rules.</p> <p>Finally, the adopting release rescinds guidance that the Commission issued in 2020 to investment advisers regarding their proxy voting obligations.</p> <p>Chair Gary Gensler issued a statement on the amendments.</p> <p>Further information can be found here.</p>

Source and Date	Brief description
<p>Securities and Exchange Commission (SEC)</p> <p>June 23, 2022</p>	<p>SEC Adopts Rules to Require Electronic Filing for Investment Advisors and Institutional Investment Managers</p> <p>The Securities and Exchange Commission adopted amendments to require certain documents filed by investment advisers, institutional investment managers, and certain other entities to be filed or submitted electronically. The amendments also make technical amendments to modernize Form 13F and enhance the information provided. The amendments are intended to promote efficiency, transparency, and operational resiliency by modernizing how information is filed or submitted to the Commission and disclosed to the public. Electronic filings will be more readily accessible to the public and available on websites in easily searchable formats.</p> <p>“In a digital age, it is important for filers to have easy, online methods to submit information to the Commission, and where appropriate for investors to have easy, online access as well,” said SEC Chair Gary Gensler. “Electronic filing, as opposed to paper filing, makes this submission and disclosure more efficient, transparent, and operationally resilient. In light of this, these amendments benefit filers, investors, and the SEC.”</p> <p>Electronic filing capabilities have helped address logistical and operational issues raised by the spread of COVID-19. Expanding electronic submission will allow the Commission and filers to navigate more effectively any future disruptive events that make the paper submission process unnecessarily burdensome, impractical, or unavailable.</p> <p>Further information can be found here.</p>



Source and Date

Commodity Futures
Trading Commission
(CFTC)

June 10, 2022

Brief description

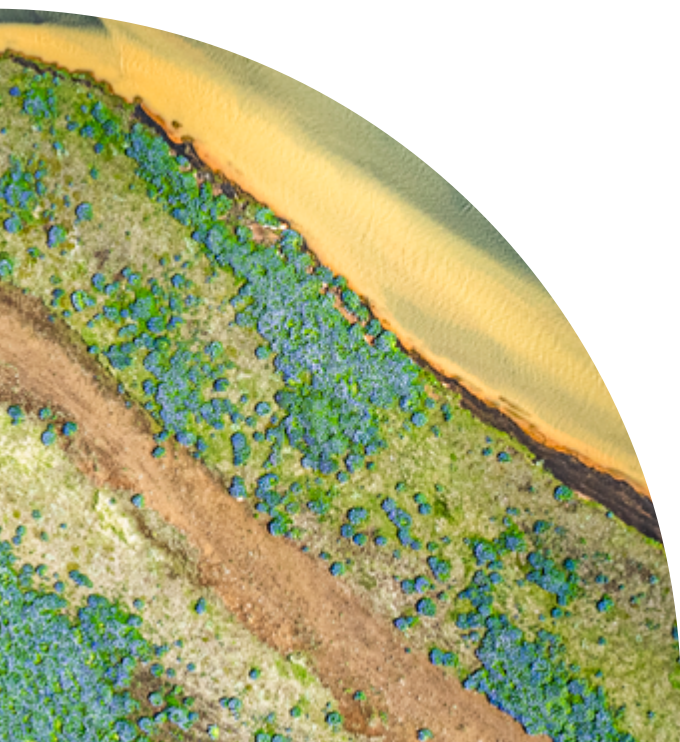
CFTC Staff Issues Advisory on Swap Data Errors and Related Error Correction Notification Form

The Commodity Futures Trading Commission's Division of Data (DOD) issued an advisory that provides instructions for notifying staff when a swap execution facility (SEF), designated contract market (DCM), or reporting counterparty determines that it is unable to timely correct a swap data error.

CFTC Regulations 45.14(a) and 43.3(e) require SEFs, DCMs, and reporting counterparties to correct swap data errors as soon as technologically practicable following discovery and, in all cases, within seven business days following discovery. A SEF, DCM, or reporting counterparty must notify staff if it determines that it will not timely correct a swap data error. The advisory provides instructions for submitting error correction notifications. The advisory also appends a Swap Data Error Correction Notification Form that enumerates information sufficient to provide an initial assessment of the scope of the error and provides a SEF, DCM, or reporting counterparty an opportunity to present an initial remediation plan.

On January 31, 2022, DOD took a no-action position in CFTC Letter No. 22-03 with respect to certain reporting requirements, including the error correction notification requirements in CFTC Regulations 45.14(a) and 43.3(e). Upon the expiration of that no-action position on December 5, 2022, a SEF, DCM, or reporting counterparty will be required to notify CFTC staff if it will fail to timely correct a swap data error by submitting the Swap Data Error Correction Notification Form as noted in the instructions in the advisory.

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



Source and Date	Brief description
<p>Securities and Exchange Commission (SEC)</p> <p>May 25, 2022</p>	<p>SEC Proposes to Enhance Disclosures by Certain Investment Advisers and Investment Companies about ESG Investment Practices</p> <p>The Securities and Exchange Commission proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning funds' and advisers' incorporation of environmental, social, and governance (ESG) factors. The proposed changes would apply to certain registered investment advisers, advisers exempt from registration, registered investment companies, and business development companies.</p> <p>The proposed amendments seek to categorize certain types of ESG strategies broadly and require funds and advisers to provide more specific disclosures in fund prospectuses, annual reports, and adviser brochures based on the ESG strategies they pursue. Funds focused on the consideration of environmental factors generally would be required to disclose the greenhouse gas emissions associated with their portfolio investments. Funds claiming to achieve a specific ESG impact would be required to describe the specific impact(s) they seek to achieve and summarize their progress on achieving those impacts. Funds that use proxy voting or other engagement with issuers as a significant means of implementing their ESG strategy would be required to disclose information regarding their voting of proxies on particular ESG-related voting matters and information concerning their ESG engagement meetings.</p> <p>Finally, to complement the proposed ESG disclosures in fund prospectuses, annual reports, and adviser brochures, the proposal would require certain ESG reporting on Forms N-CEN and ADV Part 1A, which are forms on which funds and advisers, respectively, report census-type data that inform the Commission's regulatory, enforcement, examination, disclosure review, and policymaking roles.</p> <p>Commissioner Caroline A. Crenshaw issued a statement on the proposed rule. Commissioner Hester M. Peirce also issued a statement.</p> <p>Futher information can be found here.</p>

Source and Date	Brief description
<p>Securities and Exchange Commission (SEC)</p> <p>May 25, 2022</p>	<p>SEC Proposes Rule Changes to Prevent Misleading or Deceptive Fund Names</p> <p>The Securities and Exchange Commission proposed amendments to enhance and modernize the Investment Company Act “Names Rule” to address changes in the fund industry and compliance practices that have developed in the approximately 20 years since the rule was adopted. A fund’s name is an important marketing tool and can have a significant impact on investors’ decisions when selecting investments, and the Names Rule addresses fund names that are likely to mislead investors about a fund’s investments and risks. The proposal follows a request for comment the SEC issued to gather public feedback on potential reforms to the rule in March 2020.</p> <p>The Names Rule currently requires registered investment companies whose names suggest a focus in a particular type of investment (among other areas) to adopt a policy to invest at least 80 percent of the value of their assets in those investments (an “80 percent investment policy”). The proposed amendments would enhance the rule’s protections by requiring more funds to adopt an 80 percent investment policy. Specifically, the proposed amendments would extend the requirement to any fund name with terms suggesting that the fund focuses in investments that have (or whose issuers have) particular characteristics. This would include fund names with terms such as “growth” or “value” or terms indicating that the fund’s investment decisions incorporate one or more environmental, social, or governance factors. The amendments also would limit temporary departures from the 80 percent investment requirement and clarify the rule’s treatment of derivative investments.</p> <p>Commissioner Caroline A. Crenshaw issued a statement on the proposed amendments. Commissioner Allison Herren Lee also issued a statement.</p> <p>Further information can be found here.</p>

Source and Date	Brief description
<p>Commodity Futures Trading Commission (CFTC)</p> <p>May 23, 2022</p>	<p>“Block Trade” Definition Compliance Begins May 25, Ending Staff CFTC Provided No-Action Relief</p> <p>The Commodity Futures Trading Commission announced that the block trade no-action relief provided in CFTC Staff Letter No. 20-35 to swap execution facilities (SEFs) will expire May 25. As of that date, SEFs are required to comply with the amended definition of “block trade” under CFTC Regulation 43.2.</p> <p>Since 2014, DMO has provided no-action relief for SEFs that have rules and/or procedures to facilitate the execution of block trades for swaps that are intended-to-be-cleared (ITBC) through the SEF’s non-order book trading systems or platforms, and thus were not compliant with the then-Part 43 final rules definition of “block trade” which required block trades to occur away from a SEF’s trading systems or platforms (Block Trade Relief).</p> <p>On September 17, 2020, the Commission approved Final Rule: Part 43 Real-time Public Reporting Rules that amended certain real-time public swap reporting and dissemination requirements. In particular, the Part 43 Real-time Public Reporting Rules amended the definition of “block trade” to allow block trades for ITBC swap blocks to be executed on a SEF’s non-order book trading systems or platforms codifying the Block Trade Relief. In addition, the amended definition of “block trade” would also allow non-ITBC swap block trades to be executed on a SEF’s non-order book trading systems or platforms. The Part 43 Real-time Public Reporting Rules’ amendments to the “block trade” definition were effective on January 25, 2021, with a compliance date of May 25, 2022.</p> <p>Beginning May 25, SEFs are required to comply with the amended definition of “block trade” under CFTC Regulation 43.2 in order to facilitate the execution of swap block trades through the SEF’s non-order book trading systems or platforms.</p> <p>Further information can be found here.</p>

Source and Date	Brief description
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Commodity Futures
Trading Commission
(CFTC)

May 9, 2022

CFTC Issues Proposed Rule to Modify Swap Clearing Requirement to Address Transition from LIBOR and Other Interbank Offered Rates to Alternative Reference Rates

The Commodity Futures Trading Commission unanimously voted to approve a notice of proposed rulemaking (NPRM) to modify the Commission’s interest rate swap clearing requirement to remove certain clearing requirements tied to the London Interbank Offered Rate (LIBOR) and other interbank offered rates, and replace them with similar clearing requirements for swaps referencing overnight, nearly risk-free reference rates. The NPRM proposes to update the swaps required to be submitted for clearing to a derivatives clearing organization (DCO) or an exempt DCO under part 50 of the CFTC’s regulations and update the table of compliance dates for the CFTC’s swap clearing requirement to reflect the new set of swaps required to be cleared.

The NPRM proposes to amend CFTC regulation 50.4(a) in several respects, including:

- Removing swaps denominated in British pound (GBP), Swiss franc (CHF), and Japanese yen (JPY) that reference LIBOR as a floating rate index from each of the fixed-to-floating swap, basis swap, and forward rate agreement (FRA) classes, as applicable;
- Removing swaps denominated in Euro (EUR) that reference Euro Overnight Index Average (EONIA) as a floating rate index from the overnight index swap (OIS) class;
- Adding to OIS class five categories of swaps; and
- Changing the maximum stated termination date range for swaps denominated in GBP that reference the Sterling Overnight Index Average (SONIA) as a floating rate index in the OIS class to 50 years, for a total termination date range of 7 days to 50 years.

Additional changes are proposed to take effect on July 1, 2023.

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

Source and Date	Brief description
<p>Securities and Exchange Commission (SEC)</p> <p>April 6, 2022</p>	<p>SEC Proposes Rules for the Registration and Regulation of Security-Based Swap Execution Facilities</p> <p>The Securities and Exchange Commission proposed new Regulation SE under the Securities Exchange Act of 1934 (the Exchange Act) to create a regime for the registration and regulation of security-based swap execution facilities (SBSEFs). The new regulatory framework was one of the major reforms required under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) relating to the over-the-counter derivatives market.</p> <p>“This proposal would increase the transparency and integrity of the traditionally opaque over-the-counter security-based swap market, fulfilling a mandate under the Dodd-Frank Act of 2010 to register and regulate the platforms that trade these instruments,” said SEC Chair Gary Gensler. “Among other things, today’s proposal would create a framework for the registration of security-based swap execution facilities, based upon the 14 core principles for these entities spelled out in the Dodd-Frank Act. This framework would harmonize with the swap execution facility framework promulgated by our sibling agency, the Commodity Futures Trading Commission.”</p> <p>If adopted, the proposal would implement the Exchange Act’s trade execution requirement for security-based swaps and address the cross-border application of that requirement; implement Section 765 of the Dodd-Frank Act to mitigate conflicts of interest at SBSEFs and national securities exchanges that trade security-based swaps; and promote consistency between proposed Regulation SE and existing rules under the Exchange Act.</p> <p>The Commission previously proposed rules regarding SBSEFs in three separate releases between 2010 and 2013. Given the length of time that has passed since they were issued and the significant market changes that have taken place in the interim, the Commission is withdrawing all previously proposed rules, rule amendments, and interpretations regarding SBSEFs.</p> <p>Futher information can be found here.</p>



Key Regulatory Developments in China

Source and Date	Brief description
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Shanghai Stock Exchange (SSE)

July 29, 2022

SSE Officially Issues Detailed Rules for Trading of Convertible Corporate Bonds and Guidelines for Self-regulation to Promote High-Quality Development of Convertible Bond Market

To implement the requirements of the Measures for the Administration of Convertible Corporate Bonds further regulate the business activities of convertible corporate bonds (hereinafter referred to as convertible bonds) of listed companies, promote the high-quality development of the convertible bond market, and protect the legitimate rights and interests of investors, the Shanghai Stock Exchange (hereinafter referred to as the SSE) has, under the overall guidance of the China Securities Regulatory Commission (CSRC), drafted the *Shanghai Stock Exchange Detailed Rules for the Implementation of Trading of Convertible Corporate Bonds* (hereinafter referred to as the Detailed Trading Rules) and the *Guidelines No. 12 of the Shanghai Stock Exchange for Self-regulation of Listed Companies — Convertible Corporate Bonds* (hereinafter referred to as the Guidelines for Self-regulation), and solicited public opinions. Overall, the market players showed great support for the institutional framework and main content of these rules, and put forward some comments and suggestions. After careful deliberation, the SSE absorbed and adopted some suggestions and officially issued relevant rules on July 29, 2022.

Considering the characteristics of convertible bonds, the Detailed Rules for Trading optimize the trading mechanism, strengthen trading supervision, and enhance risk prevention and control of convertible bonds while providing reasonable pricing space. By preventing excessive speculation, this can promote the healthy and long-term development of the convertible bond market.

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

The People’s Bank of China (PBC) and China Banking and Insurance Regulatory Commission (CBIRC)

July 8, 2022

Public Comments Were Solicited on the Measures for the Evaluation of Systemically Important Insurance Companies (Draft)

To improve the regulatory framework of my country’s systemically important financial institutions and establish an evaluation and identification mechanism for systemically important insurance companies, the People’s Bank of China and the China Banking and Insurance Regulatory Commission have drafted the *Measures for the Evaluation of Systemically Important Insurance Companies (Draft for Comment)*, which are now open to the public for comments.

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

Source and Date	Brief description
<p>Shenzhen Stock Exchange (SZSE) July 4, 2022</p>	<p>SZSE Continues to Improve Business Rules on Convertible Bonds to Further Promote the High-quality Development of the Convertible Bond Market</p> <p>SZSE recently revised the <i>Implementation Rules of Shenzhen Stock Exchange for the Convertible Corporate Bond Business</i> and formed the <i>Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 15 – Convertible Corporate Bonds (Exposure Draft)</i> (hereinafter referred to as the <i>Guidelines on Convertible Bonds</i>). The move is to put in place the requirements of the Measures for the Management of Convertible Corporate Bonds (hereinafter referred to as the Management Measures), further regulate relevant services concerning convertible bonds such as listing, conversion, redemption, resale and information disclosure, and protect investors’ rights and interests.</p> <p>Convertible bonds, as a hybrid securities type with the characteristics of both stocks and bonds, can better meet the diversified investment and financing needs of listed companies and investors. In recent years, with the deepening of the reform of the capital market, the trading of convertible bonds has become popular and listed companies have been actively issuing convertible bonds to raise funds or purchase assets. Convertible bonds are playing a more and more significant role in strengthening the capability of the financial sector in serving the real economy, raising the proportion of direct financing, optimizing the investment and financing structure, etc.</p> <p>For further information, click here.</p>
<p>Shenzhen Stock Exchange (SZSE) and China Securities Depository and Clearing Corporation Limited (CSDC) July 1, 2022</p>	<p>SZSE and CSDC Release Bond Trading, Registration and Settlement Rules for Overseas Institutional Investors, Further Opening the Bond Market</p> <p>To put into practice the arrangements set forth in the <i>Announcement by the People’s Bank of China, China Securities Regulatory Commission and State Administration of Foreign Exchange [2022] No. 4</i> (Matters on Further Facilitating Overseas Institutional Investors to Invest in China’s Bond Market), further facilitate overseas institutional investors to participate in bond trading and lift the opening level of Shenzhen bond market, on 29 June 2022, Shenzhen Stock Exchange (“SZSE”) and China Securities Depository and Clearing Corporation Limited (“CSDC”) jointly published the <i>Implementation Rules of Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited for Bond Trading, Registration and Settlement Business for Overseas Institutional Investors</i>, laying down specific arrangements for overseas institutional investors with approved access to the interbank bond market to participate in the bond market of Shenzhen.</p> <p>For further information, click here.</p>

Source and Date	Brief description
Shanghai Stock Exchange (SSE) June 28, 2022	<p>SSE Enhances Opening-up by Expanding Overseas Funds' Access to Its Bond Market</p> <p>The Shanghai Stock Exchange (SSE) and the China Securities Depository and Clearing Co., Ltd. (CSDC) jointly released today the <i>Detailed Rules of the Shanghai Stock Exchange and the China Securities Depository and Clearing Co., Ltd. for Bond Trading, Registration and Settlement for Overseas Institutional Investors</i> (hereinafter referred to as the Detailed Rules). In line with the relevant provisions of the <i>Announcement of the People's Bank of China, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange</i> ([2022] No. 4 Document) issued on May 27, 2022, the release is intended to propel the opening up of the exchange bond market, draw in overseas funds to support the development of the real economy, and raise the internationalization level of the bond market. It also aims to further clarify the custody, account opening, trading, registration, settlement and other matters for overseas institutional investors to participate in the SSE's bond market.</p> <p>The Detailed Rules regulate the relevant conduct of overseas institutional investors in bond trading on the SSE, and broaden the channels for them to participate in the exchange bond market. Going forward, the SSE will continue to implement the decisions and arrangements of the CPC Central Committee and the State Council. Under the unified guidance of the China Securities Regulatory Commission, the SSE will constantly improve the institutional arrangements for bond trading, provide a more friendly and convenient environment for domestic and overseas investors, fully utilize domestic and foreign resources, better support the real economy, and create a new landscape for the opening up of the bond market that meets the requirement for high-quality development.</p> <p>For further information, click here.</p>

Source and Date	Brief description
Shenzhen Stock Exchange (SZSE) June 21, 2022	<p>SZSE Further Tightens its Regulation over Convertible Bond Trading to Effectively Protect the Legitimate Rights and Interests of Investors</p> <p>To implement the <i>Measures on Administration of Convertible Corporate Bonds</i>, further guard against the risks in trading convertible corporate bonds (“CBs”) and maintain the trading order in the market, Shenzhen Stock Exchange (“SZSE”) has drafted the <i>Implementation Rules of Shenzhen Stock Exchange for Convertible Corporate Bond Trading (Exposure Draft)</i> (“Trading Rules”) under the overall guidance of CSRC. Solicitation of market opinions started on June 17. Meanwhile, SZSE released the Notice on the Suitability Management of Convertible Corporate Bonds (“Suitability Notice”), with a view to further enhancing the investor suitability management of CBs and protecting their legitimate rights and interests. The Suitability Notice took effect on June 18.</p> <p>In recent years, CBs have gradually become an important financing instrument for listed companies, especially for small and medium-sized private listed companies, and played a positive role in serving the real economy, increasing the proportion of direct financing, and optimizing financing structure. In the meantime, some problems arose, such as mismatch between rules and product attributes, big fluctuations within the day and failure to adapt to investor suitability management. Thus, improvement is needed. In line with the market-oriented principle, the drafting of the <i>Trading Rules and the Suitability Notice</i> gave equal attention to CB market efficiency and stability and investor protection to prevent excessive speculation and maintain the stability of the CB market. As no adjustment to the primary market financing policy is involved, relevant measures won’t affect the proper financing functioning of the CB market or reduce the service and support for the real economy, especially for small and medium-sized private listed companies.</p> <p>For further information, click here.</p>

Source and Date	Brief description
<p>The People's Bank of China (PBC)</p> <p>June 16, 2022</p>	<p>Yinfa No. 139 [2022], Notice of the People's Bank of China on Supporting Cross-Border RMB Settlement for New Business Forms of Foreign Trade</p> <p>The purpose of this notice is to implement the <i>Opinions of the General Office of the State Council on Accelerating the Development of New Business Forms and Models of Foreign Trade</i> (Guobanfa [2021] No. 24), enable cross-border RMB settlement to better serve the real economy and facilitate trade and investment, and support the development of new business forms of foreign trade.</p> <p>A domestic bank that partners with payment institutions should possess at least three years of experience in conducting cross-border RMB settlement business, meet the requirements for a provisions bank, be capable of verifying the authenticity and lawfulness of the payment institutions' cross-border RMB settlement transactions, and have the capabilities in conducting anti-money laundering, counter-terrorist financing, and anti-tax evasion, which is adaptive to the characteristics of the cross-border RMB settlement business of payment institutions.</p> <p>For further information (in Chinese), click here.</p>
<p>China Securities Regulatory Commission (CSRC)</p> <p>April 20, 2022</p>	<p>Improve the basic system of the capital market and serve the high-quality development of the real economy – CSRC congratulates the adoption of the Futures and Derivatives Law of the People's Republic of China</p> <p>On April 20, 2022, the 34th meeting of the Standing Committee of the 13th National People's Congress voted to pass the <i>Futures and Derivatives Law of the People's Republic of China</i> (hereinafter referred to as the Futures Law). The formulation of the Futures law is guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and implements the central government's decision and deployment on improving the basic system construction of the capital market. The formulation of Futures law has made a series of institutional arrangements on the basis of summarizing historical experience and learning from international beneficial practices.</p> <p>Based on the actual market conditions, the Futures Law takes two markets into consideration: on the one hand, the system stipulates the basic systems of futures markets such as futures trading and settlement and delivery, establishes a trader protection system, and regulates futures business institutions, futures trading venues, and futures settlement. The operation of market entities such as institutions and futures service institutions, and clarify the supervision and management of the futures market. On the other hand, the Derivatives transaction was included in the scope of legal adjustment, fully absorbed the consensus reached by the G20 to strengthen the supervision of derivatives after the global financial crisis, learned from the experience of international mature markets, established a single master agreement, terminated netting and other basic systems for derivatives transactions.</p> <p>For further information (in Chinese), click here.</p>

Source and Date	Brief description
<p>The People's Bank of China (PBC) and State Administration of Foreign Exchange (SAFE)</p> <p>April 18, 2022</p>	<p>Notice on Strengthening Financial Services for COVID-19 Containment and Socio-Economic Development</p> <p>The purpose of notice is to ensure effective financial support for pandemic containment and socio- economic development.</p> <p>Financial institutions should maintain contact with transportation companies to meet their financing needs, and offer “fast track” services to transportation and logistics companies with large COVID-19 control and emergency shipping tasks, so that they may enjoy simplified credit approval procedures and more flexible and convenient financial services. For those transportation and logistics companies and truck drivers that have repayment challenges due to COVID-19, financial institutions are encouraged to appropriately extend or renew the loan term. More tools such as the civil aviation emergency loan scheme should be fully employed to increase credit support to airlines and airports.</p> <p>For further information (in Chinese), click here.</p>
<p>China Securities Regulatory Commission (CSRC)</p> <p>April 2, 2022</p>	<p>The CSRC Solicits Public Comments on Revision to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies</p> <p>To support domestic companies to offer and list securities in overseas markets pursuant to laws and regulations, to strengthen the confidentiality and archives administration concerning such overseas securities offering and listing by domestic companies, and to enhance cross-border regulatory cooperation in this regard, China Securities Regulatory Commission (CSRC), Ministry of Finance of the People's Republic of China (MoF), National Administration of State Secrets Protection, and National Archives Administration of China, have jointly revised the <i>Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing</i> (Announcement No.29 [2009] of the CSRC, hereinafter referred to as the “Provisions”). Now the revised Provisions is open for public consultations.</p> <p>The revised <i>Provisions</i> made the following adjustments to accommodate the new circumstances and developments concerning overseas securities listing and offering: First, adding the <i>Accounting Law of the People's Republic of China</i>, the <i>Law of the People's Republic of China on Certified Public Accountants</i> and others as its superordinate laws and regulations; Second, expanding the scope to govern both direct and indirect overseas listing, as is consistent with the <i>Draft Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies</i>; Third, setting clear requirements on companies' duty of information security by introducing clearer guidance to domestic companies, relevant securities companies and securities service providers on confidentiality and archives administration concerning overseas securities offering and listing by domestic companies; Fourth, laying a solid institutional foundation for secure and efficient cross-border regulatory cooperation and improving relevant arrangements.</p> <p>For further information, click here.</p>

Public Events & Conferences

Source and Date	Brief description
China Securities Regulatory Commission (CSRC) July 28, 2022	<p>China-Switzerland Stock Connect Officially Launched</p> <p>On July 28, 2022, Mr. Fang Xinghai, Vice Chairman of the China Securities Regulatory Commission, and Ms. Daniela Stoffel, State Secretary of the Swiss Federal Department of Finance, jointly announced the official launch of the China-Switzerland Stock Connect and delivered speeches. Mr. Wang Shiting, Chinese Ambassador to Switzerland, attended and addressed the launch ceremony, followed by speeches of Mr. Thomas Zeeb, Head Exchanges of the SIX Swiss Exchange, Mr. Cai Jianchun, President of the Shanghai Stock Exchange, and Ms. Sha Yan, President & CEO of the Shenzhen Stock Exchange. The launch ceremony was also attended by Mr. Wang Guojian, Deputy Director-General of the Capital Account Management Department of the State Administration of Foreign Exchange and Mr. Kong Qingwen, General Manager of China Securities Depository and Clearing Corporation Limited.</p> <p>The China-Switzerland Stock Connect, opening a new chapter in the capital market cooperation between the two countries, is of great significance to broadening channels for cross-border financing and investment, and deepening Sino-Swiss cooperation in the financial area.</p> <p>For further information, click here.</p>
China Banking and Insurance Regulatory Commission (CBIRC) July 11, 2022	<p>CBIRC Issues the Notice on Further Promoting Financial Services for the High-Quality Development of the Manufacturing Industry</p> <p>The Notice consists of nine measures. It puts forward requirements on further promoting financial services for the high-quality development of the manufacturing industry, mainly from the aspects of task and objectives, key areas, financial innovation, support policies, risk prevention, regulatory coordination, etc.</p> <p>The Notice requires that CBIRC local offices as well as banking and insurance institutions should deeply understand the significance of supporting the development of the manufacturing industry; emphasizes that banking institutions should strengthen financial support, and innovate financial products and services for key areas, such as the advanced manufacturing industries, strategic emerging industries, the transformation and upgrading of traditional industries, etc. The Notice points out that banking institutions should focus on the weak links in the development of the manufacturing industry; and stresses that banking and insurance institutions should further strengthen internal control and compliance as well as comprehensive risk management. Banking institutions should implement “three checks” on loans (pre-loan investigation, loan examination and post-loan review). CBIRC local offices should incorporate financial services for the development of the manufacturing industry into daily supervision.</p> <p>For further information, click here.</p>

Source and Date	Brief description
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Shanghai Stock Exchange

(SSE)

June 28, 2021

Inclusion of ETFs in Stock Connect between Mainland and Hong Kong Markets Officially Approved to Launch

According to a joint announcement issued today by the China Securities Regulatory Commission (CSRC) and the Hong Kong Securities and Futures Commission (SFC), the inclusion of ETFs in the Stock Connect Mechanism between the markets in China’s mainland and Hong Kong (hereinafter referred to as the Stock Connect) has been approved and will be officially launched on July 4, 2022. As a landmark achievement in the upgrading of the Stock Connect, the move also marks another important breakthrough in continuously strengthening the reform of the capital market and advancing high-standard opening up.

The relevant business rules for the inclusion of ETFs in the Stock Connect, released earlier by the SSE, clarified the conditions for the inclusion of ETFs, adjustment mechanisms, trading arrangements and other matters to the market. Meanwhile, in order to ensure that the market is well prepared, the SSE has organized market participants to make further preparations for the launch of the business, worked with the member institutions to carry out multiple process tests for the trading system, and urged members to strengthen internal control and risk prevention. At present, business and technology preparations have generally been completed for the inclusion of ETFs into the Stock Connect.

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



Source and Date	Brief description
Shenzhen Stock Exchange (SZSE) June 15, 2022	<p>As CNI Indices Include STAR Market Securities, SZSE Makes Unremitting Efforts to Develop Market Investment</p> <p>SZSE's wholly-owned subsidiary Shenzhen Securities Information Co., Ltd. issued an announcement, saying that the securities traded on Science and Technology Innovation Board (or the STAR Market) were successfully incorporated into the CNI cross-market indices on June 13th. This is a pragmatic move by SZSE to better play the role of indices in channeling investment and serve the high-quality development of real economy, marking further diversification of the A-share index system and another important progress in market investment development.</p> <p>Product indices were adjusted. 19 of the 31 CNI cross-market indices have securities of the STAR Market included in, which involve 44 index fund products. By the end of May, relevant products totaled CNY 58.4 billion. Six securities of the STAR Market were included into CNI Semiconductor Chips Index, carrying the highest weight of 19.8%, and five STAR Market securities added into CNI Biomedicine Index, carrying a weight of 9.4%. Influential in relevant fields of the A-share market, the two indices CNI Chips and CNI Biomedicine, after adjustment, will further absorb representative enterprises in the fields. 82 securities of the STAR Market were included into CNI 2000 Index, representing the largest new inclusion of STAR Market stocks. Among them, there were 12 specialized and sophisticated enterprises that produce new and unique products. The number of samples under CNI 2000 Index has thus been increased to 145, leading major broad-based indices in the A-share market.</p> <p>For further information, click here.</p>

The People's Bank of China (PBC) and China Banking and Insurance Regulatory Commission (CBIRC)

April 29, 2022

Yinfa No. 100 [2022], Notice of the People's Bank of China and the China Banking and Insurance Regulatory Commission on the Issuance of Total Loss-Absorbing Capacity Eligible Non-Capital Bonds by Global Systemically Important Banks

The purpose of this notice is to raise the total loss-absorbing capacity ("TLAC") of Chinese global systemically important banks ("G-SIBs"), prevent and defuse systemic financial risks, maintain financial stability, and protect investors.

TLAC-eligible non-capital bonds should include clauses on write-down or conversion to equity. Where the issuing G-SIB enters resolution and has already written down or converted into equity all of its Tier 2 capital instruments, the PBC or the CBIRC has the power to require mandatory write-down or conversion to equity of all or a portion of its TLAC-eligible non-capital bonds.

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

Key Regulatory Developments in Hong Kong



Source and Date	Brief Description
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<p>Hong Kong Monetary Authority (HKMA)</p> <p>July 7, 2022</p>	<p>HKMA joins the International Financial Consumer Protection Organisation</p> <p>The HKMA announced that it has joined the International Financial Consumer Protection Organisation (FinCoNet) as a member institution.</p> <p>Established in 2013, FinCoNet’s mission is to ensure strong protection for financial consumers through effective supervision, as well as to conduct research and facilitate experience sharing in respect of financial consumer protection measures and supervisory arrangements. Inclusive of the HKMA, FinCoNet’s membership includes more than 30 regulators responsible for financial consumer protection around the world.</p> <p>For more information, click here.</p>
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<p>Hong Kong Monetary Authority (HKMA)</p> <p>July 4, 2022</p>	<p>Enhanced Currency Swap Agreement between People’s Bank of China and HKMA</p> <p>The People’s Bank of China (PBoC) and the HKMA announced that the Currency Swap Agreement had been enhanced. It has become a long-standing arrangement with no need for renewal. Its size has also been expanded from RMB500 billion/HKD590 billion to RMB800 billion/HKD940 billion.</p> <p>On this basis, the HKMA will further enhance the RMB Liquidity Facility, including increasing the size and streamlining the operation, to support the continued development of Hong Kong’s offshore RMB market. Details will be announced in due course.</p> <p>For more information, click here.</p>
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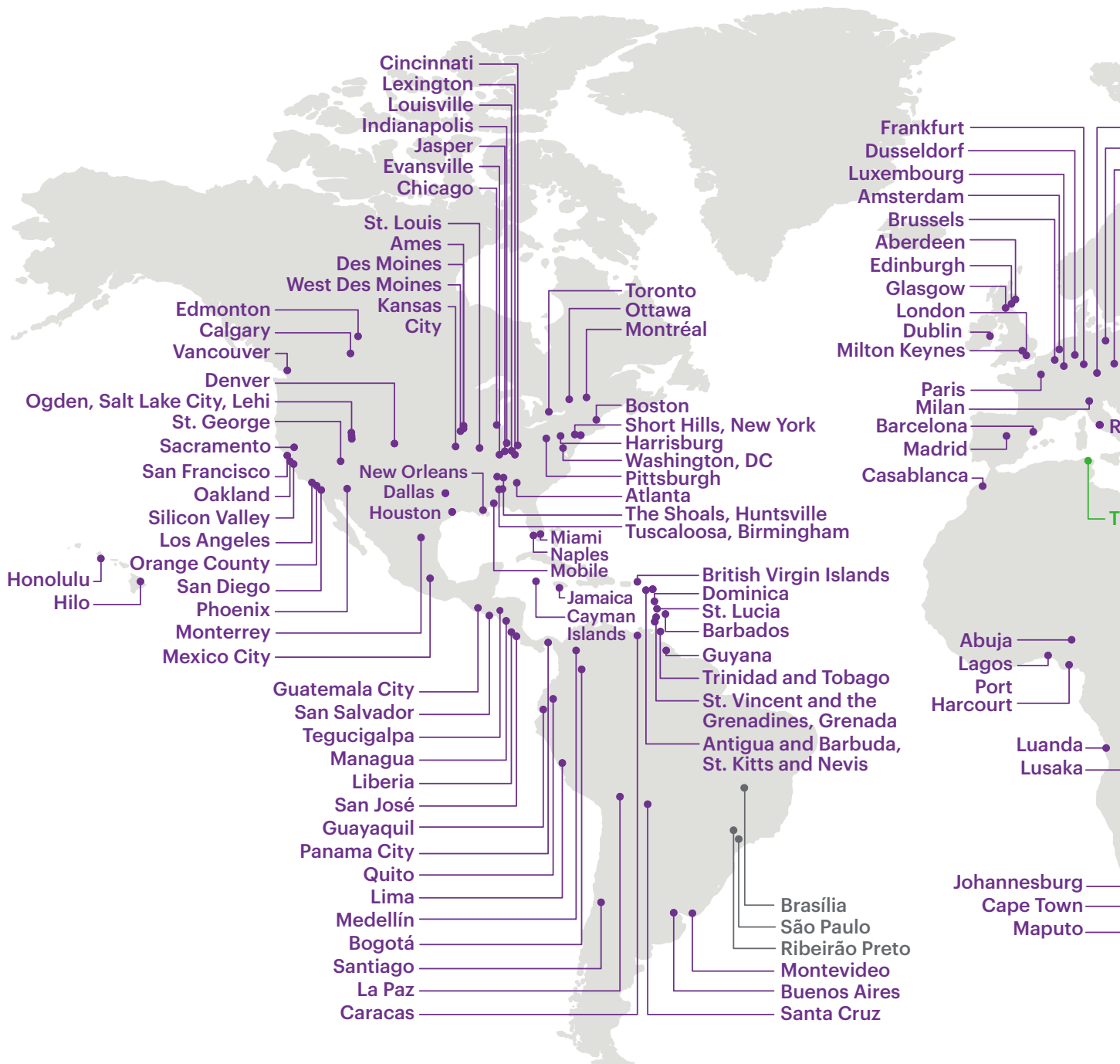
<p>Securities and Futures Commission (SFC)</p> <p>July 4, 2022</p>	<p>Regulators announce development of Swap Connect</p> <p>The SFC, the People’s Bank of China and the HKMA jointly announced that OTC Clearing Hong Kong Limited, China Foreign Exchange Trade System (National Interbank Funding Center) and Shanghai Clearing House are working to develop Swap Connect, a new mutual market access programme.</p> <p>Swap Connect would enable offshore investors to execute interest rate derivatives transactions with onshore investors in Mainland China. This would be an effective way for offshore investors to manage interest rate risks arising from investments in the Mainland bond market. According to the joint announcement, the northbound link will be introduced first.</p> <p>For more information, click here.</p>
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Source and Date	Brief Description
Securities and Futures Commission (SFC) June 28, 2022	<p>Launch of ETF Connect</p> <p>The SFC and the China Securities Regulatory Commission (CSRC) jointly announced the launch of ETF Connect. Trading of exchange-traded funds (ETFs) under Mainland-Hong Kong Stock Connect would commence on 4 July 2022. The SFC’s Chief Executive Officer, Mr Ashley Alder, took the view that ETF Connect is an important milestone because for the first time Stock Connect is expanded beyond stock trading. He also considered that it will catalyse Hong Kong’s growth as an ETF hub and underscore Hong Kong’s unique role connecting global capital with the Mainland.</p> <p>For more information, click here.</p>
Securities and Futures Commission (SFC) June 10, 2022	<p>SFC proposes amendments to the Securities and Futures Ordinance to strengthen enforcement</p> <p>The SFC launched a two-month consultation on proposed enforcement-related amendments to the Securities and Futures Ordinance (SFO) to enable it to take more effective enforcement action.</p> <p>The amendments would broaden the scope of some SFO provisions to expand the basis for the SFC to apply for remedial and other orders against a regulated person under section 213. They would also enable the SFC to address insider dealing perpetrated in Hong Kong involving overseas-listed securities and insider dealing involving Hong Kong-listed securities perpetrated elsewhere.</p> <p>For more information, click here.</p>
Securities and Futures Commission (SFC) April 26, 2022	<p>SFC proposes changes to the position limit regime</p> <p>The SFC launched a consultation on proposed changes to the position limit regime for listed futures and options contracts. A key proposal is to set out how the statutory prescribed limits and reporting requirements should be applied to unit trusts and sub-funds under an umbrella fund. Other proposed changes involve reportable positions in contracts traded on holiday trading days and the inclusion of a broader range of contracts which may be authorised by the SFC for excess positions.</p> <p>For more information, click here.</p>

Source and Date	Brief Description
<p>Securities and Futures Commission (SFC)</p> <p>April 22, 2022</p>	<p>Amendments to the REIT Code in relation to bookbuilding and placing activities</p> <p>The SFC issued a circular setting out consequential amendments to the Code on Real Estate Investment Trusts (REIT Code) which dovetail with changes to the Code of Conduct for Persons Licensed by or Registered with the SFC in relation to bookbuilding, pricing, allocation and placing activities. The changes are part of regulatory enhancements to clarify the roles of intermediaries and set out the standards expected of them in these activities.</p> <p>The amendments will become effective on 5 August 2022. New requirements will be applicable to authorisation applications for REITs to be submitted or re-filed on or after 5 August 2022.</p> <p>For more information, click here.</p>
<p>Insurance Authority (IA)</p> <p>April 1, 2022</p>	<p>IA and HKMA introduce measures to enhance protection of policy holders in the use of premium financing when taking out life insurance policies</p> <p>The IA and the HKMA each issued a circular (IA circular and HKMA circular respectively) clarifying the supervisory standards and requirements related to the use of premium financing in taking out life insurance policies. The IA circular was addressed to all authorized life insurers and licensed insurance intermediaries carrying on regulated activities in relation to long term business, and the HKMA circular was addressed to all authorized institutions.</p> <p>For more information, click here.</p>



Global presence



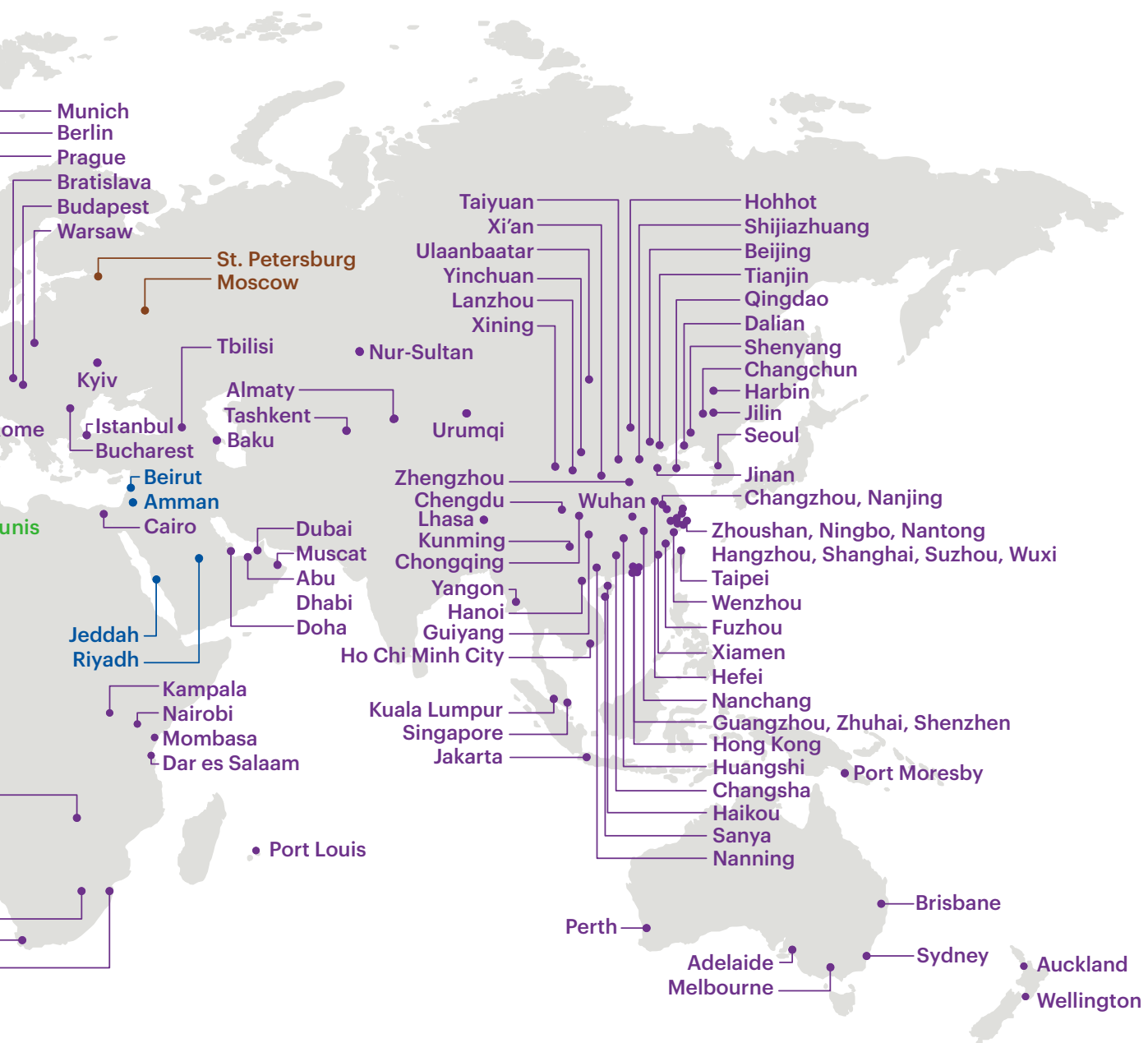
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June 2022

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