DENTONS

Global Financial Markets Regulatory Review

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Editorial note

Dentons is pleased to present the September 2023 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 12,500 people in 160+ locations and 80+ 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.

Contents

Key Regulatory Developments in Australia

Source/Date	Brief description
Australian Securities and Investments Commission August 16, 2023	**ASIC releases *Report 768 Navigating the storm: ASIC's review of home insurance claims (REP 768)*** This report provides insights on how general insurers in Australia dealing with home insurance products should improve their claims handling practice in accordance with the duty of utmost good faith, and the obligations as the Australian financial services licence (AFSL) holders to do so efficiently, honestly and fairly. Further information is available here.
Australian Prudential Regulation Authority August 10, 2023	**APRA provides interim update for all ADIs on its policy priorities** APRA has written to all authorised deposit-taking institutions (ADIs) (this includes banks, credit unions, building societies and others) with an update on its policy initiatives for 2023, setting out the remaining items for the year as well as upcoming changes. Since the February 2023 update, APRA has now finalised the following Prudential Standards: • *CPS 230 Operational Risk Management*; and • *CPS 900 Resolution Planning*. Key priorities for the remainder of 2023 are: • finalising *APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book*; • consulting on changes to *APS 210 Liquidity* on the treatment of liquid assets for ADIs on the minimum liquidity holdings approach; • issuing a Discussion Paper to explore avenues to improve the effectiveness of Additional Tier 1 (AT1) capital as a crisis management tool; and • consulting on minor updates to the bank capital framework based on industry feedback received in respect of recent APRA reform on capital framework for ADIs. Further information is available here.

Source/Date	Brief description
Australian Securities and Investments Commission August 8, 2023	**ASIC extends transitional relief for foreign financial services provides (FFSP)** ASIC has extended the transitional relief for FFSPs from the requirement to hold an AFSL when providing financial services to Australian wholesale clients. The following exemptions will remain available until March 31, 2025: • sufficient equivalence relief; and • limited connection relief. In turn, the commencement date for the *ASIC Corporations (Foreign Financial Services Providers—Funds Management Financial Services) Instrument 2020/199* is now delayed to April 1, 2025, under which certain FFSPs providing funds management financial services are relieved from the licensing requirements. Further information is available here.
Australian Federal Treasury August 7, 2023	**Treasury releases draft legislation on the licensing exemptions for FFSP** Treasury released an exposure draft *Treasury Laws Amendment (Measures for Future Bills) Bill 2023: Licensing exemptions for foreign financial services providers* to replace the existing exemptions for FFSPs from having to hold an AFSL. Possible exemptions under the draft are: • comparable regulator exemption; • professional investor exemption; • market maker exemption; and • exemption from fit and proper person assessment when applying for an AFSL. Further information is available here.

Source/Date	Brief description
Australian Prudential Regulation Authority August 1, 2023	**APRA finalises requirements for remuneration disclosure** APRA has finalised the disclosure requirements under the *Prudential Standard CPS 511 Remuneration* (CPS 511) which is set to come into effect on 1 January 2024. Entities subject to CPS 511 (across banking, insurance and superannuation) are required to annually publish information on their remuneration frameworks, design, governance and outcomes. Larger and more complex entities (referred to as 'significant financial institutions' or 'SFIs') are subject to enhanced disclosure requirements, including on payments to top executives and how they have placed a material weight on non-financial measures such as risk management. Further information is available here.
Australian Parliament July 23, 2023	**Treasury Laws Amendment (Financial Services Compensation Scheme of Last Resort) Bill 2023** Parliament passed the Treasury Laws Amendment (Financial Services Compensation Scheme of Last Resort) Bill (CSLR) which amends the *Corporations Act 2001* (Cth), *Australian Securities and Investments Commission Act 2001* (Cth) and *National Consumer Credit Protection Act 2009* (Cth) to establish the financial services compensation scheme of last resort. The CSLR will facilitate compensation to consumers who have unpaid determinations awarding monetary compensation that has been made in their favour from the Australian Financial Complaints Authority, relating to personal financial advice, credit intermediation, securities dealing and credit provision. Consumers will be able to lodge claims for compensation under this regime from April 2024, with the first compensation payments to follow soon after. Further information is available here.

Source/Date	Brief description
Australian Prudential Regulation Authority, and Australian Securities and Investments Commission July 20, 2023	**APRA and ASIC commence early consultation on Financial Accountability Regime** Jointly regulated by APRA and ASIC, the long awaited Financial Accountability Regime (FAR) is set to replace the current Banking Executive Accountability Regime (**BEAR**), subject to receiving Royal Assent. The regulators released a joint consultation and invited for industry submissions on the following, in draft forms: • *Financial Accountability Regime Act (Information for register) Regulator Rules 2023*; • *Financial Accountability Regime (Consequential Amendments) Transitional Rules 2023*; and • ADI key functions descriptions. Further information is available here.
Australian Prudential Regulation Authority July 17, 2023	**APRA finalises *Prudential Standard CPS 230 Operational Risk Management*** APRA released the final CPS 230 aimed at ensuring banks, insurers and superannuation trustees can better manage operational risks and respond to business disruptions. CPS 230 is set to commence on 1 July 2025 and seeks to: • strengthen operational risk management through new requirements to address identified weaknesses in existing controls; • improve business continuity planning to ensure they are positioned to respond to severe disruptions; and • enhance third-party risk management by ensuring risks from material service providers are appropriately managed. APRA has also released a draft *Prudential Practice Guide CPG 230 Operational Risk Management* to accompany the new standard. This guide will assist entities with the implementation of CPS 230. APRA is welcoming consultation on this draft guidance until 13 October 2023. Further information is available here.

Source/Date	Brief description
Australian Federal Treasury June 27, 2023	**Mandatory Climate Disclosure Reforms** The Australian government has committed to ensuring large businesses and financial institutions provide greater transparency and accountability when it comes to their climate-related plans, financial risks, and opportunities. As a part of the reforms, the government will aim to introduce standardised, internationally-aligned reporting requirements for businesses to make disclosures regarding governance, strategy, risk management, targets and metrics – including greenhouse gasses. The proposed regime will look to separate the reporting obligations for entities captured under Chapter 2M of the *Corporations Act 2001* (Cth). Specifically, the reporting thresholds will initially start quite high to capture larger entities to provide their climate-related financial reports in 2024-25. Over time, this reporting disclosure threshold will decrease to capture the balance of the Chapter 2M corporations by 2027-28. The disclosure regime will require reporting on information including: • the reporting entity's governance of climate-related risks and opportunities; • additional, more granular information around how the reporting entity is directly responding to risks and opportunities, including changes to its business model; • the reporting entity's emission reduction targets and use of carbon offsets; • input parameters which the reporting entity uses to identify risks (for example, data sources, the scope of operations covered and the detail used in assumptions); • the reporting entity's Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions; and • how the climate-related targets which the reporting entity has set compare with those targets set in the latest international agreement on climate change and whether the targets have been validated by a third party. Treasury aims to provide an update by way of an exposure draft legislation late 2023. This second consultation paper sets out the key elements of the Government's proposed climate-related financial risks disclosure regime. The second consultation paper is available here. Further information is available here.

Source/Date	Brief description
Australian Law Reform Commission June 22, 2023	**ALRC interim report proposes overhaul of financial services legislation, creation of consolidated Financial Services Law** The ALRC has published a third Interim Report (**Report**) in its three-year review to reduce complexity in corporations and financial services legislation. The Report can be accessed here. The ALRC has proposed an overhaul of the financial services legislation in its inquiry into Australian corporations and financial services legislation. The Third Interim Report focuses on the Chapter 7 of the *Corporations Act 2001* (Cth) and concludes that the poor structure and framing of the Chapter causes difficulty in navigation of the financial services legislation. This Report is the final interim report due in this inquiry and has received submissions before the Final Report. This inquiry is part of the Government's response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released in February 2019. The final report of this inquiry is due by November 30, 2023. Further information is available here.
Australian Securities & Investments Commission June 2, 2023	**ASIC releases updated ePayments Code** The ePayments Code (**Code**) provides protection for consumers in relation to electronic payments, for example where customers mistakenly make payments to a wrong party. While subscription is voluntary, many institutions in Australia subscribe to the Code. All subscribers are required to comply with the updated Code, key changes being: • extending the Code to payments made using the New Payments Platform; • compliance monitoring and data collection; • mistaken internet payments; • unauthorised transactions; • complaints handling; • facility expiry dates; and • general improvements such as removal of ambiguity. Further information is available here and here.

Key Regulatory Developments in Europe

Key Regulatory Developments in the EU

Source/Date	Brief description
European Insurance and Occupational Pensions Authority (EIOPA) July 20, 2023	**Supervisors across Europe continue to strengthen POG supervision** EIOPA published today a peer review report on product oversight and governance (POG). The peer review has found that most national competent authorities (NCAs) have adapted their supervisory approaches and processes to the supervision of POG requirements in line with the provisions introduced by the Insurance Distribution Directive (IDD) and the POG Delegated Regulation. Based on the peer review, EIOPA issued a set of recommended actions to national supervisors with the objective of building on the existing foundations to further strengthen POG supervision. Considering that several NCAs were already in the process of improving their POG framework, EIOPA expects significant progress to be already visible when going back to NCAs for the initial follow-up after six months. More information is available here.
European Banking Authority (EBA) July 19, 2023	**EBA publishes final guidance on overall recovery capacity in recovery planning** The EBA's new guidelines establish a consistent framework for institutions to assess their financial recovery capability (ORC) during crises. Competent authorities use this assessment to gauge an institution's ability to recover from various crisis scenarios. The aim is to harmonize ORC practices, improve recovery plans, and enhance crisis preparedness. The guidelines have two sections: one for institutions to set up a reliable ORC framework and one for competent authorities, harmonizing assessment elements both quantitatively and qualitatively. More information is available here.
European Securities and Markets Authority (ESMA) July 12, 2023	**ESMA consults on rules for crypto markets** ESMA published its first of three consultation packages under the Markets in Crypto-Assets Regulation (MiCAR) and invites stakeholders to comment by September 20, 2023. In this package, ESMA is seeking input on respondents' current and planned activities as well as proposed rules for crypto-asset service providers (CASPs), in particular related to their authorization, identification and management of conflicts of interests and also how CASPs should address complaints. More information is available here.

Source/Date	Brief description
European Banking Authority (EBA) July 12, 2023	**EBA consults on draft technical standards for crypto assets** The EBA launched two separate public consultations. The consultation on complaints handling procedures under the Markets in Crypto-Assets Regulation (MiCAR) is intended to ensure prompt, fair and consistent handling of complaints by holders of asset-referenced tokens (ARTs) and other interested parties. The draft introduces new definitions and requirements related to complaints management, such as the procedure for investigating complaints and communicating a respective outcome. Another consultation involves EU market access for issuers of ARTs and the assessment of qualifying holdings in issuers of ARTs under MiCAR. This is aimed at regulating access to the EU market of ARTs by applicants and persons intending to exercise significant influence on these undertakings via the acquisition of qualifying holdings. More information is available here and here.
European Securities and Markets Authority (ESMA) July 11, 2023	**ESMA publishes final report on revised technical standards for passporting** ESMA's proposals include targeted amendments to the existing RTS and ITS that would add new information requirements to the list of details investment firms have to provide at the passporting stage under Article 34 of MiFID II. A new investment services and activities passport notification will also provide National Competent Authorities with additional information on firms planned or existing cross-border activities. More information is available here.
European Securities and Markets Authority (ESMA) July 11, 2023	**ESMA provides insights into expected sustainability disclosures in prospectuses** ESMA issued a public statement on the sustainability disclosure that is expected to be included in prospectuses, setting out its expectations on how the specific disclosure requirements of the Prospectus Regulation in relation to sustainability-related matters in equity and non-equity prospectuses should be satisfied in respect of the Environmental, Social and Governance (ESG) transition. Among other things, ESMA emphasizes the importance of an issuer's non-financial reporting under the Non-Financial Reporting Directive and the future sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD), especially because such disclosure may be considered material under the Prospectus Regulation and included in issuers' prospectuses. More information is available here.

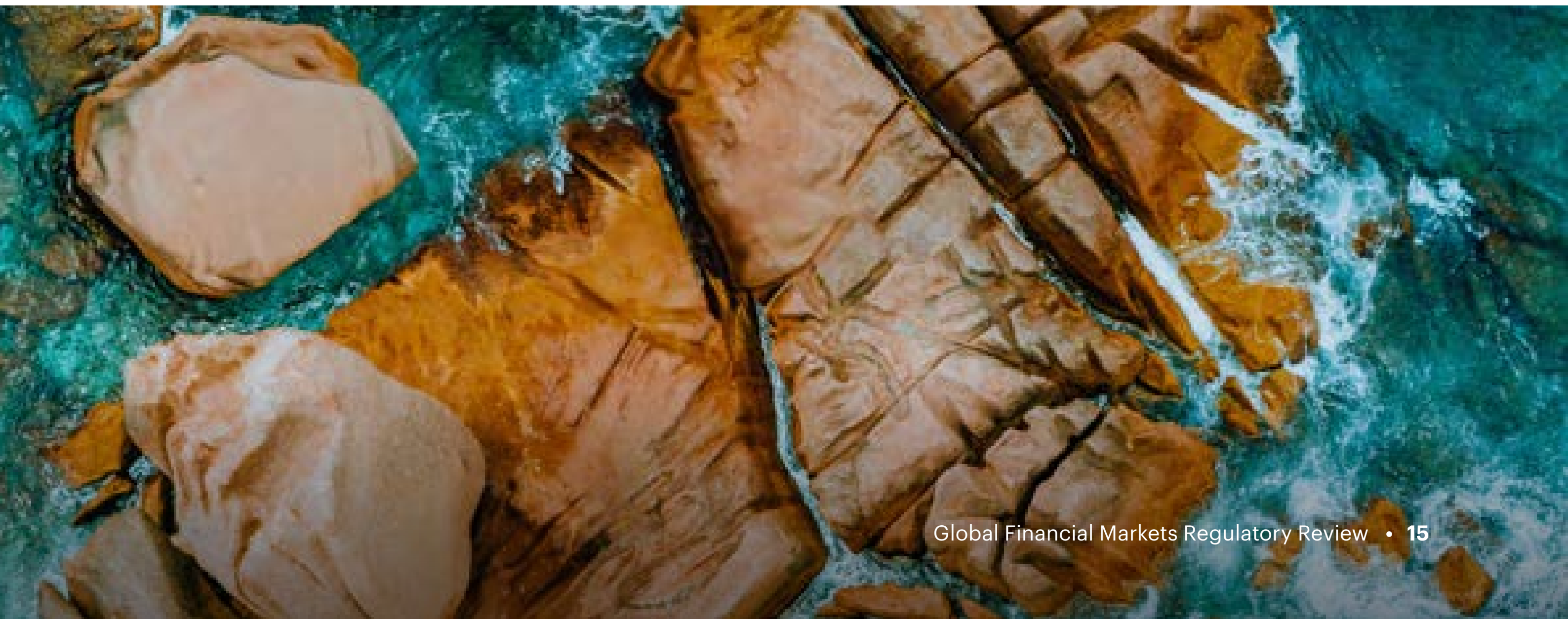
Source/Date	Brief description
European Insurance and Occupational Pensions Authority (EIOPA) July 11, 2023	**EIOPA publishes paper on methodological principles of insurance stress testing of cyber risks** The aim of the paper is to set the ground for an assessment of insurers' financial resilience under severe but plausible cyber incident scenarios. According to EIOPA, the methodological principles are built on relevant and still-evolving regulation and supervisory experience in this area and cover insurers' own cyber resilience as well as the vulnerabilities related to cyber underwriting risk in order to help in the design phase of future insurance stress tests with focus on cyber risks excluding operational resilience testing, as required under the Digital Operational Resilience Act (DORA). More information is available here.
European Securities and Markets Authority (ESMA) July 6, 2023	**ESMA and NCAs launch a Common Supervisory Action on sustainability-related disclosures and the integration of sustainability risks** According to ESMA, the goal is to assess the compliance of supervised asset managers with the relevant provisions in the Sustainable Finance Disclosure Regulation (SFDR), the Taxonomy Regulation and relevant implementing measures, including the relevant provision in the UCITS and AIFMD implementing acts on the integration of sustainability risks. The main objectives include (i) an assessment of whether market participants adhere to applicable rules and standards in practice, (ii) further information on greenwashing risks in the investment management sector and (iii) the identification of further need for supervisory and regulatory intervention to address the issue. More information is available here.
European Supervisory Authorities (ESAs) June 19, 2023	**ESAs consult on first batch of DORA policy products** The three ESAs launched a public consultation on the first of two batches of policy products under the Digital Operational Resilience Act (DORA). This includes four draft regulatory technical standards (RTS) and one set of draft implementing technical standards (ITS). These technical standards aim to ensure a consistent and harmonized legal framework in the areas of information and communication technology (ICT) risk management, major ICT-related incident reporting and ICT third-party risk management. The consultation runs until September 11, 2023. More information is available here.

Source/Date	Brief description
European Securities and Markets Authority (ESMA) June 17, 2023	**ESMA launches Call for Evidence (CfE) on sustainability in suitability and product governance** ESMA launched a CfE on integrating sustainability preferences into suitability assessment and product governance arrangements under MiFID II. The objective of this CfE is to help ESMA (i) develop a better understanding of how MiFID II requirements are being implemented and applied by firms across the Union and the challenges firms face in their application (ii) gain a better understanding of investor experience and reactions to the inclusion of sustainability factors in investment advice and portfolio management services and (iii) collect information, views and data on main trends on aspects related to the provision of sustainable investment products and services to retail clients. More information is available here.
European Supervisory Authorities (ESAs) June 1, 2023	**ESAs put forward common understanding of greenwashing and warn on risks** The three ESAs published their individual progress reports on greenwashing in the financial sector. In the reports, the ESAs put forward a common high-level understanding of greenwashing applicable to market participants across their respective—banking, insurance and pensions and financial markets. The ESAs understand greenwashing "as a practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services. This practice may be misleading to consumers, investors, or other market participants". More information is available here.

Key Regulatory Developments in the Czech Republic

Source/Date	Brief description
Czech National Bank (CNB) August 10, 2023	**Inflation decreases significantly further in line with the forecast in July 2023** The price level increased by 8.8% year on year in July 2023. Inflation thus slowed significantly further but remained well above 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 (monetary policy-relevant inflation), rose by 8.6% year on year in July. The July inflation figure was 0.1 percentage point lower than expected in the CNB's summer forecast. This was due mainly to slower growth in food prices. Core inflation slower further in July. Growth in prices of both goods and services slowed. Annual food price inflation decreased to single figures in July. The observed price developments bear out the expectations of the summer forecast that inflation will continue to fall sharply during summer. Annual inflation will slow until September and fall sharply to close to the CNB's 2% target early next year. The full CNB comment is available here (in English).
Czech National Bank (CNB) August 3, 2023	**CNB keeps interest rates unchanged** At its meeting on August 3, 2023, the CNB Bank Board kept interest rates unchanged. The two-week repo rate thus remains at 7%, the discount rate at 6% and the Lombard rate at 8%. Since October 2022, the CNB has not intervened on the foreign exchange market to counter depreciation of the koruna. The Bank Board today formally ended the intervention regime announced in May 2022 and at the same time resumed the program of sales of part of the income on international reserves. Minutes of the Bank Board meeting are available here (in English).

Source/Date	Brief description
Czech National Bank (CNB) July 13, 2023	**Inflation decreases significantly further and is slightly below the forecast in June 2023** The price level increased by 9.7% year on year in June 2023. Inflation thus slowed significantly further but remained well above 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 9.5% year on year in June. Inflation was 0.4 percentage point lower in June than the spring CNB forecast. This was due mainly to weaker-than-expected core inflation, with a deeper decline in fuel prices also contributing to a lesser extent. Core inflation eased further in June. It has been falling for a number of months, reflecting a fading of growth in prices of foreign inputs and a cooling of domestic demand. Growth in prices of both goods and services slowed. Annual food price inflation is also slowing, due mainly to declining global agricultural commodity prices and domestic agricultural producer prices, as well as weak consumer demand. The price developments bear out the expectations of the spring forecast. Year-on-year price growth will slow quickly in the months ahead. Inflation will decline to the CNB's 2% target over the monetary policy horizon, i.e. in 2024 Q2 and Q3. The full CNB comment is available here (in English).
Czech National Bank (CNB) June 21, 2023	**CNB keeps interest rates unchanged** At its meeting on June 21, 2023, the CNB Bank Board kept interest rates unchanged. The two-week repo rate (2W repo rate) thus remains at 7%, the discount rate at 6% and the Lombard rate at 8%. The Bank Board also decided that the CNB will continue to prevent excessive fluctuations of the koruna exchange rate. Minutes of the Bank Board meeting are available here (in English).

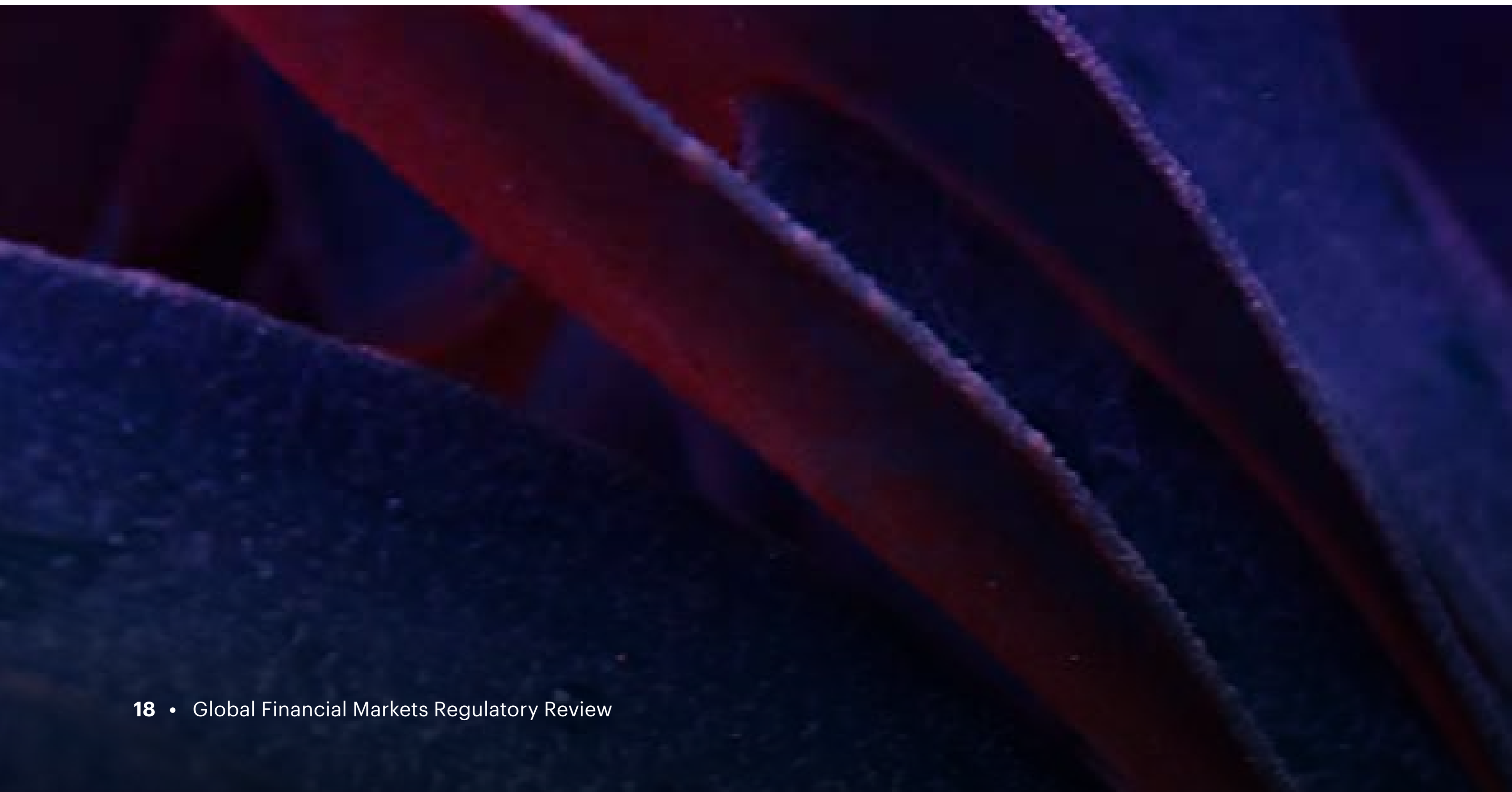


Source/Date	Brief description
Chamber of Deputies of the Czech Republic June 16, 2023	**Bill amending certain laws in connection with the development of the financial market submitted to Chamber of Deputies** On June 15, 2023, the Government submitted to the Chamber of Deputies a bill amending certain laws in connection with the development of the financial market. The aim of the submitted draft law is to introduce some measures that should contribute to the development of the financial market in the Czech Republic. The main proposed measures are the so-called long-term investment product and some changes in the third pension pillar to allow funds to invest more dynamically and to motivate participants to increase their contributions. The proposal is at an early stage of the legislative process and is yet to be discussed in the Chamber of Deputies. The draft law is available here (in Czech). The press release is available here (in Czech).
Czech National Bank (CNB) June 12, 2023	**Inflation sees a further significant decline and comes in slightly below the forecast in May 2023** The price level increased by 11.1% year on year in May 2023. Inflation thus slowed markedly further but remained well above the upper boundary of the tolerance band around the CNB's target. The May inflation figure was 0.5 percentage point lower than expected in the CNB's spring forecast. This was due mainly to weaker-than-expected core inflation and, to a lesser extent, slower annual food price inflation and a deeper decline in fuel prices. Core inflation eased further in May, reaching single figures, reflecting a fading of foreign producer price inflation and a cooling of domestic demand. Growth in prices of both goods and services slowed. CNB expects that annual consumer price inflation will fall to single digits in the summer months. It will decline to the CNB's 2% target over the monetary policy horizon, i.e. in 2024 Q2 and Q3. Full CNB comment available here (in English).

Key Regulatory Developments in Germany

Source/Date	Brief description
Federal Financial Supervision Authority (BaFin) August 3, 2023	**BaFin publishes administrative act on remuneration notifications for investment firms** Since June 2021, disclosure obligations of investment firms regarding remuneration are regulated in the Investment Firm Directive (IFD) and are implemented in Germany in the Investment Firm Act (WpIG). BaFin's administrative act now establishes new procedures for notifications on the annual reporting of data on employees who are income millionaires and must be reported to the Deutsche Bundesbank under the IFD. The administrative act was necessary to enable BaFin's own reporting obligations compared to those of the European Banking Authority, which had previously published a set of corresponding guidelines. More information (in German) is available here.
Federal Financial Supervision Authority (BaFin) August 1, 2023	**Silicon Valley Bank: BaFin recognizes measures taken by US authorities** The US Federal Deposit Insurance Corporation (FDIC) has requested BaFin to recognize the measures taken as a result of the Silicon Valley Bank default so that they would also be fully effective in Germany. In particular, the FDIC has now sold parts of the not yet liquidated German branch of Silicon Valley Bank to Bootstrap Europe III S.C.Sp., Luxembourg. The remaining positions will either be resold by the FDIC in the future or liquidated by the FDIC itself. As a foreign authority, the FDIC cannot issue sovereign orders in Germany, but BaFin has now complied with the FDIC's request by way of administrative assistance and published a corresponding administrative act. More information (in German) is available here, and (in English) here.
Federal Financial Supervision Authority (BaFin) July 12, 2023	**EU Prospectus Regulation: BaFin welcomes ESMA statement on ESG disclosure** On July 11, 2023, ESMA published a statement on sustainability disclosure in prospectuses (see above). The statement relates to prospectuses for non-equity securities, in particular green bonds, and equities. ESMA is thus ensuring that the EU Prospectus Regulation is applied uniformly throughout Europe. BaFin expects issuers to also take the ESMA statement into account when drawing up prospectuses and will take the statement into account in its own supervisory practice in order to facilitate an efficient prospectus review process. This applies in particular to the information on the sustainability profile of the issuers or on financial products that they market as sustainable. More information (in German) is available here.

Source/Date	Brief description
Federal Financial Supervision Authority (BaFin) July 5, 2023	**BaFin publishes its sustainable finance strategy** BaFin sees climate change and the environment, social issues and good corporate governance as increasingly important topics for the financial sector as well as for consumers. Therefore, BaFin outlined a new focus for its supervisory activities in its Sustainable Finance Strategy. For example, the authority intends to focus on risk-oriented and practical regulation, more reliable data on financial climate risks, and appropriate management of environment-related risks. BaFin also plans to focus on combating greenwashing and generating and sharing knowledge in open dialogs. More information is available here.
Federal Financial Supervision Authority (BaFin) July 4, 2023	**Supervisory Notice: Effects of the ECJ Ruling on Intermediary Status for Group Insurance Policies** BaFin, together with the Chambers of Industry and Commerce (DIHK and IHK), have published a supervisory notice on how the September 2022 ruling by the European Court of Justice (ECJ) (C-633/20) affects the intermediary status of policyholders of group insurance contracts. The notice specifically addresses cases in which associations or employers can be qualified as an insurance intermediary. BaFin and IHK established three core criteria for the classification as intermediary in their future supervisory practice: (i) the intermediation of insurances is the primary purpose of the activity, performed with economic interest and profit-making intent, (ii) membership in the group insurance is voluntary and (iii) insured individuals must have the right to make claims directly against the insurance undertaking. More information (in German) is available here.



Source/Date	Brief description
Federal Financial Supervision Authority (BaFin) June 29, 2023	**BaFin has updated its Minimum Requirements for Risk Management in Credit Institutions (MaRisk)** In this seventh MaRisk update, BaFin has taken into account the EBA's new guidelines on lending and credit monitoring and also addressed new aspects. Notable changes include (i) requirements for the handling of risk management by credit institutions with their real estate, (ii) the facilitations for securities trading in the home office (originally issued due to the COVID-19 pandemic and valid as long as no deviating standards are adopted internationally) and (iii) amendments and clarifications of requirements on the topic of sustainability so that institutions measure their sustainability risks using scientifically based scenarios. More information (in German) is available here.
Federal Financial Supervision Authority (BaFin) June 20, 2023	**BaFin publishes administrative acts on the extension of post-trade transparency exceptions** BaFin continues to allow transactions in financial instruments to be published later than generally required by the European Markets in Financial Instruments Regulation (MiFIR). Under MiFIR, information on transactions in financial instruments on a trading venue must generally be published in real time or as quickly as technically possible. The same applies to over the counter (OTC) transactions in financial instruments traded on a trading venue. With the publication of three separate administrative acts, BaFin continues to make use of possible exceptions under MIFIR. More information (in German) is available here.

Key Regulatory Developments in Italy

Source/Date	Brief description
Bank of Italy August 3, 2023	**Bank of Italy publishes guidance on AML requirements applicable to private banking activities** The Bank of Italy published its *Guidance for entities required to implement anti-money laundering requirements when providing private banking services and activities* drawing the attention of intermediaries to establish due diligence procedures appropriate to the characteristics of the private services and retail customers. For further information (in Italian) click here.
Bank of Italy August 2, 2023	**Bank of Italy publishes guidance for specialized crowdfunding service providers** The Bank of Italy published its *Guidance for specialized crowdfunding service providers for businesses*, which addresses how these service providers must comply with Regulation (EU) 2020/1503 (Crowdfunding Regulation) and its implementing Italian regulation. For further information (in Italian) click here.
Consob July 26, 2023	**Consob publishes COMI's guidelines on simplification of prospectuses** Consob published the new guidelines of the Committee of Market Operators and Investors (COMI) laying down the best market practices on the drawn up of prospectuses in accordance with Regulation (EU) 2017/1129 (Prospectus Regulation). For further information (in Italian) click here.
IVASS June 28, 2023	**IVASS launches consultation on digitalized transmission of personal and corporate information** IVASS launched a public consultation on its regulation laying down provisions on digitalized transmission of personal and corporate data pursuant to legislative decree no. 209 of September 7, 2005 (Italian Insurance Code). For further information (in Italian) click here.
Italian Government June 20, 2023	**Italian Government publishes IVASS provision on technical provisions** IVASS Provision no. 132 of July 6, 2023, amending and supplementing IVASS Regulation no. 18 of March 15, 2016 concerning the implementation rules for the determination of technical provisions (*riserve tecniche*) was published in the Official Gazette. The law is effective from June 21, 2023. For further information (in Italian) click here and here.

Source/Date	Brief description
Bank of Italy Consob June 19, 2023	**Bank of Italy and Consob sign memorandum of understanding on crowdfunding** The Bank of Italy and Consob signed a memorandum of understanding on crowdfunding aimed at defining areas of cooperation between the two supervisory authorities in accordance with the Crowdfunding Regulation and its implementing Italian regulations. For further information (in Italian) click here.
IVASS June 14, 2023	**IVASS launches consultation on AML internal organization, procedures, controls and customer due diligence** This public consultation concerns the amendments to its Regulation no. 44 of February 12, 2019, to make it fully compliant with the EBA *Guidelines on policies and procedures in relation to compliance management and the role and responsibilities of the AML/CFT Compliance Officer under article 8 and Chapter VI of Directive (EU) 2015/849* (EBA/GL/2022/05). For further information (in Italian) click here.
Consob June 5, 2023	**Consob publishes a notice on MiFID II remuneration requirements** Consob's notice declares its willingness to comply with ESMA 'Guidelines on certain aspects of MIFID II remuneration requirements' published on April 3, 2023 (ESMA3/43/3565) providing guidance on the remuneration policies and practices to be implemented by intermediaries according to MiFID II regulatory framework. For further information (in Italian) click here.
Bank of Italy June 1, 2023	**Bank of Italy publishes provisions on outsourcing of corporate functions** The Bank of Italy published provisions regulating the reporting of outsourcing of corporate functions by supervised intermediaries aimed at collecting information on outsourcing contracts, the relevant suppliers and sub-contractors as well as on the type of outsourced functions. For further information (in Italian) click here.
Consob June 1, 2023	**Consob publishes regulation on crowdfunding services** Consob published regulation on crowdfunding services implementing Regulation (EU) 2020/1503 on European crowdfunding service providers for business and relevant provisions of legislative decree no. 58 of February 24, 1998 (Italian Financial Act). For further information (in Italian) click here.

Source/Date	Brief description
Italian Government May 25, 2023	**Italian Government publishes FIU Provision on AML anomaly indicators** The Financial Intelligence Unit (FIU) Provision of May 12, 2023 providing for the anomaly indicators developed to facilitate the identification of suspicious transactions was published on the Official Gazette. For further information (in Italian) click here.
Bank of Italy May 17, 2023	**Bank of Italy launches consultation on Supervisory Guidance for specialized crowdfunding service providers** The Bank of Italy launched a public consultation relating to the draft 'Supervisory Guidance for specialized crowdfunding service providers for businesses' providing expectations of the Bank of Italy on the modalities by which such service providers should comply with Regulation (EU) 2020/1503 (Crowdfunding Regulation) and its implementing regulation. For further information (in Italian) click here.
Italian Government May 15, 2023	**Italian Government converts Fintech Decree into law** Law No. 52 of May 10, 2023 was published in the Official Gazette, converting into law, with amendments, Decree-Law No. 25 of March 17, 2023, on the issuance and circulation of certain financial instruments in digital form and the simplification of FinTech experiments (Fintech Decree). The law is effective from May 16, 2023. For further information (in Italian) click here.
Consob May 3, 2023	**Consob publishes notice on ESMA Guidelines on forms for DLT-based market infrastructure management** Consob published a notice announcing its intention to comply - together with the Bank of Italy - to the ESMA Guidelines of March 8, 2023, concerning standard forms for the submission of applications for the authorization to manage a market infrastructure based on distributed ledger technology (DLT). For further information (in Italian) click here.

Key Regulatory Developments in the Netherlands

Source/Date	Brief description
Dutch National Bank (DNB) July 24, 2023	**Consultation on good practices to manage inflation risk for insurers** The DNB's "Good practices for managing inflation risk for insurers" was launched to provide guidance to insurers under DNB supervision. The risk for insurers is the risk of losses or of an adverse change in the financial situation due to the impact of inflation on the (market) valuation of assets and liabilities. The deadline for submissions is September 15, 2023. For further information (in Dutch), click here.
Dutch Government July 20, 2023	**Decree implementing Investment Firm Recovery Package Directive** This Decree (*Besluit implementatie richtlijn herstelpakket beleggingsondernemingen*, the Decree) entered into force on July 20, 2023 and amends, among other regulations, the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (*Besluit gedragstoezicht financiële ondernemingen Wft)* with regards to its application to investment firms, to contribute to the recovery from the COVID-19 crisis. For further information (in Dutch), click here.
Ministry of Finance July 17, 2023	**Consultation on Sustainability Reporting Directive Implementation Act** On July 17, 2023, the Ministry of Finance published the Sustainability Reporting Directive Implementation Act (*Wet implementatie richtlijn duurzaamheidsrapportering*, the Implementation Act) for consultation, which will implement the European Sustainability Reporting Directive (2022/2464). This directive requires certain companies to report on sustainability issues. The Act deals with requirements for auditors and audit firms regarding audits of this information. It also expands transparency obligations for listed companies. The deadline for submissions is September 10, 2023. For further information (in Dutch), click here.

Source/Date	Brief description
Dutch National Bank (DNB) July 14, 2023	**Draft Q&A on independence of supervisory boards** On July 14, 2023, the DNB published a draft Q&A. Stakeholders and market participants can respond to the review of the six Q&As related to the independent functioning of a supervisory board. The Q&As distinguish between three forms of independence: Supervisory board members should be independent in mind, and they should avoid and manage the appearance of conflicts of interest. Furthermore, the DNB addresses the desired degree of formal independence of such boards. DNB is now submitting six sectoral policy statements on the independent functioning of supervisory boards for input by stakeholders and market participants. The deadline for submissions is September 30, 2023. For further information (in Dutch), click here.
Ministry of Finance July 14, 2023	**Consultation on Crypto Assets Regulation Implementation Act** On July 14, 2023, the Ministry of Finance published the Markets in Crypto Asset Regulation Implementation Act for consultation. The regulation sets out a regulatory framework for crypto service providers and crypto issuers. It furthermore pursues several goals, such as providing legal certainty within the EU, stimulating innovation, regulating consumer protection and setting rules on market integrity and ensuring financial stability. Regulations have direct effect in the Dutch legal order. However, provisions must be made for the implementation and enforcement of the regulation. The implementing act (*Implementatiewet cryptoactiva verordening*) sets out specific enforcement powers for competent authorities. The consultation period ended August 11, 2023 For further information (in Dutch), click here.

Source/Date	Brief description
Ministry of Finance July 14, 2023	**Consultation on implementing act for Regulation on Information to Accompany Transfers of Funds and Transfers of Crypto Assets** On July 14, 2023, the Ministry of Finance published the Information to Accompany Transfers of Funds and Transfers of Crypto Assets Regulation Implementation Act (*Uitvoeringswet Vo bij geldovermakingen en overdrachten van cryptoactiva te voegen informatie*) for consultation. The regulation will set out what information must accompany transfers of funds and transfers of certain crypto assets. It also amends the fourth anti-money laundering directive. The implementation act mainly contains amendments to the Dutch Anti-Money laundering Act as a result of the amendment to the fourth Anti-Money Laundering Directive. The implementation act designates the Dutch Authority for Financial Markets as the supervisor of crypto asset service providers. The registration regime in the Dutch AML Act as it currently applies to crypto asset providers will expire upon entry into force of this act (the timing of which is not known yet). The consultation period ended August 11, 2023. For further information (in Dutch), click here.
Ministry of Finance July 10, 2023	**Consultation on Mortgage Credit Amending Regulation 2024** The Ministry of Finance published this regulation (*Wijzigingsregeling hypothecair krediet 2024*) for consultation on July 10, 2023. It sets the lending standards for 2024 for mortgage lending. The deadline for submissions is August 28, 2023. For further information (in Dutch) click here.
Dutch Senate July 1, 2023	**Ongoing reputation requirement for DNO holders** From July 1, 2023, an ongoing reputation requirement will apply to all holders of a Declaration of No Objection (DNO). The Financial Markets Amending Act 2022 (*Wijzigingswet financiële markten 2022*), which entered into force on May 11, 2022, expanded the requirements imposed on changes of daily policymakers after the granting of a DNO. They will also be assessed for reputation (reliability and suitability) from July 1, 2023. This means that from now on there will be an ongoing reputation requirement for all DNO holders The reputation test will no longer take place only upon acquisition and enlargement of a DNO, but also (after a DNO has been granted) upon a change in day-to-day policymaker of a DNO holder, or if there is a reasonable reason to re-evaluate the reputation. For further information (in Dutch), click here.

Source/Date	Brief description
Dutch Senate July 1, 2023	**Entry into force of Dutch Pensions Act** On July 1, 2023, the Future Pensions Act (*Wet toekomst pensioenen*) and the Decree on Future Pensions (*Besluit toekomst pensioenen*) entered into force. Parts of the legislation apply on a later date - extending as far as into 2027. For further information (in Dutch), click here.
Dutch Authority for the Financial Markets (AFM) June 25, 2023	**Guidance for investment firms on incident reporting** The AFM issued guidance for investment firms on incident reporting. In a deep-dive study, the AFM identified a number of possible causes for the failure to report. The published report contains the research results and some best practices. For further information (in English), click here.
Ministry of Finance June 21, 2023	**Consultation on Credit Registration Scheme Act** The Ministry of Finance is consulting on the Credit Registration Scheme Act (*Wet stelsel kredietregistratie*). Registering credit agreements along with any payment arrears in connection with them aims to guard against people taking on too much of a credit burden while also reducing risks for lenders. Credit registration by the Central Credit Registration Office (BKR) involves processing a substantial amount of people's data. The Credit Registration Scheme Act makes management of the credit register a statutory task, allows the BKR to be designated as the executor of that task, and ensures that data is used carefully. The deadline for submissions is September 3, 2023. For further information (in Dutch), click here.
Dutch Authority for the Financial Markets (AFM) June 12, 2023	**AFM consults on guidelines for sustainability claims** The AFM released these guidelines (*Leidraad duurzaamheidsclaims*) to financial institutions and pension providers for consultation. They are intended to give guidance to market participants on how to make correct, clear and non-misleading sustainability claims. The consultation period ended July 24, 2023. For further information (in English), click here.

Source/Date	Brief description
Ministry of Finance June 12, 2023	**Consultation on Credit Servicers and Credit Buyers Directive Implementation Act** On June 12, 2023, the Ministry of Finance published this implementation act (*Implementatiewet richtlijn kredietservicers en kredietkopers*) for consultation. It implements Directive (EU) 2021/2167 on credit servicers and credit buyers. The implementation act introduces in a licensing requirement and ongoing supervision for parties servicing nonperforming credit agreements (credit servicers). It also imposes requirements on credit buyers, i.e., the parties that take over nonperforming credit agreements from a bank. Finally, it also includes some amendments to Book 7 of the Dutch Civil Code. The consultation period ended July 28, 2023. For further information (in Dutch), click here.
Dutch Banking Association (NVB) May 30, 2023	**New NVB standards for risk-based money laundering investigations** On May 30, 2023, the NVB published new standards for Dutch banks when conducting client due diligence that they are obligated to perform under the Dutch Anti-Money Laundering Act, in a more proportionate manner. The standards are the result of a series of roundtable discussions between banks and the Dutch National Bank (DNB) in its role as Dutch AML Act supervisor. The Ministry of Finance was also involved in drafting the standards. For further information (in English), click here.
Ministry of Finance May 30, 2023	**Consultation on proposed amendment limiting access to UBO registers** On May 30, 2023, the Ministry of Finance published an amendment bill limiting access to UBO registers for consultation. The amendment bill follows the Court of Justice of the European Union ruling of November 22, 2022. The consultation period ended on June 28, 2023. For further information (in Dutch), click here.

Source/Date	Brief description
Ministry of Finance May 24, 2023	**Consultation on Financial Sector Digital Operational Resilience Implementation Act** On May 24, 2023, the Ministry of Finance published this implementation act (*Implementatiewet digitale operationele weerbaarheid financiële sector*) for consultation. The financial sector digital operational resilience package aims to improve the cyber and ICT resilience of the financial sector by imposing obligations regarding a financial firm's ICT housekeeping, mandating ethical hacking tests for financial firms and giving European Supervisory Authorities (ESAs) supervisory powers over "third-party service providers" (such as cloud service providers) providing services to financial firms. The amendments in the implementation act align already existing articles (in the Dutch Financial Supervision Act) with the new requirements. The consultation period ended on June 26, 2023. For further information (in Dutch, click here).

Key Regulatory Developments in Spain

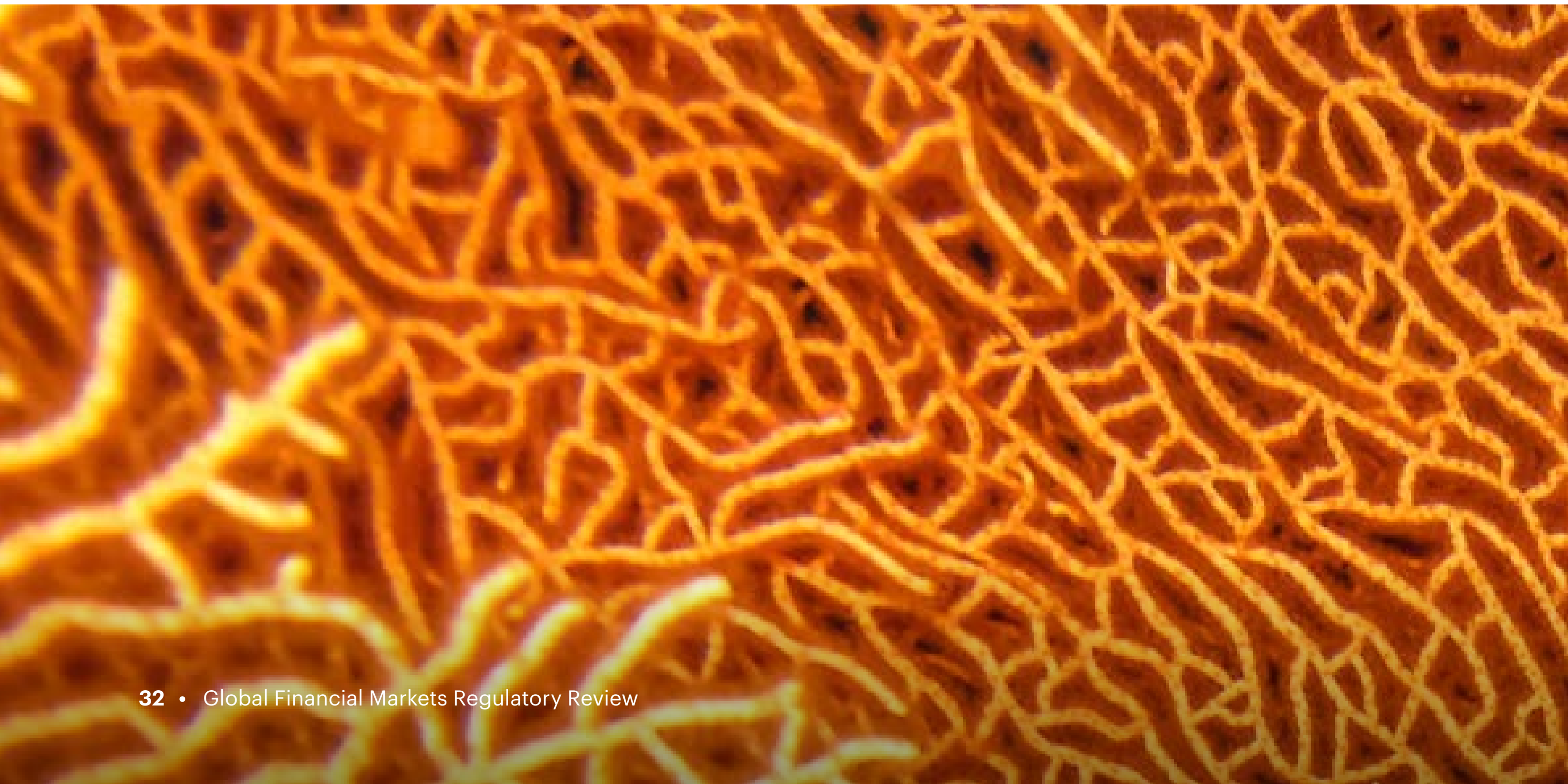
Source/Date	Brief description
National Securities Market Commission (CNMV) July 31, 2023	**CNMV publishes the Report of 2022 Investor Complaints and Inquiries** Complete reference to the press release is available (in Spanish) here.
National Securities Market Commission (CNMV) July 17, 2023	**CNMV provides information on LIBOR situation** Complete reference to the press release is available (in English) here.
National Securities Market Commission (CNMV) July 13, 2023	**CNMV publishes the Code on Good Governance in cyber security** Complete reference to the press release is available (in English) here.
Official State Gazette July 12, 2023	**Royal Decree 609/2023, of July 11 is published** The decree creates a Central Registry of Beneficial Ownership and approves its regulations. Complete reference to the Royal Decree is available (in Spanish) here.
National Securities Market Commission (CNMV) July 12, 2023	**CNMV approves resolution on CFDs advertising** The CNMV approved the Resolution of July 11, 2023, of the National Securities Market Commission, on product intervention measures related to financial contracts for differences and other leveraged products. Complete reference to the press release is available (in English) here.
National Securities Market Commission (CNMV) July 10, 2023	**CNMV implements six ESMA guidelines that develop the regulation on recovery and resolution of central counterparties** Complete reference to the press release is available (in English) here.

Source/Date	Brief description
Official State Gazette July 5, 2023	**Royal Decree 571/2023, of July 4, on foreign investment is published** Complete reference to the Royal Decree is available (in Spanish) here.
Official State Gazette June 29, 2023	**Royal Decree-Law 5/2023, of June 28, is published** This Royal Decree-Law adopts and extends certain measures in response to (i) the economic and social consequences of the war in Ukraine, (ii) support for the reconstruction of the island of La Palma and other vulnerable areas; (iii) the implementation of EU directives on structural changes of commercial companies and reconciliation of family and professional life of parents and caregivers; and ensures implementation and compliance of such measures with EU law. Complete reference to the Royal Decree-Law is available (in Spanish) here.
National Securities Market Commission (CNMV) June 19, 2023	**CNMV publishes annual report for 2022** Complete reference to the press release is available (in English) here.
National Securities Market Commission (CNMV) June 5, 2023	**CNMV adopts ESMA guidelines on requirements of remuneration of MiFID II** Complete reference to the press release is available (in Spanish) here.
National Securities Market Commission (CNMV) May 29, 2023	**CNMV delivers review of the obligation to report suspicious transactions of market abuse in 2022** Complete reference to the press release is available (in English) here.

Key Regulatory Developments in the United Kingdom

Source/Date	Brief description
Office of Gas and Electricity Markets (Ofgem) August 23, 2023	**Ofgem fines Morgan Stanley over £5m for failings around recording and retaining electronic communications** Ofgem fined Morgan Stanley £5.41m for failing to record and retain electronic communications made by wholesale energy traders in the period January 2018 to March 2020. The communications were made on private devices using WhatsApp. This is Ofgem's first fine of this kind in the UK and was made under the REMIT Enforcement Regulations, which give Ofgem powers to investigate and issue sanctions for market manipulation and insider dealing. This follows on from PRA enforcement action earlier in the year, against Wyelands Bank, for similar record retention deficiencies where private messaging platforms are used. The fine was issued notwithstanding the fact that Morgan Stanley had policies in place prohibiting the use of unapproved platforms for trading communications. Alongside the fine, Morgan Stanley agreed to implement enhanced staff training and to improve its systems and controls. For more information, click here.
FCA August 18, 2023	**Financial Services & Markets Act 2023 (FSMA 2023) gives the FCA new powers to protect access to cash** Through FSMA 2023, Parliament has asked the FCA to seek to ensure reasonable provision of cash deposit and withdrawal services for personal and business current accounts in the UK or part of the UK. Following the Cash Access Policy Statement which was published by the Government in August 2023, the FCA will develop new rules for certain banks and building societies to ensure that the evolution of cash access services continue to provide reasonable access. The FCA plans to consult on the rules it intends to implement, in due course. For more information, click here.

Source/Date	Brief description
FCA August 17, 2023	**FCA sets out expectations for UK cryptoasset businesses complying with the Travel Rule** The FCA is setting expectations for cryptoasset businesses in the UK that need to comply with a change in money laundering legislation which will require them to collect, verify and share information about cryptoasset transfers, known as the 'Travel Rule', from 1 September 2023. The Travel Rule is designed to bring greater transparency to cryptoasset transfers, making it harder for criminals to use cryptoassets for illicit activity. Specifically, it is intended to advance anti-money laundering and counter-terrorist financing efforts globally by helping cryptoasset businesses detect suspicious transactions and carry out effective sanctions screening. The FCA has set out that their expectations for firms include: • Take all reasonable steps and exercise all due diligence to comply with the Travel Rule. • Firms remain responsible for achieving compliance with the Travel Rule, even when using third-party suppliers. • Fully comply with the Travel Rule when sending or receiving a cryptoasset transfer to a firm that is in the UK, or any jurisdiction that has implemented the Travel Rule. • Regularly review the implementation status of the Travel Rule in other jurisdictions and adapt business processes as appropriate. For more information, click here.



Source/Date	Brief description
FCA August 10, 2023	**FCA finds authorised fund managers’ value assessments significantly improved, but says there is still work to do** The FCA findings show that many authorised fund managers’ (AFMs) have now fully integrated their assessments of value into their product development and fund governance processes. This has also driven changes in the fees and charges, resulting in savings of costs to consumers amounting to millions of pounds. The review found that: • Examples of good practice include moving investors to clean share classes with no trail commission or cutting funds’ fees. • Some firms' independent non-executive directors did not provide sufficient challenge, with some accepting information provided at face value. • Significant differences between good and poor practice in how AFMs assess their funds’ performance. • Firms putting too much emphasis on comparable market rates to justify their fees, rather than conducting an assessment using the full range of value assessment considerations. • Some firms now have better processes for allocating costs but are reaching conclusions on AFM Costs and Economies of Scale that don’t take into account the information made available by that better process. The FCA expects firms to consider these findings and to make improvements where required. For more information, click here.

Source/Date	Brief description
FCA August 7, 2023	**Consultation of Rules Relating to Securitisation** The FCA is consulting on its proposed rules to replace the firm-facing provisions from the UK Securitisation Regulation (SR) which are being transferred into the FCA Handbook as part of the Treasury's Smarter Regulatory Framework. The deadline for responding to this consultation is 30 October 2023. This consultation paper is relevant to: • authorised firms that are involved in securitisation markets either as institutional investors or as manufacturers. • unauthorised entities acting as an original lender, originator, or a securitisation special purpose entity of a securitisation subject to the UK SR • individuals holding offices or positions that are responsible for taking management decisions at firms involved in securitisation markets. • Third Party Verifiers. • Securitisation Repositories. For more information, click here.
FCA August 3, 2023	**Advice Guidance Boundary Review** The FCA has set out the basis for their joint review of the Advice Guidance Boundary, which it will carry out with HM Treasury. It builds on feedback from industry and consumer groups, and will use information obtained through this feedback to help shape and govern the joint review which was announced as part of the Edinburgh Reforms. The review aims to ensure that consumers get the help they want, at the time they need it, and at a cost that is affordable, to help them make informed financial decisions. The following key themes and insights emerged from the early phase of the work and will guide the next phase of the review: • the solution to this challenge will not be met by changes to regulated advice alone. • to provide more support to more people it will be necessary for firms and consumers to manage risk, rather than eliminate it. • any solution will rely on support being provided on a commercial basis. • the review should leverage the Consumer Duty, to set clear expectations for the support that firms provide their customers and ensure that consumer protection remains at the core of any future regime. For more information, click here.

Source/Date	Brief description
PRA July 31, 2023	**Prudential Regulation Authority publishes supervisory approach documents** The PRA has published updated versions of its "approach to supervision" documents for the banking and insurance sectors for PRA-authorised firms. The approach documents set out how the PRA carry out their role in practice and are designed to help firms, and the market more generally, to understand how the PRA supervises these institutions, and to aid accountability to the public and to Parliament. For more information, click here.
FCA July 31, 2023	**Consumer Duty** The Consumer Duty came into force on 31 July 2023, setting higher standards for financial services for firms dealing with consumers. The FCA is closely monitoring how firms are implementing the Consumer Duty, and has been clear that it will take action against those who aren't complying. Under the new Consumer Duty, firms should be open and honest, avoid harm, and support consumers to pursue their financial goals. For example, it expects that firms will provide: • helpful and accessible customer support. • timely and clear information that consumers can understand and rely upon to make good financial decisions. • offer products and services that are appropriate to the target market. • products and services which provide fair value. • appropriate support to vulnerable customers. For more information, click here.

Source/Date	Brief description
PRA July 27, 2023	**Prudential Regulation Authority publishes consultation on securitisation** PRA is consulting on its general requirements on its proposed rules to replace the firm-facing provisions from the UK Securitisation Regulation (SR) which are being transferred to the PRA rule book as part of the Treasury's Smarter Regulatory Framework. This consultation paper is relevant to all categories of PRA-authorised persons, including CRR firms, Solvency II firms, non-CRR firms and non-Solvency II firms. It is also relevant to qualifying parent undertakings, which for this purpose comprise financial holding companies and mixed financial holding companies, as well as credit institutions, investment firms, and financial institutions that are subsidiaries of these firms. It is not relevant to non-UK firms with branches in the UK. This consultation will close on 30 October 2023. For more information, click here.
PRA July 24, 2023	**PRA fines Credit Suisse for risk management and governance failings** The PRA has issued Credit Suisse with a fine of £87m for failings around its risk management and governance in connection with exposures to Archegos Capital Management. Credit Suisse provided prime brokerage services to Archegos and entered into total return swaps with it. When Archegos went into default, Credit Suisse was exposed to significant losses of $5.1bn and connected reputational damage. Credit Suisse's risk management systems and controls were found to fall well below the standards expected by the PRA, with issues identified including: a culture that did not correctly balance risk with commercial reward, failure to evaluate and properly take into account risks, a lack of escalation of matters such that there were gaps in oversight, and taking insufficient steps to reduce risks when prudent to do so. This is the largest fine ever issued by the PRA and was part of a global resolution also involving the Swiss Financial Market Supervisory Authority and the US Federal Reserve Board. It is a further example of a recent uptick in PRA enforcement action with a number of fines being issued in recent months, For more information, click here.

Source/Date	Brief description
FCA July 17, 2023	**Financial promotions on social media** The FCA is consulting on guidance for how its financial promotion requirements apply to promotions on social media. The deadline for responding to this consultation is 11 September 2023. The FCA is aware that the way social media is used to promote financial products has changed considerable since its previous consultation in 2015. Unauthorised persons, such as social media influencers, who promote a regulated financial product or service without approval of an FCA authorised person may be committing a criminal offence. The FCA intends that its guidance will provide additional clarity on when a communication might constitute a financial promotion. For more information, click here.
FCA June 5, 2023 and July 13, 2023	**FCA issues fines against two firms for cum-ex systems and controls failings** The FCA has issued ED&F Man Capital Markets Ltd and Bastion Capital London Limited with fines of approximately £17.2 and £2.5 respectively. These mark the fourth and fifth FCA fines related to cum-ex trading. Both firms were brokerage firms and executed or facilitated a number of trades to allow clients to make withholding tax claims. The FCA found that both firms had inadequate systems and controls, more specifically: • ED&F's compliance function failed to provide meaningful oversight of the trading desk, including not taking any steps to understand the desk's trading activity or to monitor or review that activity. There was also an over-reliance on legal and tax opinions confirming the legitimacy of trades without systems or controls to verify either the existence of those opinions or that trading activity was carried out in line with the opinions. • Bastion had inadequate AML policies and processes in place to monitor the trading activities of a particular group of clients. This included failing to carry out proper customer due diligence and an AML risk assessment for the client and to obtain information on the client's source of funds. For more information, click here and here.
FCA July 11, 2023	**FCA continues to take action against unregistered crypto ATMs** Crypto automated teller machines (ATMs) are ATMs that allow customers to exchange cash for crypto. Operators of these ATMs must be registered with the FCA for AML purposes, but no operators are currently registered and these ATMs are therefore being operated illegally and without safeguards. Since the beginning of the year, the FCA has shut down 26 machines. For more information, click here.

Source/Date	Brief description
FCA July 3, 2023	**Finalised insurance guidance on supporting customers in financial difficulty** The FCA has published its policy statement on how insurers, insurance intermediaries and premium finance firms should support customers in financial difficulty. This policy statement provides further explanation as to the amendments made to its guidance, which include: • clarifiication that the guidance does not set expectations in relation to contracts of large risks distributed to commercial customers. • provisions setting out that the options available to, and the level of support provided by, firms to achieve the intended outcomes under the guidance will vary. This will depend on the nature of the firm's relationship with the customer, the firm's role in the distribution chain, the type and characteristics of the customer and type of product. • provisions setting out that firms should consider whether, in the particular circumstances, it would be appropriate to refer the customer to another firm in the distribution chain who is in a better position to support the customer. The finalised guidance will help ensure that insurance customers in financial difficulty, including as a result of cost of living increases, have the support they need from firms. The FCA's guidance builds on its customers' best interest rule and Consumer Duty rules including the requirements for firms to act to deliver good outcomes for customers. The guidance came into effect on 31 July 2023. For more information click here.
PRA June 28, 2023	**Solvent exit planning for non-systemic banks and building societies** The PRA is consulting on its proposals for non-systemic banks and building societies in the UK to prepare, as part of their business-as-usual activities, for an orderly 'solvent exit'; and if needed, to be able to execute one. Its proposals include: • new rules and expectations stating that firms must prepare for a solvent exit and must document those preparations in a solvent exit analysis; and • new expectations, which would apply only if solvent exit became a reasonable prospect for a firm, on how firms should: (i) prepare a detailed solvent exit execution plan, and (ii) monitor and manage a solvent exit. This consultation closes on Friday 27 October 2023. For more information, click here.

Source/Date	Brief description
PSR June 7, 2023	**PSR publishes policy statement on authorised push payment (APP) fraud reimbursement requirement** The PSR has introduced a new reimbursement requirement for APP fraud within the Faster Payments system. This will require payment services firms to reimburse certain victims of APP fraud with the costs split between the sending and receiving payment institutions. Additional protections for vulnerable customers are also included in the policy statement. The changes will not take effect until 2024 and a number of elements of the new requirement are being consulted on. For more information, click here.
FCA June 1, 2023	**First speech from new FCA Joint Director of Enforcement on future enforcement strategy** In her first speech as Joint Director of Enforcement and market Oversight, Therese Chambers outlined a number of factors that will likely play into the FCA's enforcement strategy moving forwards. Of particular note, this includes the following: • an increased focus on intelligence and data led enforcement decisions; • more early intervention before customer harm has a chance to develop; • the success attributed to redress schemes (either voluntary or mandatory) to ensure that customers are compensated for any harm; and • an expectation that firms "do the right thing", including admitting harm they have caused at an early stage in an investigation, which could improve the chances of an investigation settling. It will be interesting to see how the enforcement strategy develops over time, in particular whether a renewed focus on early intervention, redress and settlement will help to clear the backlog of cases the FCA is dealing with. Both Joint Directors are now in office (Steve Smart started at the FCA on 21 June 2023 having previously worked at the National Crime Agency). For more information, click here.

Source/Date	Brief description
PRA May 4, 2023	**PRA consults on changes to enforcement process** The PRA has published a consultation on changes it is proposing to make to its enforcement approach. Some of these relate primarily to improving the transparency of the PRA's approach and simplifying where it is documented. However, a number of more substantive changes have been proposed, including: • An early account scheme (EAS) which will allow the subjects of investigations to give a written factual account of the matters being investigated and supporting materials at an early stage of an investigation. • Enhanced settlement discounts of 50% of a financial penalty (up from 30%) where the subject of an investigation makes early admissions, at an earlier point than the current settlement stage in proceedings, and participates in the EAS. • Changing the calculation methodology for financial penalties against firms, to move away from revenue towards a matrix taking into account the significance of the firm to the UK economy and the severity of the breaches identified. • More minor amendments to the calculation of financial penalties against individuals, including in relation to financial hardship. The consultation closed on August 4, 2023. For more information, click here.
FCA March 9, 2023	**Economic Crime Levy** Entities supervised under the Money Laundering Regulations are now required to pay an annual economic crime levy. The first payment for those in scope is due by 30 September 2023. The levy will be determined by a firm's revenue, and is intended to fund the fight against economic crime. For more information, click here.

Key Regulatory Developments in the United States

Source/Date	Brief description
U.S. Securities and Exchange Commission (SEC) August 23, 2023	**SEC Enhances the Regulation of Private Fund Advisers** The Securities and Exchange Commission adopted new rules and rule amendments to enhance the regulation of private fund advisers and update the existing compliance rule that applies to all investment advisers. To enhance transparency, the final rules will require private fund advisers registered with the Commission to provide investors with quarterly statements detailing certain information regarding fund fees, expenses, and performance. In addition, the final rules will require a private fund adviser registered with the Commission to obtain and distribute to investors an annual financial statement audit of each private fund it advises and, in connection with an adviser-led secondary transaction, a fairness opinion or valuation opinion. To better protect investors, the final rules will prohibit all private fund advisers from providing investors with preferential treatment regarding redemptions and information if such treatment would have a material, negative effect on other investors. In all other cases of preferential treatment, the Commission adopted a disclosure-based exception to the proposed prohibition, including a requirement to provide certain specified disclosure regarding preferential terms to all current and prospective investors. In addition, the final rules will restrict certain other private fund adviser activity that is contrary to the public interest and the protection of investors. Advisers generally will not be prohibited from engaging in certain restricted activities, so long as they provide appropriate specified disclosure and, in some cases, obtain investor consent. The final rules, however, will not permit an adviser to charge or allocate to the private fund certain investigation costs where there is a sanction for a violation of the Investment Advisers Act of 1940 or its rules. To avoid requiring advisers and investors to renegotiate governing agreements for existing funds, the Commission adopted legacy status provisions applicable to certain of the restricted activities and preferential treatment provisions. More information is available here.

Source/Date	Brief description
U.S. Securities and Exchange Commission (SEC) August 8, 2023	**SEC Charges 11 Wall Street Firms with Widespread Recordkeeping Failures** The Securities and Exchange Commission announced charges against 10 firms in their capacity as broker-dealers and one dually registered broker-dealer and investment adviser for widespread and longstanding failures by the firms and their employees to maintain and preserve electronic communications. The firms admitted the facts set forth in their respective SEC orders. They acknowledged that their conduct violated recordkeeping provisions of the federal securities laws, agreed to pay combined penalties of $289 million as outlined below, and have begun implementing improvements to their compliance policies and procedures to address these violations. • Wells Fargo Securities, LLC together with Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC agreed to pay a $125 million penalty; • BNP Paribas Securities Corp. and SG Americas Securities, LLC have each agreed to pay penalties of $35 million; • BMO Capital Markets Corp. and Mizuho Securities USA LLC have each agreed to pay penalties of $25 million; • Houlihan Lokey Capital, Inc. has agreed to pay a $15 million penalty; • Moelis & Company LLC and Wedbush Securities Inc. have each agreed to pay penalties of $10 million; and • SMBC Nikko Securities America, Inc. has agreed to pay a $9 million penalty. The SEC's investigation uncovered pervasive and longstanding "off-channel" communications at all 11 firms. As described in the SEC's orders, the firms admitted that from at least 2019, their employees often communicated through various messaging platforms on their personal devices, including iMessage, WhatsApp, and Signal, about the business of their employers. The firms did not maintain or preserve the substantial majority of these off-channel communications, in violation of the federal securities laws. More information is available here.

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) July 26, 2023	**CFTC Approves Final DCO Reporting and Information Requirement and Three Proposals at the Commission Open Meeting** The Commodity Futures Trading Commission at its open meeting approved the following final rule and proposed rules: Final Rule: Reporting and Information Requirements for Derivatives Clearing Organizations The Commission unanimously approved a final rule amending certain reporting and information regulations applicable to derivatives clearing organizations (DCOs). These amendments, among other things, update information requirements associated with commingling customer funds and positions in futures and swaps in the same account, revise certain daily and event-specific reporting requirements in § 39.19(c), and codify in an appendix the fields that a DCO is required to provide on a daily basis under § 39.19(c)(1). In addition, the Commission is adopting amendments to certain delegation provisions in § 140.94. Proposed Rule: Swap Confirmation Requirements for Swap Execution Facilities The Commission unanimously approved a rule proposal to amend its swap execution facility (SEF) regulations related to uncleared swap confirmations, as well as associated conforming and technical changes. Proposed Rule: Amendments to Provisions Common to Registered Entities The Commission approved the proposed rule to amend Part 40 of the Commission's regulations. The regulations in Part 40 implement Section 5c(c) of the Commodity Exchange Act and govern how registered entities submit self-certifications, and requests for approval, of their rules, rule amendments, and new products for trading and clearing, as well as the Commission's review and processing of such submissions. Proposed Rule: Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants The Commission approved the proposed rule to amend the margin requirements for uncleared swaps applicable to swap dealers (SDs) and major swap participants (MSPs) for which there is no prudential regulator. The Commission is also proposing to eliminate a provision disqualifying the securities issued by certain pooled investment funds (money market and similar funds) that transfer their assets through securities lending, securities borrowing, repurchase agreements, reverse repurchase agreements, and similar arrangements from being used as eligible IM collateral, thereby expanding the scope of assets that qualify as eligible collateral. Additionally, the Commission is proposing an amendment to the haircut schedule set forth in Commission Regulation 23.156(a)(3)(i)(B) to add a footnote that was inadvertently omitted when the rule was originally promulgated. More information is available here.

Source/Date	Brief description
U.S. Securities and Exchange Commission (SEC) July 26, 2023	**SEC Adopts Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies** The Securities and Exchange Commission adopted rules requiring registrants to disclose material cybersecurity incidents they experience and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance. The Commission also adopted rules requiring foreign private issuers to make comparable disclosures. The new rules will require registrants to disclose on the new Item 1.05 of Form 8-K any cybersecurity incident they determine to be material and to describe the material aspects of the incident's nature, scope, and timing, as well as its material impact or reasonably likely material impact on the registrant. The new rules also add Regulation S-K Item 106, which will require registrants to describe their processes, if any, for assessing, identifying, and managing material risks from cybersecurity threats, as well as the material effects or reasonably likely material effects of risks from cybersecurity threats and previous cybersecurity incidents. The rules require comparable disclosures by foreign private issuers on Form 6-K for material cybersecurity incidents and on Form 20-F for cybersecurity risk management, strategy, and governance. More information is available here.
Public Company Accounting Oversight Board (PCAOB) July 19, 2023	**PCAOB Launches New Online Tools to Help Users Find and Compare Inspection Report Data** The Public Company Accounting Oversight Board (PCAOB) unveiled an array of website transparency enhancements that allow investors, audit committee members, and other stakeholders to better access and understand data from PCAOB inspection reports. Six new search filters, including Part I.A deficiency rate, are now live on the PCAOB's Firm Inspection Reports page to help users analyze and compare more than 3,700 inspection reports. The enhancements released add six new filters that can be applied to PCAOB inspection reports. The filters are: • Inspection type • Total issuer audit clients • Part I.A deficiency rate • Specific global network • Inspection year • Audits reviewed More information is available here.

Source/Date	Brief description
Public Company Accounting Oversight Board (PCAOB) June 26, 2023	**PCAOB Issues Proposal to Bring Greater Clarity to Certain Auditor Responsibilities When Using Technology-Assisted Analysis** The Public Company Accounting Oversight Board (PCAOB) issued for public comment a proposal(PDF) designed to improve audit quality and enhance investor protection by addressing aspects of designing and performing audit procedures that involve technology-assisted analysis of information in electronic form. The proposal includes changes to update aspects of AS 1105, *Audit Evidence*, and AS 2301, *The Auditor's Responses to the Risks of Material Misstatement*. The proposal seeks to improve audit quality by reducing the likelihood that an auditor who uses technology-assisted analysis will issue an opinion without obtaining sufficient appropriate audit evidence. In particular, the proposal would bring greater clarity to auditor responsibilities in the following areas: • Using reliable information in audit procedures: Technology-assisted analysis often involves analyzing vast amounts of information in electronic format. The proposal would emphasize auditor responsibilities when evaluating the reliability of such information. • Using audit evidence for multiple purposes: Technology-assisted analysis can be used to provide audit evidence for various purposes in an audit. from an audit procedure for more than one purpose, the auditor should design and perform the procedure to achieve each of the relevant objectives. • Designing and performing substantive procedures: When designing and performing substantive procedures, auditors can use technology-assisted analysis to identify transactions and balances that meet certain criteria and warrant further investigation. The proposal would clarify the factors the auditor should consider as part of that investigation, including whether the identified items represent a misstatement or a control deficiency or indicate a need for the auditor to modify its risk assessment or planned procedures. More information is available here.

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) June 21, 2023	**CFTC Hosted a European Financial Markets Supervision Roundtable with U.S. Ambassador to Spain and Andorra** CFTC Commissioner Kristin Johnson and the Honorable Julissa Reynoso Pantaleón, U.S. Ambassador to Spain and Andorra, hosted a financial markets roundtable with leading voices in global prudential and capital markets regulation at the Ambassador Residence in Madrid, Spain. Attending the roundtable were representatives of the Ministry of Finance, the Spanish Treasury, the Spanish Central Bank (Banco de España), Comisión National del Mercado de Valores (CNMV), the International Organization of Securities Commissions (IOSCO), the International Swaps and Derivatives Association (ISDA), and market participants. The attendees examined a wide array of topics, including strategic and regulatory priorities such as the review of the European regulation of central counterparties (EMIR), the implementation of Basel III, financial market infrastructure recovery and resolution, and the digitization of finance including regulatory oversight of cryptocurrencies and stablecoins. In addition, there were discussions on the recent publication and pending implementation of the Markets in Crypto-Assets (MiCA) Regulation, as well as the diverse use cases for distributed digital ledger technology. The attendees also discussed sustainable finance initiatives and regulation including the ESG ratings proposal, ESG components of benchmark reform, corporate sustainability due diligence, and the emerging markets for carbon credits. More information is available here.

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) June 12, 2023	**CFTC Adds 45 Unregistered Foregin Entities to its RED List** The Commodity Futures Trading Commission added another 45 unregistered foreign entities to its Registration Deficient List (RED List). Launched in 2015, the CFTC's RED List now contains more than 240 entities. A firm is added to the RED List when the CFTC determines, from investigative leads and questions from the public, that it is not registered with the CFTC and appears to be acting in a capacity that requires registration, such as trading binary options, foreign currency (forex), or other products. The Commodity Exchange Act generally requires intermediaries in the derivatives industry to register with the CFTC. An "intermediary" is a person or firm that acts on behalf of another person in connection with trading futures, swaps, or options. Depending on the nature of its activities, an intermediary may also be subject to various financial, disclosure, reporting, and recordkeeping requirements. There are some exceptions or exemptions where an intermediary does not require registration; however, entities on the RED List do not meet the criteria for an exception or exemption. The RED List is circulated to financial industry partners, including other regulators, consumer groups, industry participants, self-regulatory organizations, exchanges, and industry associations. It complements registration information provided by the National Futures Association. More information, including the list of entities, is available here.

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) June 7, 2023	**CFTC Approves Final Governance Rule, Two Proposals and Other Business at the Commission Open Meeting** The Commodity Futures Trading Commission approved the following final rule, proposed rules and a notice of proposed comparability determination that includes a request for comment: <u>Final Rule</u>: Governance Requirements for Derivatives Clearing Organizations The Commission unanimously approved a final rule that adopts amendments to its rules to require derivatives clearing organizations (DCOs) to establish and consult with one or more risk management committees (RMCs) comprised of clearing members and customers of clearing members on matters that could materially affect the risk profile of the DCO. In addition, the Commission is adopting minimum requirements for RMC composition and rotation, and requiring DCOs to establish and enforce fitness standards for RMC members. The Commission is also adopting requirements for DCOs to maintain written policies and procedures governing the RMC consultation process and the role of RMC members. Finally, the Commission is adopting requirements for DCOs to establish one or more market participant risk advisory working groups (RWGs) that must convene at least twice per year, and adopt written policies and procedures related to the formation and role of the RWG. <u>Proposed Rule</u>: Derivatives Clearing Organizations Recovery and Orderly Wind-down Plans; Information for Resolution Planning The Commission approved the proposed rule concerning recovery and orderly wind-down plans for systemically important derivatives clearing organizations and DCOs that elect to be subject to the provisions in Subpart C of part 39 of the Commission's regulations. It would, among other things, address certain risk management obligations, modify definitions, and codify existing staff guidance. The proposal would also require DCOs that are not designated as systemically important, and which have not elected to be covered by Subpart C of part 39, to submit orderly wind-down plans. In addition, the proposal would make conforming amendments to certain provisions, revise the Subpart C Election Form and Form DCO, and remove stale provisions. <u>Proposed Rule</u>: Amendments to Part 17 Large Trader Reporting Requirements The Commission unanimously approved the proposed rule to revise the CFTC's regulations for large trader position reporting for futures and options. These regulations require futures commission merchants, clearing members, foreign brokers, and certain reporting markets (reporting firms) to report to the Commission position information for the largest futures and options traders. More information is available here.

Source/Date	Brief description
Commodity Futures Trading Commission (CFTC) June 5, 2023	**SEC Files 13 Charges Against Binance Entities and Founder Changpeng Zhao** The Securities and Exchange Commission charged Binance Holdings Ltd. ("Binance"), which operates the largest crypto asset trading platform in the world, Binance.com; U.S.-based affiliate, BAM Trading Services Inc. ("BAM Trading"), which, together with Binance, operates the crypto asset trading platform, Binance.US; and their founder, Changpeng Zhao, with a variety of securities law violations. Among other things, the SEC alleges that, while Zhao and Binance publicly claimed that U.S. customers were restricted from transacting on Binance.com, Zhao and Binance in reality subverted their own controls to secretly allow high-value U.S. customers to continue trading on the Binance.com platform. Further, the SEC alleges that, while Zhao and Binance publicly claimed that Binance.US was created as a separate, independent trading platform for U.S. investors, Zhao and Binance secretly controlled the Binance.US platform's operations behind the scenes. The SEC also alleges that Zhao and Binance exercise control of the platforms' customers' assets, permitting them to commingle customer assets or divert customer assets as they please, including to an entity Zhao owned and controlled called Sigma Chain. The SEC's complaint further alleges that BAM Trading and BAM Management US Holdings, Inc. ("BAM Management") misled investors about non-existent trading controls over the Binance.US platform, while Sigma Chain engaged in manipulative trading that artificially inflated the platform's trading volume. Further, the Complaint alleges that the defendants concealed the fact that it was commingling billions of dollars of investor assets and sending them to a third party, Merit Peak Limited, that is also owned by Zhao. The Complaint also charges violations of critical registration-related provisions of the federal securities laws: • Binance and BAM Trading with operating unregistered national securities exchanges, broker-dealers, and clearing agencies; • Binance and BAM Trading with the unregistered offer and sale of Binance's own crypto assets, including a so-called exchange token, BNB, a so-called stablecoin, Binance USD (BUSD), certain crypto-lending products, and a staking-as-a-service program; and • Zhao as a control person for Binance's and BAM Trading's operation of unregistered national securities exchanges, broker-dealers, and clearing agencies. More information is available here.

Key Regulatory Developments in China*

Source/Date	Brief description
Ministry of Finance of the People's Republic of China August 24, 2023	**Announcement Regarding the Continuation of the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Market Trading Connectivity Mechanism and the Mainland-Hong Kong Mutual Recognition of Funds Scheme and Relevant Individual Income Tax Policies** Announcement Regarding Individual Income Tax Policies Related to the Continuation of the Shanghai-Hong Kong Stock Market Trading Connectivity Mechanism (referred to as "Shanghai-Hong Kong Stock Connect"), Shenzhen-Hong Kong Stock Market Trading Connectivity Mechanism (referred to as "Shenzhen-Hong Kong Stock Connect"), and the Mainland-Hong Kong Mutual Recognition of Funds Scheme (referred to as "Mutual Recognition of Funds") is as follows: For Mainland individual investors who gain income from the price difference of transfer through trading Hong Kong-listed stocks via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, and who gain income from the price difference of transfer through buying and selling Hong Kong fund units via Mutual Recognition of Funds, the continued exemption from individual income tax will be maintained. For further information {in Chinese}, click here.
Shanghai Stock Exchange (SSE) August 18, 2023	**SSE Cuts Stock Transaction Handling Fee by 30%** Today, the Shanghai Stock Exchange (SSE) issued the Notice on Adjusting the Standard for Stock Transaction Handling Fee. Starting from August 28, 2023, the handling fee for A-share and B-share transactions will be reduced from 0.00487% of the turnover on both sides to 0.00341% on both sides, a reduction of 30%. An official from the SSE stated that this is another adjustment of the stock transaction handling fee after the previous reduction in 2015. It is a significant measure for the SSE to actively implement the spirit of the meeting of the Political Bureau of the CPC Central Committee and the arrangements of the relevant State Council meetings, which is conducive to further revitalizing the capital market and reducing transaction costs. In recent years, the SSE has implemented the relevant arrangements and requirements of the CPC Central Committee and the State Council on the reduction of relevant taxes and fees, introduced fee reduction measures many times with increasing efforts, expanded the scope of benefits and boosted market confidence. For further information, click here.

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Source/Date	Brief description
Ministry of Commerce of PRC August 16, 2023	**Ministry of Commerce Announcement No. 31 of 2023: Announcement on the Initiation of the Expiry Review Investigation of Anti-dumping Measures Applicable to Imported Halogenated Butyl Rubber Originating in the United States, the European Union, the United Kingdom, and Singapore.** On June 19, 2023, the Ministry of Commerce received an application for the expiry review of anti-dumping measures submitted by Zhejiang Xinhui New Materials Co., Ltd. on behalf of the halogenated butyl rubber industry in China. The applicant proposed that the United Kingdom has an industry producing halogenated butyl rubber and has been exporting it to China through dumping practices. The applicant requested the inclusion of the United Kingdom as an investigated country (region) in this review. The applicant claims that if the anti-dumping measures are terminated, dumping of imported halogenated butyl rubber originating in the United States, the European Union, the United Kingdom, and Singapore to China may continue or recur, causing possible continued or recurring damage to the domestic industry in China. Therefore, the applicant requested the Ministry of Commerce to conduct an expiry review investigation on imported halogenated butyl rubber originating in the United States, the European Union, the United Kingdom, and Singapore, and to maintain the anti-dumping measures imposed on such imports. Shandong Jingbo Zhongju New Materials Co., Ltd. supports the application. For further information {in Chinese}, click here.
Shanghai Stock Exchange (SSE) August 10, 2023	**SSE Improves Trading System and Optimizes Trading Regulation to Foster a Dynamic Market** Firstly, the SSE is exploring the possibility of allowing the order size of main board stocks, funds, and other securities to increment by a unit of one share (or unit). Currently, the order size for main board stocks, funds, and other securities on the SSE should be 100 shares (or units) or multiples thereof. It is envisioned to adjust this to a minimum order size of 100 shares (or units), with subsequent increments by one share (or unit). This adjustment may reduce the trading costs of high-priced stocks for investors, facilitate diversified investment, improve the efficiency of capital utilization for investors, reduce asset managers' difficulties in managing investments, and lower product tracking deviations. Additionally, it promotes market activity and liquidity in stocks, funds, and other market segments. For further information, click here.

Source/Date	Brief description
National Financial Regulatory Administration August 4, 2023	**National financial regulatory administration is soliciting public opinions on the *Draft Measures for Risk Prevention and Control Management of Criminal Cases Involving Banking and Insurance Institutions*** To further advance the risk prevention and control measures for criminal cases involving banking and insurance institutions, enhance the comprehensive governance mechanism for risk prevention and control of criminal cases, deepen preventative measures at the source, and provide both symptomatic and fundamental treatments, National financial regulatory administration has drafted the *Measures for Risk Prevention and Control Management of Criminal Cases Involving Banking and Insurance Institutions (Draft for Public Opinion)* (hereinafter referred to as the "Measures"). These Measures aim to comprehensively enhance the standardization, scientificity, and effectiveness of risk prevention and control efforts in banking and insurance institutions. For further information {in Chinese}, click here.
China Securities Regulatory Commission July 31, 2023	**The China Securities Regulatory Commission (CSRC) issues the *Interim Provisions on Position Management in the Futures Market*** The "Interim Provisions" focus on the fundamentals of position limits, hedging, reporting of large positions, and position aggregation in the futures market. These provisions define the content, formulation or adjustment principles, applicability, and obligations of various participating entities.Firstly, they clarify the principles and methods for establishing or adjusting position limits to regulate trading behavior.Secondly, they provide principle-based regulations for hedging activities, specifying the approval and management obligations of futures exchanges.Thirdly, they enhance the reporting system for large positions, further enrich reporting content, and clarify the obligations of reporting parties.Lastly, they provide clear guidelines for position aggregation principles, while also making principle-based arrangements for exemptions from position aggregation requirements. For further information {in Chinese}, click here.

Source/Date	Brief description
China Securities Regulatory Commission July 21, 2023	**The China Securities Regulatory Commission (CSRC) has released a consultation draft for soliciting opinions on Several Provisions for Improving Regulation of Specific Short-Term Trading** Specific short-term trading refers to the behavior of major shareholders, directors, supervisors, and senior management personnel (hereinafter referred to as "insiders") of listed companies and companies listed on the New Third Board, who hold more than five percent of the company's shares, buying and then selling the company's stock or other equity-related securities within a six-month period, or selling and then buying back. As a front-end control measure to prevent insider trading, Article 44 of the Securities Law stipulates that if specific entities such as major shareholders and insiders of listed companies and companies listed on the New Third Board engage in short-term trading, the gains obtained shall belong to the company, and the company's board of directors should recover their gains. With the development of the capital market, the variety of securities and trading methods has become increasingly diverse, making it difficult for the aforementioned principle-based regulations to apply to various complex scenarios. The necessity of introducing specialized rules is becoming increasingly prominent. For further information {in Chinese}, click here.
Shanghai Stock Exchange (SSE) July 21, 2023	**SSE Launches STAR 100 Index to Implement the Strategic Plan of Sci-tech Self-reliance and Self-strengthening at Higher Levels** The STAR 100 Index features distinct characteristics and differentiates itself from the STAR 50 Index, which reflects the performance of securities with large market capitalization on the STAR Market, further enriching the scale-based index series of the STAR Market. Taking the latest constituents as an example, in terms of market value, the median daily market value of the STAR 100 Index samples over the past year is RMB 15.3 billion yuan, and the proportion of samples with a market value below RMB 20 billion yuan is approximately 74%, forming a positioning difference from the STAR 50 Index samples with a median market value of RMB 42.4 billion yuan. In terms of industry distribution, more than half of the constituents of the STAR 100 Index are from industries such as biomedicine, high-end equipment, and new materials (with a total weight of 54.1%), which well complements the STAR 50 Index. In terms of innovation capability and performance growth, the sample companies of the STAR 100 Index had a total R&D investment of RMB 28.9 billion yuan in 2022, with an average proportion to operating revenue of 19%. The average compounded annual growth rate of operating revenue of the sample companies in the past three years was up to 38.9%. Both the R&D intensity and revenue growth rate were higher than the STAR Market's average. For further information,click here.

Source/Date	Brief description
National Financial Regulatory Administration July 14, 2023	**National Financial Regulatory Administration issued *the Regulations for the Management of Automotive Financial Companies*** To further strengthen the supervision of automotive financial companies, guide them to operate in accordance with laws and regulations, and ensure their sustained and sound operation, the National financial regulatory administration has revised and issued the *Regulations for the Management of Automotive Financial Companies* (hereinafter referred to as the "Regulations"), which will be effective from August 11, 2023. The Regulations abolish equity investment operations. Higher requirements are imposed on contributors, strengthening shareholders' support for the automobile finance company. The scope of shareholder deposits is appropriately expanded, and the stipulations on fixed deposit terms are simultaneously eliminated. For further information {in Chinese}, click here.
China Securities Regulatory Commission July 09, 2023	**Li Qiang signs State Council decree to promulgate the *Regulations on the Supervision and Administration of Private Investment Funds*** In recent years, China's private investment fund industry has steadily developed and played a positive role in increasing the proportion of direct financing and promoting economic growth. The formulation of specialized administrative regulations to subject the business activities of private investment funds to regulatory oversight within a legal and standardized framework aims to encourage the healthy and regulated development of the private investment fund industry. This is aimed at better protecting the legitimate rights and interests of investors and further enhancing its role in serving the real economy and promoting technological innovation. The "Regulations" consist of 7 chapters and 62 articles, focusing on the following key points. Firstly, the scope of application is clearly defined. Different organizational forms of private investment funds, including contractual, corporate, and partnership types, are all brought within the scope of application. The Regulations stipulate that funds raised through non-public means, the establishment of investment funds, or the establishment of companies or partnership enterprises for investment purposes, managed by private fund managers or general partners, and engaging in investment activities for the benefit of investors, fall under the scope of this regulation. For further information {in Chinese}, click here.

Source/Date	Brief description
The People's Bank of China June 30, 2023	**PBOC Increases Central Bank Lending and Discount Quotas for Rural Sector and MSBs by RMB200 Billion** To implement the spirit of the State Council executive meeting held on June 16 and promote sustained recovery of the economy, the People's Bank of China (PBOC) has decided to increase the central bank lending quotas for the rural sector and micro and small businesses (MSBs) and the central bank discount quota by a total of RMB200 billion. The move is aimed at further ramping up financial support for agriculture, rural areas, farmers, MSBs, and private enterprises, providing liquidity in a targeted manner, reducing social financing costs, helping expand employment, and boosting recovery of the endogenous drivers for economic growth. Specifically, the central bank lending quota for the rural sector and that for MSBs will be increased by RMB40 billion to reach RMB800 billion and by RMB120 billion to reach RMB1.76 trillion, respectively, while the central bank discount quota will be expanded by RMB40 billion to stand at RMB740 billion. For further information, click here.

Source/Date	Brief description
China Securities Regulatory Commission June 9, 2023	**The China Securities Regulatory Commission (CSRC) has released a consultation draft for soliciting opinions on the Regulations on the Management of Investment Advisory Business of Publicly Offered Securities Investment Funds** In order to enhance the wealth management function of the capital market, deepen reforms on the investment side, and cultivate intermediaries on the buy-side of the capital market, the China Securities Regulatory Commission (CSRC) has drafted the *Regulations on the Management of Investment Advisory Business of Publicly Offered Securities Investment Funds* (hereinafter referred to as the "Regulations") and is now soliciting public opinions. In October 2019, the CSRC initiated a pilot program for the investment advisory business of funds. Based on the pilot's progress, the operation of the investment advisory business has been smooth, and its adaptability and development prospects have received overall recognition and support from various market participants. The pilot program has achieved its intended goals and is now essentially ready for a regular transition. Market institutions and investors widely believe that promoting the regular operation of the investment advisory business of funds is conducive to cultivating professional buy-side intermediaries, improving investor services and returns, optimizing the capital market's fund structure, and facilitating the high-quality development of the fund industry.To orderly advance the investment advisory business of funds, the CSRC has drafted the "Regulations" with the aim of further perfecting the regulatory framework for securities fund investment consulting, clarifying specific norms and regulatory details for the investment advisory business, and providing robust legal safeguards for its long-term, standardized, and healthy development. For further information {in Chinese}, click here.

Source/Date	Brief description
Shanghai Stock Exchange (SSE) June 6, 2023	**SSE STAR 50 ETF Options Smoothly Launched** Chairman Qiu Yong stated that the launch of STAR 50 ETF options is a crucial step in improving the product system of the STAR Market. It can better meet the needs of investors for risk management, attract more medium- and long-term funds to enter the STAR Market, and further leverage STAR Market's function of serving enterprises with "key and core technologies". Under the leadership of CSRC, the SSE will fully implement the decisions and arrangements of the CPC Central Committee and the State Council on the capital market, comply with the comprehensive implementation of the registration system reform, uphold fundamental principles and break new ground, pursue progress while ensuring stability, accelerate the construction of a modern capital market with Chinese characteristics, and make greater contributions to promoting high-quality economic development and the construction of Shanghai International Financial Center. For further information, click here.

Public Events & Conference

Source/Date	Brief description
Ministry of Commerce of PRC August 23, 2023	**Speech by Xi Jinping at the 15th BRICS Summit of Leaders (Full Text)** 'The BRICS countries are important forces in shaping the international landscape. We have independently chosen our development paths, jointly defended our development rights, and embarked on the journey toward modernization together. Representing the direction of human progress, we are bound to profoundly impact the world's development process. Looking back at history, we have consistently upheld the BRICS spirit of openness, inclusiveness, cooperation, and win-win outcomes. By continuously advancing BRICS cooperation to new heights, we have contributed to the development of our five countries. We have upheld international fairness and justice, promoting equity on major international and regional issues, and enhancing the voice and influence of emerging markets and developing countries. The BRICS countries have been advocates and practitioners of an independent and self-determined foreign policy. On major international issues, we base our positions on the merits of the matter itself, speak fairly, and act in a just manner. We do not compromise our principles for transactions, succumb to external pressures, or become followers of other countries. The BRICS countries share extensive consensus and common goals. Regardless of the changing international situation, our original aspiration for cooperation and our shared desires will remain unchanged.' For further information {in Chinese}, click here.
The People's Bank of China June 08,2023	**Proactively Implementing the Philosophy of Green Development to Peak Carbon Emissions Before 2030 and Achieve Carbon Neutrality Before 2060—Keynote Speech by PBOC Governor Yi Gang at the 14th Lujiazui Forum** 'It is a great pleasure to join you at the Lujiazui Forum again. First of all, on behalf of the People's Bank of China (PBOC), I would like to extend my congratulations on the great achievements in developing Shanghai into an international financial center and the successful convening of this forum! This year's forum is themed 'Global Financial Opening-up and Cooperation: New Drivers for Economic Recovery'. Green development is an important new driver for economic recovery. I would like to take this opportunity to share my understanding of Xi Jinping's thoughts on ecological conservation, and China's efforts in promoting the development of green finance and international cooperation in this regard.' For further information, click here.

Key Regulatory Developments in Hong Kong

Source/Date	Brief description
Securities and Futures Commission (SFC) August 22, 2023	**SFC reprimands and fines China Industrial Securities International Brokerage Limited $3.5 million for internal control failures** The Securities and Futures Commission (SFC) has reprimanded and fined China Industrial Securities International Brokerage Limited (China Industrial) $3.5 million for internal control failures relating to monitoring of suspicious trading activities and recording of client order instructions. For more information, click here.
Securities and Futures Commission (SFC) August 21, 2023	**SFC fines Changjiang Corporate Finance (HK) Limited $20 million and suspends its licence for serious and extensive sponsor failures** The Securities and Futures Commission (SFC) has reprimanded and fined Changjiang Corporate Finance (HK) Limited (CJCF) HK$20 million for serious and extensive failures in discharging its duties as the sponsor in six listing applications. The SFC has also partially suspended CJCF's licence to the extent that the firm shall not act as a sponsor for listing applications on the SEHK of any securities, for one year from 18 August 2023 or until the SFC is satisfied that the controls and procedures of CJCF's sponsor-related business are adequate for ensuring compliance with the relevant legal and regulatory requirements, whichever is later. For more information, click here.
Securities and Futures Commission (SFC) August 11, 2023	**Joint announcement of the China Securities Regulatory Commission and the Hong Kong Securities and Futures Commission** The China Securities Regulatory Commission (CSRC) and the Hong Kong Securities and Futures Commission (SFC) reached consensus on the introduction of block trading (manual trades) under the mutual stock market access arrangements between the Mainland and Hong Kong (Stock Connect). The initiative will further enhance the Stock Connect arrangements, make available more trading mechanisms, enhance trading efficiency, and promote the mutual development of both capital markets. For more information, click here.

Source/Date	Brief description
Hong Kong Market Misconduct Tribunal August 9, 2023	**Hong Kong Market Misconduct Tribunal finds Mayer Holdings Limited and its former senior management for late disclosure of inside information** The Market Misconduct Tribunal (MMT) has found that Mayer Holdings Limited (Mayer) and nine of its former senior executives failed to disclose inside information as soon as reasonably practicable as required under the Securities and Futures Ordinance (SFO) following remitted proceedings after the Court of Appeal allowed appeals by Mayer and its directors against an earlier determination by the MMT. The MMT was satisfied that the undisclosed information would have been likely to have had a material effect on the share price of Mayer and therefore found that the undisclosed specific information constituted inside information. The MMT also found that Mayer had no written guidelines and/or internal control policies on the statutory requirements to disclose inside information which resulted in the breach of the disclosure requirement imposed on it under the SFO. For more information, click here.
Securities and Futures Commission (SFC) August 7, 2023	**Statement on virtual asset trading platforms improper practices** The Securities and Futures Commission (SFC) observed some unlicensed virtual asset trading platforms (VATPs) engaging in improper practices. The SFC published a statement that warned VATPs of the potential legal and regulatory consequences of these improper practices and reminded investors to be wary of the risks of trading virtual assets on unregulated VATPs. For more information, click here.
Insurance Authority (IA) August 7, 2023	**Cross-Agency Steering Group announces priorities to further strengthen Hong Kong's sustainable finance ecosystem** The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) announced its key priorities to further promote and consolidate Hong Kong's role as a leading sustainable finance hub. For more information, click here.

Source/Date	Brief description
Securities and Futures Commission (SFC) and Hong Kong Monetary Authority (HKMA) July 28, 2023	**Streamlining Approach by Intermediaries to Sophisticated Professional Investors** The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) noted questions and feedback from intermediaries concerning compliance with suitability obligations when they deal with sophisticated professional investors (SPIs) who possess higher levels of net worth and knowledge or experience, particularly in relation to the suitability assessment and product disclosure processes applied. The HKMA and the SFC consider it useful to provide intermediaries with further guidance on applying a proportionate and risk-based streamlining approach when dealing with SPIs. For more information, click here.
Hong Kong Exchanges and Clearing Limited (HKEX) July 26, 2023	**HKEX Signs Cooperation Agreement with Indonesia Stock Exchange** Hong Kong Exchanges and Clearing Limited (HKEX) announced it signed a Memorandum of Understanding (MOU) with Indonesia Stock Exchange (IDX). The partnership will explore opportunities across a number of strategic areas that seek to support the mutual development of both organisations and their corresponding markets. Under the terms of the MOU, HKEX and IDX will look to collaborate on opportunities relating to cross-border listings in the Hong Kong and Indonesian markets, joint product development and ESG initiatives, such as the promotion of sustainable finance in Asia. For more information, click here.
Securities and Futures Commission (SFC) July 13, 2023	**SFC reprimands and fines Changjiang Asset Management (HK) Limited $3.4 million for regulatory breaches and internal control failures** The Securities and Futures Commission (SFC) has reprimanded and fined Changjiang Asset Management (HK) Limited (CJAM) $3.4 million for regulatory breaches and internal control failings in relation to segregation of client money and provision of statements of accounts to clients. For more information, click here.

Source/Date	Brief description
Hong Kong Exchanges and Clearing Limited (HKEX) June 30, 2023	**HKEX Publishes Conclusions on Proposals to Expand Paperless Listing Regime** The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), published conclusions to its consultation on Proposals to Expand the Paperless Listing Regime and other Rule Amendments. All the proposals received support from a majority of respondents. The Exchange will adopt all the proposals outlined in the consultation paper with a number of minor modifications as set out in the Consultation Conclusions. For more information, click here.
Hong Kong Exchanges and Clearing Limited (HKEX) June 29, 2023	**HKEX Signs Cooperation Agreement with Beijing Stock Exchange** Hong Kong Exchanges and Clearing Limited (HKEX) announced that it signed a Memorandum of Understanding (MOU) with the Beijing Stock Exchange (BSE). The MOU reflected both exchanges' commitment to building long-term cooperation in support of cross listings; and sharing insight and expertise to promote the growth of capital markets in both Hong Kong and Beijing. As part of the MOU, HKEX and BSE will support qualified listed companies in each other's market in making their applications for listings. The exchanges will also work together in a number of areas such as joint marketing programmes, joint research projects, investor education and personnel exchanges. For more information, click here.
Hong Kong Monetary Authority (HKMA) June 6, 2023	**The HKMA welcomes the launch of the HKD-RMB Dual Counter Model and the Dual Counter Market Making Programme** The Hong Kong Monetary Authority welcomed the launch of the HKD-RMB Dual Counter Model and the Dual Counter Market Making Programme on June 19, 2023. The HKMA has been working closely with the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing Limited (HKEX) to promote the issuance and trading of RMB-denominated securities in Hong Kong. The SFC and HKEX have recently issued the relevant implementation details, providing guidance for the industry on participating in the Dual Counter Model. For more information, click here.

Source/Date	Brief description
Securities and Futures Commission (SFC) and Commercial Crime Bureau of the Police May 31, 2023	**SFC and Police joint operation against a suspect of illegal short selling and fraudulent activities** The Securities and Futures Commission (SFC) and the Commercial Crime Bureau of the Police conducted a joint search operation today against an individual who is based in Hong Kong and suspected of engaging in illegal short selling and fraudulent activities. The suspected short selling took place on six trading days and the total proceeds from selling the shares of the four listed companies reached HK$17.7 million. On the same trading days, the individual bought the shares back in the same quantity but at lower prices and obtained illicit profits of approximately HK$10.5 million. For more information, click here.

Key Regulatory Developments in Singapore

Source/Date	Brief description
Monetary Authority of Singapore (MAS) August 15, 2023	**MAS Finalises Stablecoin Regulatory Framework** The MAS has announced the features of a new regulatory framework which seeks to ensure a high degree of value stability for stablecoins regulated in Singapore. This framework takes into account feedback received from a public consultation in October 2022. The framework will apply to single currency stablecoins (SCS) that are pegged to the Singapore Dollar (SGD) or any G10 currency, and are issued in Singapore. Issuers of such SCS must fulfil key requirements relating to value stability, capital, redemption at par and disclosure to users. Only stablecoin issuers that fulfil all these requirements may apply to the MAS for their stablecoins to be recognised and labelled as "MAS-regulated stablecoins". For further information, click here.
MAS August 7, 2023	**MAS Commits Up To S$150 million for Technology and Innovation in Financial Sector** The MAS has announced that it will commit up to S$150 million over three years under the renewed Financial Sector Technology and Innovation Scheme (FSTI 3.0), which seeks to strengthen innovation by supporting projects involving the use of cutting-edge technologies or with a regional nexus. The FSTI 3.0 will comprise the following new tracks: (a) Enhanced Centre of Excellence track, (b) Innovation Acceleration track, and (c) Environmental, Social and Governance (ESG) FinTech track. The FSTI 3.0 will also continue to support advanced capability development and adoption in key areas such as artificial intelligence and data analytics, and regulatory technology. For further information, click here.
MAS July 31, 2023	**MAS to Strengthen Defence Against Money Laundering Risks in Single Family Offices** The MAS launched a public consultation on a revised framework to strengthen surveillance and defence against money laundering (ML) risks in Singapore's single family office (SFO) sector. Currently, SFOs can either rely on existing class exemptions from licensing requirements under the Securities and Futures Act 2001 or apply to the MAS for case-by-case exemptions. The MAS proposes to harmonise the exemption criteria for all SFOs operating in Singapore, to ensure that all SFOs are subject to anti-ML controls and to allow the MAS to better monitor SFOs operating in Singapore. To qualify for the harmonised class exemption, SFOs must meet certain requirements, such as notifying the MAS and confirming that it is in compliance with the class exemption qualifying criteria when commencing operations in Singapore, and reporting annually on total assets managed after the end of each calendar year. For further information, click here.

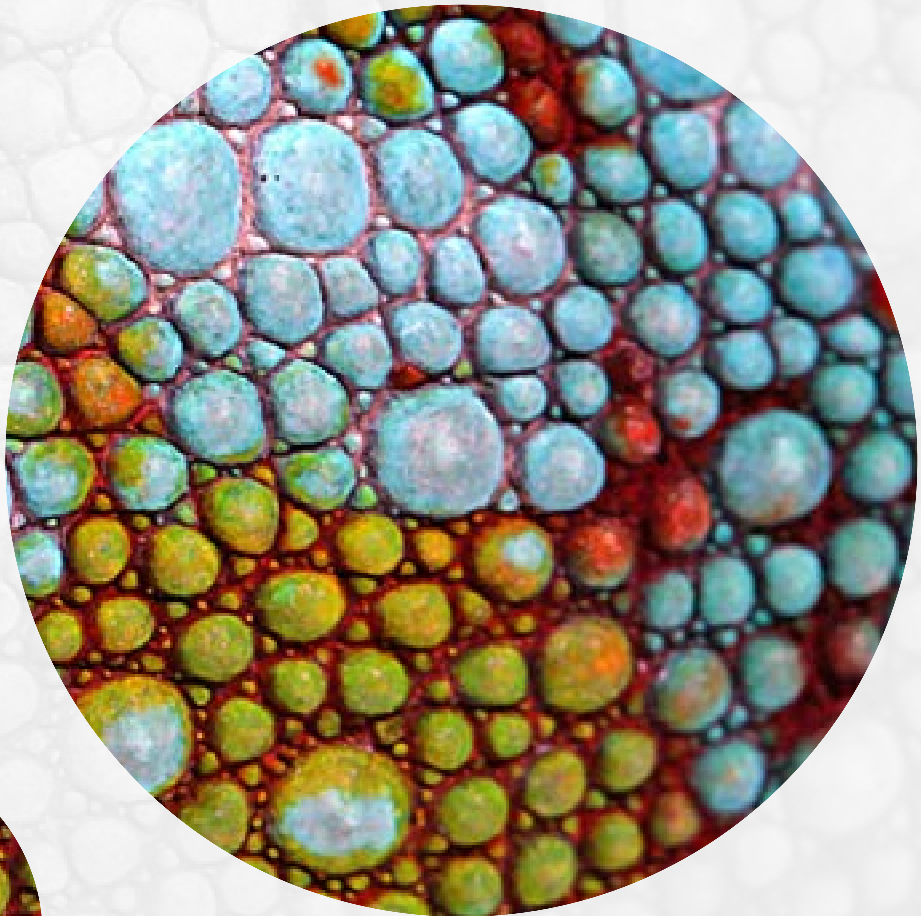
Source/Date	Brief description
MAS July 28, 2023	**MAS Announces End-2025 Timeline to Eliminate Corporate Cheques** The MAS has announced that all corporate cheques will be eliminated by end-2025, but individuals will still be able to use cheques for a period after 2025 to provide a longer runway for them to switch to alternative payment methods. With cheque usage in Singapore falling steadily, the cost of processing each cheque has been rising, and banks will thus commence charging for SGD-denominated cheques by November 1, 2023. The MAS is working closely with the Association of Banks in Singapore, the financial industry and various government agencies on several initiatives aimed at transiting cheque users to e-payment solutions, in order to provide greater convenience to corporates and individuals. For further information, click here.
MAS July 3, 2023	**MAS Publishes Investor Protection Measures for Digital Payment Token (DPT) Services** The MAS announced new requirements for DPT service providers to safekeep customer assets under a statutory trust before the end of the year, to mitigate the risk of loss or misuse of customers' assets and to facilitate the recovery of such assets in the event of the DPT service provider's insolvency. The MAS will also restrict DPT service providers from facilitating lending and staking of DPT tokens by their retail customers. These measures are introduced after a public consultation in October 2022 on regulatory measures to enhance investor protection and market integrity in DPT services. For further information, click here.
MAS June 28, 2023	**MAS Proposes Code of Conduct for Providers of ESG Ratings and Data Products** The MAS launched a public consultation on an industry code of conduct for providers of ESG ratings and data products. The proposed code of conduct was co-created with ESG industry players and modelled closely after the International Organisation of Securities Commission's recommendations on good practices. It establishes minimum industry standards of transparency in methodologies and data sources, governance and management of conflicts of interest. Given that the ESG industry is rapidly changing, the MAS will monitor the implementation of the industry code and observe global developments before taking further steps to formalise a regulatory framework for ESG rating providers. For further information, click here.

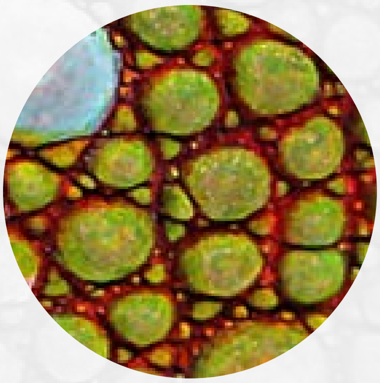
Source/Date	Brief description
MAS June 27, 2023	**MAS Proposes to Increase Deposit Insurance Coverage** The MAS published a consultation paper on proposals to increase deposit insurance (DI) coverage per depositor from S$75,000 to S$100,000, and to improve the clarity and operational efficiency of the DI Scheme. The proposed increase in DI coverage will ensure that most smaller depositors continue to be fully covered, keeping pace with the growth in average deposit balances, while managing the cost of coverage. Other proposed changes include enabling the MAS to stipulate a specific time when deposit balances are taken as final so as to enhance clarity on how DI compensation is computed, and introducing a time limit for DI compensation claims to keep administration costs low. For further information, click here.
MAS June 27, 2023	**MAS and Singapore Exchange (SGX Group) to collaborate with the Climate Data Steering Committee (CDSC) to Strengthen Global Access to Climate Transition-Related Data** The MAS, SGX Group and the Secretariat of the CDSC have signed a memorandum of understanding to collaborate on strengthening access to key climate transition-related data by stakeholders across the world. This collaboration will allow companies that report into MAS' ESGenome disclosure portal to consent for their data on Scope 1, 2 and 3 greenhouse gas emissions to be transmitted seamlessly to the CDSC's Net-Zero Data Public Utility (NZDPU) global repository of climate transition-related data. This will help enhance the tracking of these companies' climate commitments, and the companies also benefit from access to the NZDPU's global database to inform their own decarbonisation efforts. For further information, click here.
MAS June 26, 2023	**MAS Proposes Framework for Digital Asset Networks** The MAS published a report proposing a framework for designing open, interoperable networks for digital assets (ie. tokenised real-economy and financial assets). This report is part of the MAS' efforts to ensure that emerging digital asset networks are underpinned by international standards which promote safe and efficient financial market infrastructure. The MAS also announced an expansion of Project Guardian where 11 financial institutions will lead industry pilots in asset and wealth management, fixed income and foreign exchange, to test the potential of asset tokenisation across more financial asset classes. The MAS has also welcomed the Financial Services Agency (FSA) of Japan as the first overseas financial regulator to join Project Guardian, enabling the MAS and the FSA to collaborate on digital asset innovation and best practices for asset tokenisation, while safeguarding against risks to financial stability and integrity. For further information, click here.

Source/Date	Brief description
MAS June 26, 2023	**MAS-led Industry Consortium Releases Toolkit for Responsible Use of Artificial Intelligence (AI) in the Financial Sector** The MAS has released an open-source toolkit, Veritas Toolkit version 2.0, which was developed by an MAS-led consortium of 31 industry players. The toolkit will help financial institutions carry out the assessment methodologies for the fairness, ethics, accountability and transparency principles, which provide guidance to firms offering financial products and services on the responsible use of AI and data analytics. The consortium also published a white paper detailing key lessons learnt by seven financial institutions which piloted the integration of the Veritas methodology with their internal governance framework. These lessons include the importance of having a robust responsible AI framework that spans geographies, and a risk-based approach determining the governance required for AI use cases. For further information, click here.
MAS June 21, 2023	**MAS Proposes Standards for Digital Money** The MAS published a white paper proposing a common protocol to specify conditions for the use of digital money such as central bank digital currencies (CBDCs), tokenised bank deposits and stablecoins on a distributed ledger. The white paper covers (a) technical specifications that outline the Purpose Bound Money lifecycle from issuance to redemption and the protocol to interface with digital currencies banking it, and (b) business and operating models for how arrangements could be programmed such that money is transferred only upon fulfilment of service obligations or terms of use. The white paper builds on MAS' Project Orchid, an ongoing initiative to develop the competency and digital infrastructure needed to issue a digital SGD domestically, and aims to encourage greater research among central banks, financial institutions and FinTechs to understand the design considerations in the use of digital money. For further information, click here.
MAS June 8, 2023	**MAS to Set Expectations on Credible Transition Planning by Financial Institutions** The MAS announced that it will set supervisory expectations to steer financial institutions' transition planning processes to facilitate credible decarbonisation efforts by their clients. The guidance on transition planning will cover financial institutions' governance frameworks and client engagement processes to manage climate-related financial risks and enable transition in the real economy towards net-zero. The MAS will issue a consultation paper on this matter later this year. For further information, click here.

Source/Date	Brief description
MAS May 31, 2023	**MAS Partners Google Cloud to Advance Capabilities in Generative AI Technology** The MAS and Google Cloud have signed a memorandum of understanding to collaborate on generative AI solutions grounded on responsible AI practices. The partnership will explore technology opportunities to advance the development and use of responsible generative AI applications within the MAS, as well as cultivate technologists with deep AI skillsets. The memorandum of understanding provides a framework for cooperation in technology and industry best practices in the following areas: (a) identifying potential use cases, conducting technical pilots and co-creating solutions, (b) cooperating on responsible generative AI technology application development, and (c) supporting technical competency development. For further information, click here.
MAS May 9, 2023	**Second Reading of the Financial Services and Markets (Amendment) Bill 2023** Mr Alvin Tan, Minister of State, Ministry of Culture, Community and Youth & Ministry of Trade and Industry, and Board Member of MAS, delivered his Second Reading Speech for the Financial Services and Markets (Amendment) Bill on behalf of Mr Tharman Shanmugaratnam, Senior Minister and Minister-in-charge of the Monetary Authority of Singapore. In his speech, Mr Tan highlighted that financial institutions are unable to warn one another about unusual activity involving their customers due to customer confidentiality obligations, and criminals exploit this by making illicit transactions through different financial institutions to avoid detection. To address this, the Bill provides for the establishment and maintenance of a secure digital platform, COSMIC, for financial institutions to share with one another information on customers who exhibit multiple indicators of potential financial crime concerns. Mr Tan noted that COSMIC will permit sharing only for the purpose of mitigating financial crime risks, and will also have robust controls to block unauthorised external access and safeguard access to information. In doing so, the Bill will enable the MAS and financial institutions to respond quickly to potential financial crime activity within the financial system. For further information, click here.

Source/Date	Brief description
MAS May 8, 2023	**Explanatory Brief for Bretton Woods Agreements (Amendment) Bill 2023** The Bretton Woods Agreements (Amendment) Bill 2023 will introduce amendments to the Bretton Woods Agreements Act 1966 (**BWAA**), which will ensure that the MAS can continue to meet its commitments to the International Monetary Fund (**IMF**) on behalf of the Government of Singapore. The Bill seeks to: (a) clarify the scope of the safeguards in Section 6A(2) of the BWAA in respect of grants given to the IMF, and (b) waive the requirement for early repayment under Section 6A(4) of the BWAA in specific circumstances where the IMF arrangements are multilateral in nature and involve the use of standardised terms. The legislative amendments in the Bill will maintain the intent of the existing safeguards that ensure the proper exercise of the MAS' powers in relation to the provision of loans, grants or other financial assistance to the IMF. For further information, click here.





Key Regulatory Developments in India

Source/Date	Brief description
Securities and Exchange Board of India June 21, 2023	**Issuance of units of AIFs in dematerialized form** The Securities and Exchange Board of India (the "SEBI") has amended Regulation 10(aa) of the SEBI (Alternative Investment Funds) Regulations, 2012 as a step towards digitalization of all types of financial securities. All schemes of AIFs shall dematerialize their units in the following time frame: a. Schemes of AIFs with corpus > INR 500 crores shall compulsorily: (i) Dematerialize their units latest by October 31, 2023; and (ii) Issuance of units to be dematerialized form only w.e.f. November 1, 2023; b. Schemes of AIFs with corpus < INR 500 crores shall compulsorily: (i) Dematerialize their units latest by April 30, 2024; and (ii) Issuance of units to be dematerialized form only w.e.f. May 1, 2024; c. The requirements specified in (a) and (b) above shall not apply to schemes whose tenure (*excluding permissible extensions in tenure*) ends on or before April 30, 2024. For further information, click here.
Securities and Exchange Board of India June 21, 2023	**Standardized approach to valuation of investment portfolio of AIFs** The Securities and Exchange Board of India (the "SEBI") has proposed the following: a. Manner of valuation of AIF's investments: Valuation to be conducted in compliance with IPEV guidelines and norms prescribed under SEBI (Mutual Funds) Regulations, 1996 and SEBI circular dated September 24, 2019; b. Eligibility criteria for Independent Valuer: (i) The independent valuer is a valuer registered with Insolvency and Bankruptcy Board of India and has membership of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or CFA Institute; (ii) The independent valuer is a holding company or subsidiary of a Credit Rating Agency registered with SEBI; (iii) Any other criteria as may be specified by SEBI from time to time; and c. Responsibility of manager of AIF with regard to valuation of investments of AIF: The manager is responsible for true and fair valuation of the investments of the scheme of the AIF. For further information, click here.

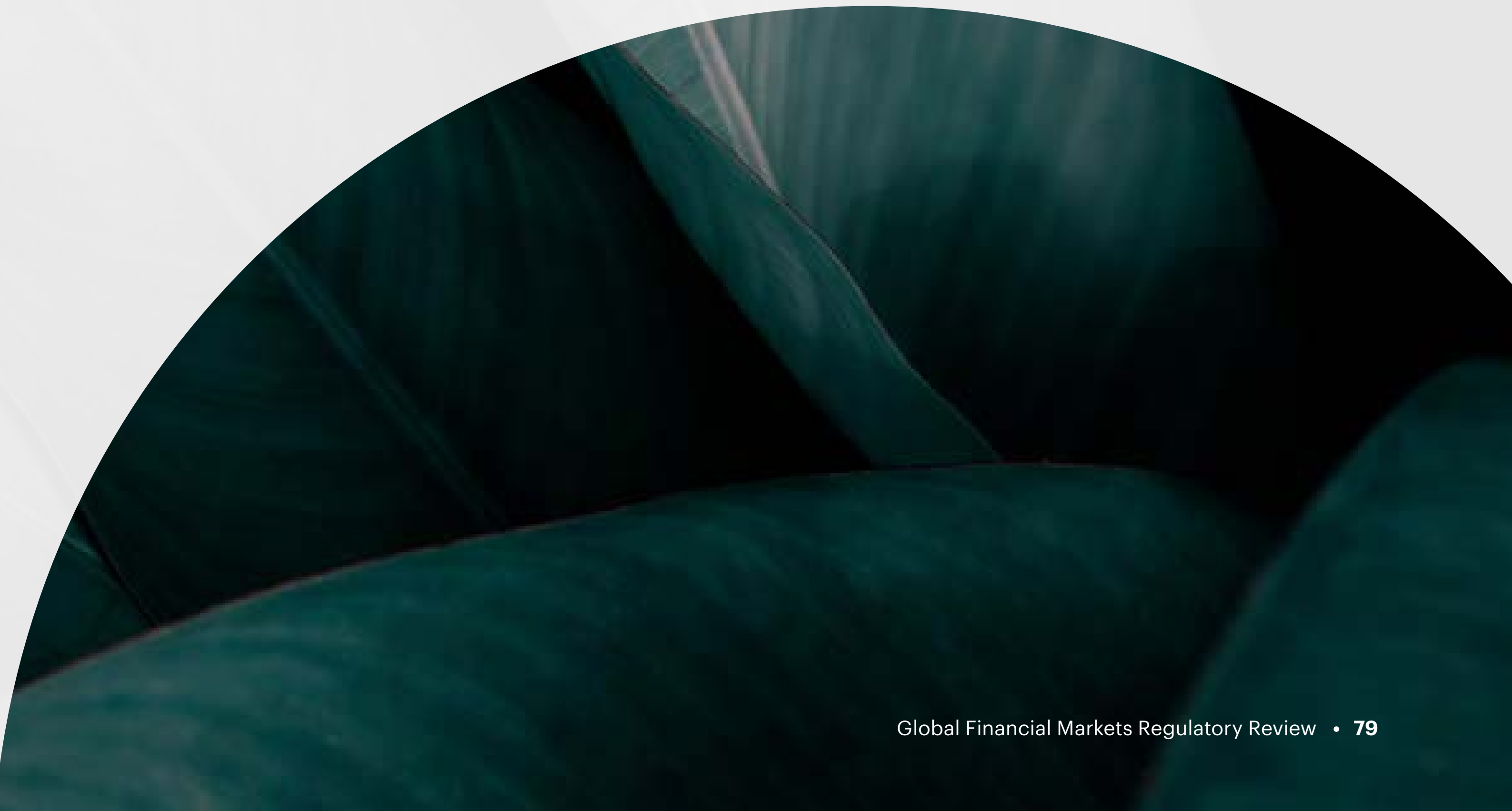
Source/Date	Brief description
Securities and Exchange Board of India June 14, 2023	**Amendment to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** The Securities and Exchange Board of India (the "**SEBI**") tightened governance requirements for listed entities under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI LODR Regulations**") by notifying the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023. Following are the key changes to the disclosure regime under Regulation 30 of SEBI LODR Regulations: a. Quantitative Threshold for Determining Materiality: Listed entities will be required to update their materiality policy to incorporate the Materiality Threshold, and ensure that their materiality policy meets the two-pronged requirement for the materiality policy to be framed by listed entities: (i) such policy should not dilute the requirements specified under Regulation 30 of the SEBI LODR Regulations; and (ii) such policy should assist the relevant employees of listed entities to identify any potential material event or information in order to report such event or information to the authorized key managerial personnel responsible for determining the materiality of such event or information and making the necessary disclosures to the stock exchanges. b. Verification of Market Rumors: Listed entities are now required to provide specific and adequate replies to all queries raised by stock exchanges with respect to any event or information as soon as reasonably practicable. c. Timelines for Disclosure of Material Events: The amendment to the SEBI LODR Regulations now requires listed entities to disclose a material event not later than: (i) 12 hours of the occurrence of such event if it emanates from within the listed entity; (ii) 24 hours of the occurrence of such event if it does not emanate from within the listed entity; and (iii) 30 minutes of the closure of the Board meeting where any decision is taken relating to such event. These timelines remain subject to the timelines separately specified for specific material events. For further information, click here.

Source/Date	Brief description
Securities and Exchange Board of India May 30, 2023	**Revision in guidelines on Investor Protection Fund and Investor Services Fund** The Securities and Exchange Board of India (the "**SEBI**") has merged and revised the guidelines on Investor Protection Fund ("**IPF**") and Investor Services Fund ("**ISF**") maintained by stock exchanges and depositories. All stock exchanges and depositories are mandatorily required to establish an IPF in the following manner: a. The IPF of the stock exchange and depository shall be administered through separate trusts created for the purpose; b. The IPF trust of the stock exchange and depository shall consist of five trustees; c. The maximum tenure of a trustee (excluding the Chief Regulatory Officer or Compliance Officer, whose trusteeship would be co-terminus with their service) shall be five years or as specified by SEBI. d. The stock exchanges and depositories are required to conduct a half-yearly review (by the end of March and September every year) to ascertain the adequacy of the IPF corpus. In case, the IPF corpus is found to be inadequate, the same shall be enhanced appropriately. For more information, click here.

Source/Date	Brief description
Securities and Exchange Board of India May 23, 2023	**Modification in IPO norms** The Securities and Exchange Board of India (the "**SEBI**") issued the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2023 to further amend the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**"). Following is the summary of key amendments: a. SEBI has made the underwriting agreement necessary for IPO filings under SEBI (ICDR) Regulations; b. The underwriting framework in book-built issues is changed to expressly recognize two distinct types of underwriting: (i) underwriting covering demand shortfall and (ii) underwriting covering risk of technical rejections after the book-building offer period has been completed. The issuer has the choice to determine the type of underwriting arrangement; c. Further, the SEBI ICDR Regulations clarify that the underwriter need not subscribe to the securities itself and may enter into arrangements to procure subscription for offered securities to fulfil its underwriting obligation; d. Allotment of shares in a bonus issue shall be made only in dematerialized form. For more information, click here.

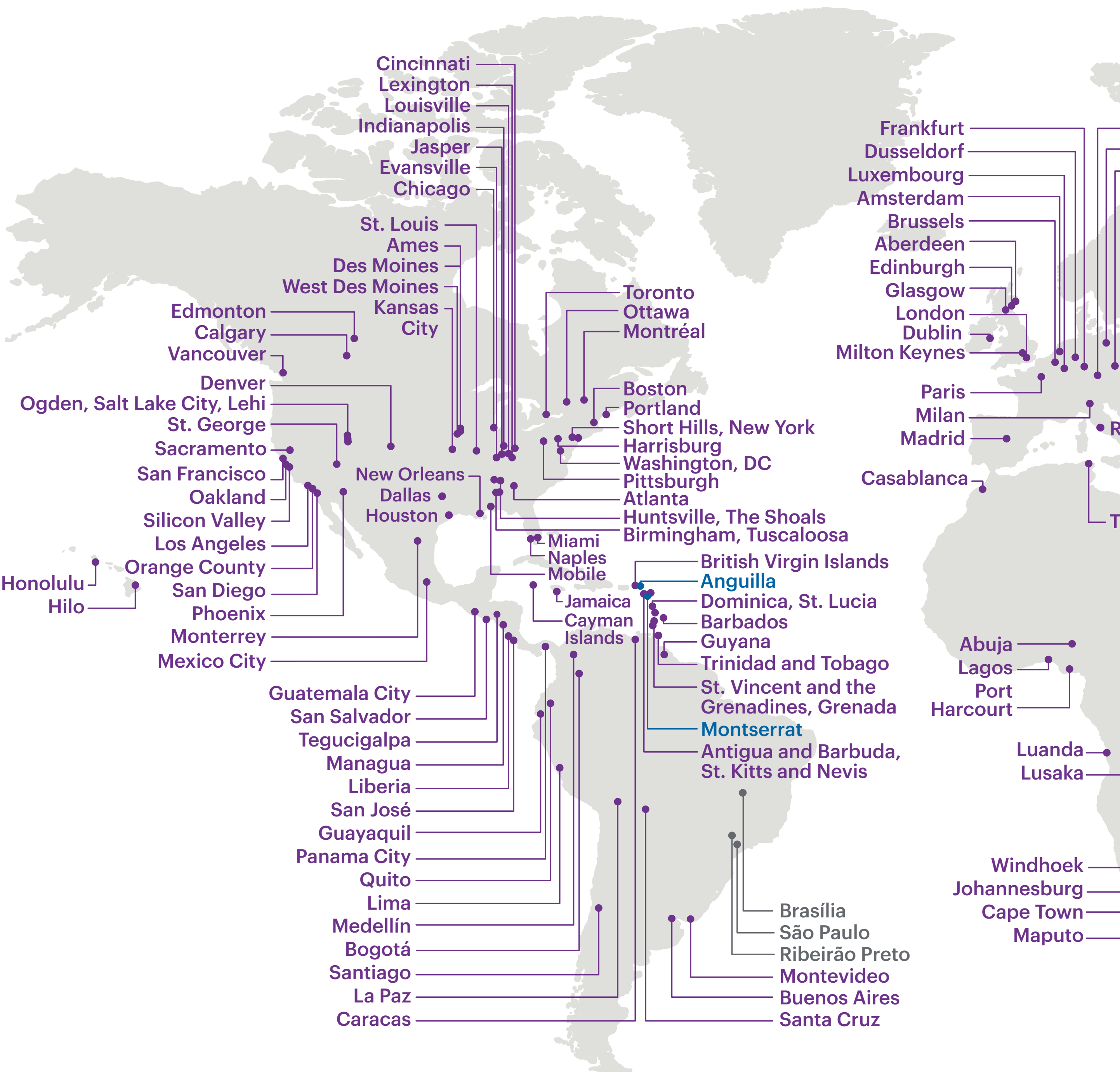
Source/Date	Brief description
Securities and Exchange Board of India May 4, 2023	**Additional requirements for the issuer of transactional bonds** This circular was issued to ensure transparency, informed decision-making amongst investors and prevent misallocation of funds raised through transition bonds. An issuer wishing to issue transition bonds (the "**Issuer**") is required to make the following additional disclosures in the offer document for public issues or private placements: a. The Issuer must use a denotation 'GB-T' to differentiate transition bonds from other categories of green debt security. Such denotation shall be disclosed on the cover page and in the type of instrument field in the term sheet; b. The transition plan must include the details of interim targets, along with an indicative timeline for achieving the targets. Such transition plan should also have information about the brief of the project, implementation strategy, details regarding the usage of technology and a mechanism to oversee the utilisation of the funds raised through transition bonds; c. The interim targets must reflect the indicative figure on the amount of emissions an Issuer is envisaging to reduce; d. The revised transition plan, along with an explanation for any revision to the already disclosed plan to be disclosed to stock exchanges, if applicable; e. Further, an Issuer is required to disclose the transition plan along with a brief on the progress of the implementation of the transition plan in the annual report. For more information, click here.

Source/Date	Brief description
Securities and Exchange Board of India May 3, 2023	**Introduction of 'Legal Entity Identifier' ("LEI") system for certain categories of issuers** As on date, the Reserve Bank of India mandates non-individual borrowers having aggregate exposure of above Rs. 25 crores to obtain the LEI code. In view of the above, Securities and Exchange Board of India issued this circular to mandate the following: a. Issuers having outstanding listed non-convertible securities as on August 31, 2023, shall report/obtain and report the LEI code in the Centralized Database of corporate bonds, on or before September 1, 2023; b. Issuers having outstanding listed securitised debt instruments and security receipts as on August 31, 2023, shall report/obtain and report the LEI code to the Depositories, on or before September 1, 2023; c. Issuers proposing to issue and list non-convertible securities, on or after September 1, 2023, shall report their LEI code in the centralized database of corporate bonds at the time of allotment of the ISIN. The requirement of LEI for issuers proposing to list or having outstanding municipal debt securities shall be specified subsequently. For more information, click here.



Source/Date	Brief description
Securities and Exchange Board of India April 10, 2023	**Direct plan for schemes of Alternative Investment Funds ("AIFs") and trail model for distribution commission in AIFs** This circular was issued to protect the interests of investors in securities and to regulate and promote the development of the securities market. It provides flexibility to investors for investing in AIFs and brings in transparency in expenses in order to curb mis-selling. **A. Direct Plan for schemes of AIFs** a. The schemes of AIFs shall have an option of 'Direct Plan' for investors, *i.e.*, such plan shall not entail any distribution fee/ placement fee. b. The AIFs shall ensure that investors approaching the AIF through a SEBI registered intermediary (which separately charges fees), are on-boarded via Direct Plan only. **B. Trail model for distribution commission in AIFs** a. AIFs shall disclose distribution fee/placement fee, if any, to the investors of AIF/scheme of AIF at the time of onboarding; b. Category III AIFs shall charge distribution fee/placement fee, if any, to investors only on an equal trail basis i.e. no upfront distribution fee/ placement fee shall be charged by Category III AIFs directly or indirectly to their investors. Further, any distribution fee/ placement fee paid shall be only from the management fee received by the managers of such Category III AIFs; c. Category I AIFs and Category II AIFs may pay up to one-third of the total distribution fee/placement fee to the distributor on an upfront basis. The remaining distribution fee/placement fee shall be paid to the distributors on an equal trail basis over the tenure of the fund. For more information, click here.

Global presence



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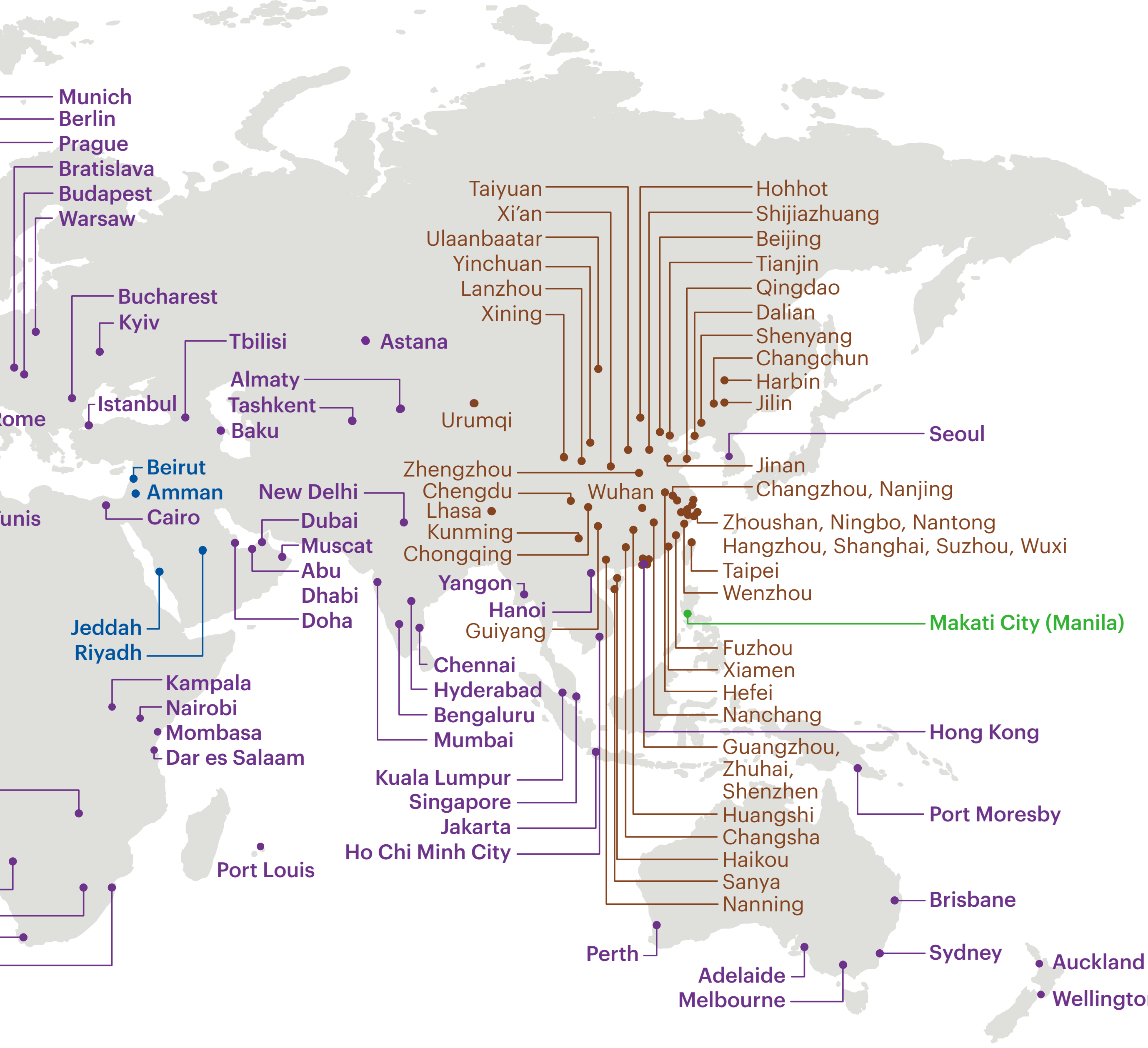

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