

Financial Regulatory Developments Focus

In this newsletter, we provide a snapshot of the principal US, European and global financial regulatory developments of interest to banks, investment firms, broker-dealers, market infrastructure providers, asset managers and corporates.

[Click here](#) if you wish to access our Financial Regulatory Developments website.

In this Issue (please click on any title to go directly to the corresponding discussion):

Bank Prudential Regulation & Regulatory Capital	3
US Agencies Issue Joint Statement on New Accounting Standard on the Measurement of Credit Losses	3
US Board of Governors of the Federal Reserve System Issues Guidance for Assessing Risk Management at Institutions with Less Than \$50 Billion in Assets	3
US House Financial Services Committee Chairman Outlines Proposal to Replace the Dodd-Frank Act	3
US Board of Governors of the Federal Reserve System Finalizes Regulatory Reporting Requirements for Intermediate Holding Companies of Foreign Banking Organizations	4
European Banking Authority Publishes Annual Report	4
Securities and Markets Stakeholder Group Position Paper on Supervisory Convergence	4
Joint Industry Response to Basel Committee Consultation on Pillar 3 Disclosure Requirements	5
European Banking Authority Decision on Data for Supervisory Benchmarking	5
Corrections to EU Regulatory Technical Standards Under the Capital Requirements Directive and Capital Requirements Regulation Published in Official Journal	6
Cyber Security	6
US Federal Financial Institutions Examination Council Issues Statement on Cybersecurity of Interbank Messaging and Wholesale Payment Networks	6
Derivatives	7
US Commodity Futures Trading Commission Proposes Clearing Requirement for Additional Interest Rate Swaps	7
US Commodity Futures Trading Commission Reopens Comment Period for Certain Elements of Regulation Automated Trading	7
US Commodity Futures Trading Commission Approves Final Rule to Amend Swap Data Recordkeeping and Reporting Requirements for Cleared Swaps	7
US Commodity Futures Trading Commission Extends No-Action Relief to SEFs and DCMs from Certain CFTC Regulations for Correction of Errors	8
US Securities and Exchange Commission Adopts Final Rule Regarding Trade Acknowledgments	8
Financial Crime	8
EU Regulatory Technical Standards on Accepted Market Practices Under the Market Abuse Regulation	8
EU Regulation on Notifications Under the Market Abuse Regulation	9
Five Charged by UK Regulator for Alleged Investment Fraud	9
Former Equities Trader Sentenced for Insider Dealing	10
Two Banned from UK Financial Services Industry	10
Financial Market Infrastructure	10
EU Legislation Extends Central Counterparty Authorization Period	10
Financial Services	11
Director of US Office of Financial Research Discusses Financial Resilience	11
Chairman of the US Federal Deposit Insurance Corporation Provides Remarks on the Impact of Post-Crisis Reforms on the US Financial System and Economy	11
European Securities and Markets Annual Report 2015	11
EU Regulation Proposal for Program to Enhance Consumer and End User Protection and Involvement in Financial Services Policy Making	12
UK Legislation Implements Provisions of The Bank of England and Financial Services Act 2016	12
Funds	13
European Securities and Markets Authority Draft Technical Standards for European Long-Term Investment Funds	13
European Commission Consults on Cross-border Distribution of Funds and Capital Markets Union	13

MiFID II..... 13

- European Commission Adopts Regulatory Technical Standards on Volume Cap Mechanism and Provision of Information for the Purposes of Transparency and Other Calculations Under MiFIR 13
- European Commission Adopts Regulatory Technical Standards on the Direct, Substantial, and Foreseeable Effect of Derivative Contracts Within the European Union 14
- EU Technical Standards on Data to be Published by Execution Venues on Execution Standards Adopted by the European Commission 15
- European Parliament Supports MiFID II Implementation Extension 15

Recovery & Resolution 15

- US Board of Governors of the Federal Reserve System and US Federal Deposit Insurance Corporation Grant Extension to Four Foreign Banking Organizations for Submission of Their US Resolution Plans 15
- US Board of Governors of the Federal Reserve System and US Federal Deposit Insurance Corporation Permit Reduced Resolution Plan Submissions for Certain Foreign Banking Organizations 16
- EU Implementing Technical Standards on Disclosure of Group Financial Support Agreements 16

People..... 16

- New York State Department of Financial Services Confirms New Superintendent..... 16
- Financial Industry Regulatory Authority Appoints New President and CEO..... 17

Upcoming Events 17

Upcoming Consultation Deadlines 17

Bank Prudential Regulation & Regulatory Capital

US Agencies Issue Joint Statement on New Accounting Standard on the Measurement of Credit Losses

On June 17, 2016, the Federal Reserve Board, the US Federal Deposit Insurance Corporation, the US Office of the Comptroller of the Currency and the US National Credit Union Administration released a joint statement providing information about the new Financial Accounting Standards Board statement regarding credit loss estimation. The joint statement provides supervisory views regarding the recently introduced standard which introduces the current expected credit losses methodology for estimating credit losses. This standard applies to all banks, savings associations, credit unions and financial holding companies, regardless of their asset size. Early application is permitted for fiscal years after December 15, 2018, but the rule becomes effective in 2020 for public business entities that are US Securities and Exchange Commission filers, and in 2021 for public business entities that are not SEC-filers and private companies.

The joint statement is available at: <https://www.fdic.gov/news/news/press/2016/pr16051a.pdf>.

US Board of Governors of the Federal Reserve System Issues Guidance for Assessing Risk Management at Institutions with Less Than \$50 Billion in Assets

On June 8, 2016, the Federal Reserve Board issued supervisory guidance for supervised institutions with total consolidated assets of less than \$50 billion for assessing risk management. The guidance notes that sound risk management principles should apply to all risks facing an institution, including, but not limited to, credit, market, liquidity, operational, compliance and legal risk. The guidance states that in evaluating an institution's risk management framework, examiners should evaluate four key areas: board and senior management oversight of risk management, policies, procedures and limits, risk monitoring and management information systems and internal controls. The guidance provides additional considerations that examiners should look for in connection with each of these areas, but notes that the considerations listed therein are not a checklist. The guidance explicitly recognizes that risk management processes and control functions for the US operations of foreign banking organizations may be implemented domestically or outside of the United States. However, in cases where the functions are performed outside of the United States, the guidance states that the oversight function, policies and procedures, and information systems need to be sufficiently transparent to allow US supervisors to assess their adequacy.

The guidance is available at: <http://www.federalreserve.gov/bankinforeg/srletters/sr1611a1.pdf>.

US House Financial Services Committee Chairman Outlines Proposal to Replace the Dodd-Frank Act

On June 7, 2016, US House Financial Services Committee Chairman Jeb Hensarling provided remarks regarding proposed legislation to replace the Dodd-Frank Act. The Executive Summary and additional details were subsequently released, and the full bill is expected to be released later this month. Under the proposal, banks that maintain a leverage ratio of at least 10 percent and a composite CAMELS rating of 1 or 2 would be deemed well-capitalized and able to elect able to opt out of many regulatory requirements, including capital and liquidity requirements and limits on capital distributions and mergers or acquisitions. The proposal would also repeal Title II of the Dodd-Frank Act (the orderly liquidation authority) and replace it with a new subchapter of the US Bankruptcy Code, remove the authority of the Financial Stability Oversight Council, to designate firms as systemically important and certain payments and clearing organizations as systemically important financial market utilities, and reform the Securities and Exchange Commission and Consumer Financial Protection Bureau.

The Executive Summary of the Financial Choice Act and Representative Hensarling's speech are available at: <http://financialservices.house.gov/choice/>.

Additional details about the Financial Choice Act are available at:

https://www.nafcu.org/News/2016_News/June/Financial_CHOICE_Act_Summary_of_Key_Provisions_FINAL/.

US Board of Governors of the Federal Reserve System Finalizes Regulatory Reporting Requirements for Intermediate Holding Companies of Foreign Banking Organizations

On June 1, 2016, the US Board of Governors of the Federal Reserve System adopted a proposal to extend various regulatory reporting requirements to US intermediate holding company (IHC) subsidiaries of foreign banking organizations. The final reporting requirements are generally the same as the proposal, with a few adjustments and clarifications. Under the final requirements, the Federal Reserve noted that it will consider requests to modify the financial data for previous years that an IHC would be required to report, or extend the time period by which an IHC would have to report the historical data on the applicable Form FR Y-14. The FR Y-14 series of reports generally collects data for stress-testing purposes. The Federal Reserve Board also clarified that it is not requiring at this time that the FR Y-14 attestation requirement apply to IHC subsidiaries of US bank holding companies subject to the Large Institution Supervision Coordinating Committee. The Federal Reserve Board also extends the IHC's first filing date of the FR Y-15 form to December 5, 2016 to allow institutions time to facilitate accurate reporting.

The final rule is available at: <https://www.gpo.gov/fdsys/pkg/FR-2016-06-01/pdf/2016-12867.pdf>.

European Banking Authority Publishes Annual Report

On June 15, 2016, the European Banking Authority published its annual report which provides a review of the EBA's work in 2015 and sets out key areas of focus it has forecast for the short term future. The EBA lists its achievements in 2015 in the following categories: (i) completing the Single Rulebook and enhancing consistency in prudential regulation; (ii) concluding the regulatory framework for effective recovery, resolution and deposit guarantee schemes; (iii) strengthening supervisory convergence and ensuring the consistent implementation of supervisory and regulatory practices across the EU; (iv) identifying, analyzing and addressing the key risks in the EU banking sector; (v) protecting consumers monitoring financial innovation and ensuring secure and efficient payment services across the EU; (vi) international engagement; and (vii) working on cross-sectoral issues. The EBA's list of key areas of focus for 2016 includes, among others: (i) promoting a common approach to the calibration of the leverage ratio; (ii) enhancing the framework for credit risk; (iii) reviewing the impact of proportionality; (iv) resolving Europe's legacy assets; (v) promoting compliance, comparability and consistency for supervisory practices in the EU; and (vi) monitoring supervisory convergence through onsite reviews. The report also annexes a financial report which contains the EBA's financial performance in 2015, budget results and a summary of budgetary execution in 2015.

The report is available at: <http://www.eba.europa.eu/documents/10180/1495214/EBA+Annual+report+2015.pdf>.

Securities and Markets Stakeholder Group Position Paper on Supervisory Convergence

On June 13, 2016, the Securities and Markets Stakeholder Group published advice to the European Securities and Markets Authority in a Position Paper on Supervisory Convergence. The Paper outlines supervisory convergence as one of the key strategies to be pursued by ESMA from 2016 until 2020. The SMSG also outlines the possible role it may take in supporting ESMA to ensure consistent supervisory practice across the European Union.

The focus of the paper is on the tools and instruments which ESMA may use to cultivate consistency within the network of financial supervisors and developing uniform supervisory standards. The SMSG explores the methodology of supervisory convergence, which includes guidelines and recommendations, peer review of regulators, exchange of information and experiences as well as training programs. The SMSG notes, amongst other things, that it considers guidelines and recommendations as important tools in ensuring a uniform application of European Union law, and suggests that ESMA take further advantage of Q&As as it helps gain better insight into the proper implementation of financial markets law.

The SMSG finally suggests that ESMA may wish to consider enhancing the effectiveness of peer reviews by explicitly covering regulators' compliance with ESMA's Guidelines where appropriate. The SMSG finally suggests that stakeholders should be involved in ESMA's work on supervisory convergence, and welcomes ESMA's initiative to engage stakeholders in peer review.

The position paper is available at: https://www.esma.europa.eu/sites/default/files/library/2016-smsg-014_position_paper_sc.pdf.

Joint Industry Response to Basel Committee Consultation on Pillar 3 Disclosure Requirements

On June 10, 2016, The Institute of International Finance, the International Swaps and Derivatives Association and the Global Financial Markets Associations jointly issued an open letter to the Basel Committee on Banking Supervision. The letter outlines the collective views of the Associations on the Basel Committee's Consultative Document on Pillar 3 Disclosure Requirements which was published on March 11, 2016. The consultation was a second phase review of the proposed consolidated and enhanced framework for Pillar 3 disclosures under Basel III.

The letter states that while the Associations strongly endorse the goals of Pillar 3 to enhance market understanding of banks' capital and risk profiles, they have a number of serious concerns in relation to the Basel Committee's proposal. Such concerns relate to, among other things: (i) the quantity and granularity of information proposed to be disclosed; (ii) hypothetical disclosures, which should be reconsidered as they may be misunderstood and lead to misperceptions that would be damaging to banks and the credibility of the regulatory framework; (iii) a number of specific issues that would require attention to make Total Loss Absorbing Capacity disclosures useful and feasible; and (iv) the proposals for market risk and operational risk, which have been complex and difficult to analyze. The letter also covers other topics such as the problem of information overload and ways to streamline Pillar 3, including expanding the scope of signposting.

The letter is available at: <https://www.iif.com/file/16241/download?token=XxnkIHv7>.

European Banking Authority Decision on Data for Supervisory Benchmarking

On June 2, 2016, the EBA published a decision, dated May 31, 2016, on data for supervisory benchmarking under the Capital Requirements Directive. The CRD requires that regulators monitor the range of risk-weighted exposure amounts or own funds requirements, including those relating to transactions in benchmark portfolios resulting from the internal approaches adopted by firms. Regulators are also required to assess, at least annually, the quality of the relevant approaches adopted by institutions. In performing this function, regulators receive benchmarking information and data in accordance with the Benchmarking Implementation Regulation. The EBA is required under the CRD to assist regulators in their assessment with regard to supervisory benchmarking. The Decision follows publication of the amended technical standards on benchmarking of internal approaches and requires regulators to submit data for the 2016 benchmarking exercise. Following delay in the EU's adoption of the Benchmarking Implementation Regulation, the EBA has repealed its previous decision on the topic and replaced it with this decision.

The EBA decision requires regulators to submit to the EBA supervisory and supervisory benchmarking data. Regulators shall submit such data for firms permitted to use internal approaches for the calculations of risk weighted exposure amounts or own fund requirements (except for operational risk). A list of such firms was published. When submitting data to the EBA, regulators will warrant that the data has undergone rigorous internal controls and quality checks. The EBA may conduct additional validations and checks to ensure consistency and may require revisions from regulators.

All data submitted to the EBA, according to the Decision, will be covered by the EU legal framework of professional secrecy and confidentiality, as applicable to the EBA. The Decision states that the EBA will issue annually a calendar including submission dates for regulators, and that regulators must submit all 2015 supervisory and supervisory benchmarking data within 10 business days after June 30, 2016.

The Decision entered into force on May 31, 2016.

The Decision is available at:

<http://www.eba.europa.eu/documents/10180/1481538/EBA+DC+156+%28Decision+on+Data+for+Supervisory+Benchmarking%29.pdf> and the EBA list of firms is available at:
<http://www.eba.europa.eu/documents/10180/15926/EBA+list+of+institutions+for+the+purpose+of+supervisory+benchmarking+%28June+2016%29.pdf>.

Corrections to EU Regulatory Technical Standards Under the Capital Requirements Directive and Capital Requirements Regulation Published in Official Journal

On June 1, 2016, a Commission Delegated Regulation was published in the Official Journal of the European Union correcting two Commission Delegated Regulations under the Capital Requirements Regulation and CRD. The Regulation corrects a previous Commission Delegated Regulation supplementing the CRR with regard to the Regulatory Technical Standards for non-delta risk of options in the standardized market risk approach. Under the CRR, the EBA is empowered to develop a range of methods to reflect non-delta risks in the own funds requirements of firms in a manner proportionate to the scale and complexity of firms' activities in options and warrants. One approach to measure non-delta risks of options and warrants is the "simplified approach." The EBA developed draft RTS accordingly, under which institutions that exclusively purchased options and warrants were obliged to use the simplified approach and did not prevent other institutions from using this approach. The correction states that only institutions that exclusively purchase options and warrants may use the simplified approach, which removes the obligation on such firms to only use the simplified approach and prevents other firms from using it.

The Regulation also corrects a Commission Delegated Regulation supplementing the CRD with respect to qualitative and appropriate quantitative criteria used to identify categories of staff whose professional activities have a material impact on the firm's risk profile. The CRD requires firms to identify all members of staff whose professional activities have a material impact on the institution's risk profile. The Commission Delegated Regulation was corrected to qualify any staff whose total remuneration takes them into the same remuneration brackets as senior management and risk takers as "material risk takers," in other words those whose professional activities have a material impact on the firm's risk profile.

The Regulation entered into force on June 2, 2016.

The Regulation is available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0861&from=EN>.

Cyber Security

US Federal Financial Institutions Examination Council Issues Statement on Cybersecurity of Interbank Messaging and Wholesale Payment Networks

On June 7, 2016, the US Federal Financial Institutions Examination Council issued a statement to remind financial institutions to actively manage risks associated with interbank messaging and wholesale payments networks in light of recent terror attacks. The statement does not contain new regulatory expectations related to IT risk management, but rather, alerts financial institutions as to specific risk mitigation techniques to prevent such attacks. The statement

encourages financial institutions to review their risk management practices and controls, including authentication, authorization, fraud detection, and response management systems and processes.

The statement is available at: https://www.ffiec.gov/press/PDF/Cybersecurity_of_IMWPN.pdf.

Derivatives

US Commodity Futures Trading Commission Proposes Clearing Requirement for Additional Interest Rate Swaps

On June 16, 2016, the CFTC proposed an amendment to CFTC regulation 50.4(a) that would require certain additional interest rate swaps to be cleared by market participants through a registered derivatives clearing organization or a derivatives clearing organization that has been exempted from registration under the Commodity Exchange Act. The proposed amendment would make the CFTC's clearing requirement consistent with those proposed or finalized in 2015 or 2016 by Australia, Canada, the European Union, Hong Kong, Mexico and Singapore. The proposed amendment will be open for public comment for 30 days after it is published in the Federal Register.

The proposed rule is available at: <http://www.cftc.gov/idc/groups/public/@lfederalregister/documents/file/2016-14035a.pdf>.

US Commodity Futures Trading Commission Reopens Comment Period for Certain Elements of Regulation Automated Trading

On June 15, 2016, the CFTC reopened the comment period for certain elements of its notice of the proposed rulemaking regarding Regulation Automated Trading (Regulation AT), initially proposed in December 2015. The extension comes after a public roundtable meeting on June 10. Comments will be accepted from June 10, 2016 to June 24, 2016 on the topics that were discussed at the roundtable, including items on the discussion points paper released by the CFTC, the agenda for the roundtable discussion, as well as topics that arose during the roundtable.

The press release is available at: <http://www.cftc.gov/PressRoom/PressReleases/pr7392-16#PrRoWMBL>.

US Commodity Futures Trading Commission Approves Final Rule to Amend Swap Data Recordkeeping and Reporting Requirements for Cleared Swaps

On June 14, 2016, the CFTC approved a final rule to amend existing swaps reporting regulations in order to provide additional clarity to swap counterparties and registered entities regarding their reporting obligations for cleared swap transactions. The final rule modifies Part 45 of the CFTC's regulations, by removing uncertainty as to which counterparty to a swap is responsible for reporting data for each of the components of a cleared swap transaction, including to further clarify whose obligation it is to report the extinguishment of a swap once a derivatives clearing organization has accepted the transaction for clearing. The rule also improves the efficiency of data collection and maintenance associated with the reporting of the swaps involved in a cleared swap transaction. Specifically, the CFTC indicated that it expects that it will reduce the likelihood of double counting notional exposures and will improve the ability to trace the history of a cleared swap transaction from execution between the original counterparties to clearing novation. The rule will become effective 180 days after it is published in the Federal Register. The rule also codifies previous CFTC no-action letters by eliminating the requirement for swap dealer/major swap participant reporting counterparties to report daily valuation data for cleared swaps effective immediately upon publication in the Federal Register.

The final rule is available at:

<http://www.cftc.gov/idc/groups/public/@newsroom/documents/file/federalregister061416.pdf>.

Chairman Massad's statement is available at:

<http://www.cftc.gov/PressRoom/SpeechesTestimony/massadstatement061416#SpTeMBL>.

US Commodity Futures Trading Commission Extends No-Action Relief to SEFs and DCMs from Certain CFTC Regulations for Correction of Errors

On June 10, 2016, the US Commodity Futures Trading Commission issued a no-action letter extending the relief provided in CFTC Letter No. 15-24, which expires on June 15, 2016. That no-action letter provides relief to swap execution facilities (SEFs) and designated contract markets (DCMs) to correct clerical or operational errors that caused a swap to be rejected for clearing and thus become void, as well as errors discovered after a swap has been cleared.

Specifically, if, within one hour after a trade has been rejected for clearing, the SEF or DCM corrects an error by permitting a new, pre-arranged trade with terms and conditions that match the terms and conditions of the original trade, other than any such error and time of execution, the trade will be permitted. Moreover, if an error is discovered after a trade has been cleared, the SEF or DCM is permitted to enter into a pre-arranged trade between the original parties that offsets the swaps carried on the derivative clearing organization's books. The SEF or DCM may also permit the original or intended counterparties to enter into a pre-arranged transaction that reflects the correct terms to which the parties agreed.

The no-action letter extends relief to the earlier of June 15, 2017 or the effective date of revised CFTC regulations that establish a permanent solution to addressing clerical or operational errors.

The press release is available at: <http://www.cftc.gov/PressRoom/PressReleases/pr7388-16>.

US Securities and Exchange Commission Adopts Final Rule Regarding Trade Acknowledgments

On June 8, 2016, the US Securities and Exchange Commission adopted a final rule requiring security-based swap dealers and major security-based swap participants to provide trade acknowledgments for security-based swap transactions. The trade acknowledgment must contain all the terms of the transaction and be provided to the transaction counterparty no later than the end of the first business day after the transaction is executed, as well as promptly verify or dispute the terms of any trade acknowledgment it receives as a counterparty. Covered entities are also required to establish, maintain and enforce written policies and procedures that are reasonably designed to obtain prompt verification of the terms of all trade acknowledgments that they provide. The final rule provides exemptions for certain transactions that are processed through a registered clearing agency or executed on a security-based swap execution facility or national securities exchange. There is also an exemption from the requirements of Exchange Act Rule 10b-10 for broker dealers that satisfy the trade acknowledgment and verification requirements of the final rule. The final rule is effective 60 days after it is published in the Federal Register.

The final rule is available at: <https://www.sec.gov/rules/final/2016/34-78011.pdf>.

Financial Crime

EU Regulatory Technical Standards on Accepted Market Practices Under the Market Abuse Regulation

On June 10, 2016, a Commission Delegated Regulation supplementing the Market Abuse Regulation was published in the Official Journal of the European Union. The Regulation lays down RTS on the criteria, procedures and requirements for regulators when establishing an accepted market practice and the requirements for maintaining it, terminating it or modifying the conditions for its acceptance. The RTS are made pursuant to MAR, which exempted the application of the prohibition of market manipulation to certain activities, provided that, amongst other things, the person's behavior confirms with an accepted market practice established by a regulator, in compliance with RTS.

The RTS require that, prior to establishing an accepted market practice, regulators must evaluate the market practice against the criteria set out in the MAR. Regulators must also consult as appropriate with relevant bodies, such as issuers, investment firms, credit institutions, investors and market operators. Regulators must also consider whether certain criteria are met when determining accepted market practices including criteria with respect to transparency, safeguards

on the operations of market forces and interplay of the forces of supply and demand, impact on market liquidity and efficiency, impact on the proper functioning of the market, risks for the integrity of related markets, investigation of market practices and structural characteristics of the market. Regulators must notify ESMA of their intention to determine a market practice as an accepted market practice in the form annexed to the RTS. Additionally, the RTS set out when regulators should review an established accepted market practice and the criteria for modifying or terminating an established accepted market practice.

The RTS entered into force on June 11, 2016.

The RTS are available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.153.01.0003.01.ENG&toc=OJ:L:2016:153:TOC.

EU Regulation on Notifications Under the Market Abuse Regulation

On June 10, 2016, a Commission Delegated Regulation supplementing the MAR was published in the Official Journal of the European Union. The Regulation lays down RTS for the content of notifications to be submitted to regulators and the compilation, publication and maintenance of the list of notifications.

The Markets in Financial Instruments Regulation requires on-going submissions of reference data for financial instruments admitted to trading. By contrast, the MAR requires trading venues to notify regulators only once of details of financial instruments which are the subject of a request for admission to trading, admitted to trading or traded and where a financial instrument ceases to be traded or admitted to trading. The RTS require that notifications of financial instruments pursuant to the reporting obligations in MAR include all of the data set out in table 2 annexed to the RTS, such as the instrument identification code, instrument full name and trading venue.

The RTS also require trading venues to be electronically notified of any incompleteness in the received notifications and of failure to deliver the notifications before the relevant deadline. Regulators must, using automated processes, monitor and access whether notifications received from trading venues comply with relevant legislation and must transmit complete and accurate notifications to ESMA. Further requirements are placed on ESMA to consolidate the notifications received from each regulator and, using automated processes, to monitor and assess whether the notifications received from regulators are complete, accurate and comply with the applicable standards and formats, to inform regulators of incompleteness or failure to deliver notifications before the relevant deadline and to publish the complete list of notifications in an electronic, downloadable and machine readable form on its website.

The RTS entered into force on June 11, 2016.

The RTS are available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.153.01.0013.01.ENG&toc=OJ:L:2016:153:TOC&sm_au=iVV5r1WMjfStnksr

Five Charged by UK Regulator for Alleged Investment Fraud

On June 16, 2016, following investigation by the FCA, five persons appeared in a UK court charged with conspiracy to defraud, together with offences under the Financial Services and Markets Act 2000 and the Fraud Act 2006. Two of the five accused have also been charged with perverting the course of justice and one has been charged with money laundering offenses contrary to the Proceeds of Crime Act 2002. The offenses relate to the promotion and sale of shares in Atlantic Equity LLC (formerly known as Berkley Brookes LLC), between July 2013 and March 2014. This was achieved through a succession of four alleged “boiler room” companies, all of which traded from the Docklands area of London. The FCA alleges that the defendants promoted investment schemes that offered investors interests in a supposed commercial development in Madeira in which a total of 175 investors may have potentially lost approximately £2.75 million.

Following the hearing, a trial has been set for September 4, 2017.

The FCA press release is available at: <http://www.fca.org.uk/news/fca-charge-five-in-alleged-investment-fraud>.

Former Equities Trader Sentenced for Insider Dealing

On June 13, 2016, Mr. Damian Clarke, a former equities trader at Schroders Investment Management, was sentenced to two years imprisonment having pleaded guilty to nine counts of insider dealing. Over a nine-year period between October 2003 and November 2012, Mr. Clarke received inside information about price sensitive events, mainly to anticipate public announcements of mergers and acquisitions, which he used to place trades using accounts in his own name and those of close family members. In total, Mr. Clarke's profits amounted to at least £155,161.98. The FCA confirmed that confiscation proceedings will also be pursued against Mr. Clarke.

The FCA press release is available at: <http://www.fca.org.uk/news/former-equities-trader-sentenced-for-insider-dealing>.

Two Banned from UK Financial Services Industry

On June 9, 2016, the FCA published two final notices banning Mr. Mark Kelly and Mr. Patrick Gray from working in the UK financial services industry, effective March 1, 2016. Mr. Kelly traded under the name PCD Wealth and Pensions Management and Mr. Gray acted as an adviser on behalf of PCD. PCD advised over 350 customers and invested nearly £24 million in potentially unsuitable investments between 2008 and 2010.

Mr. Kelly's conduct during the relevant period included investing customers' pension funds in Portfolio Bonds, Unregulated Collective Investment Schemes and other investments without customers' knowledge or consent by a process designed to prevent customers from discovering that their funds had been so invested and investing customers' pension funds without regard to the suitability of the investments for the customers. Mr. Kelly also falsely certified copies of customers' passports as showing true likeness of the customers without having met them.

Mr. Gray's conduct included the provision of advice to customers in the knowledge that he had no qualifications or training to give such advice and recklessly providing customers with pension reports containing assurances that customers would receive advice and recommendations as to the investment of their pension funds when he was aware of the risk that customers' funds might be invested without their knowledge or consent. Mr. Gray also intentionally and dishonestly misled the FCA in a compelled interview by stating that he did not advise customers and that certain application forms he presented to customers to sign contained information about fees payable.

The conduct of both Mr. Kelly and Mr. Gray fell short of the standard of honesty and integrity expected by the FCA such that both individuals were considered not fit and proper to perform any function in related to any regulated activity carried on by an authorized person, exempt person or exempt professional firm.

Mr. Kelly's final notice is available at: http://www.fca.org.uk/static/documents/final-notices/mark-kelly.pdf?sm_au=iVV5r1WMjfStnksr.

Mr. Gray's final notice is available at: http://www.fca.org.uk/static/documents/final-notices/patrick-gray.pdf?sm_au=iVV5r1WMjfStnksr.

Financial Market Infrastructure

EU Legislation Extends Central Counterparty Authorization Period

On June 8, 2016, a Commission Implementing Regulation on the extension of the transitional periods related to own funds requirements for exposures to central counterparties set out in the CRR and EMIR was published in the Official Journal of the European Union. The authorization process for existing CCPs established in the European Union is on-going but will not be completed by the June 15, 2016 deadline.

There are still two CCPs established in the Union that await authorization. The implementing Regulation extends the transitional period by an additional six months to December 15, 2016.

The implementing Regulation entered into force on June 11, 2016.

The implementing Regulation is available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0892&from=EN>.

Financial Services

Director of US Office of Financial Research Discusses Financial Resilience

On June 16, 2016, Director of the US Office of Financial Research (OFR) Richard Berner spoke about financial resilience, including how to define, measure and monitor financial stability or resilience. He noted that resilience has two key aspects: the system's shock-absorbing capacity and incentives that are aligned to limit excessive risk taking. He noted that the OFR has helped promote financial stability by developing tools to assess and monitor threats to financial resilience and improving the scope and quality of data to measure such threats, including, for example, the Financial Stability Monitor, a tool the OFR uses to measure macroeconomic, market, credit, funding and liquidity, and contagion risk. While in the OFR's assessment, overall threats to financial stability remain at a moderate level, Berner highlighted macro risks (i.e., low growth rate and inflation), cybersecurity and credit risk as key areas of vulnerability.

The speech is available at: <https://financialresearch.gov/public-appearances/2016/06/16/conference-on-the-interplay-between-financial-regulations-resilience-and-growth/>.

Chairman of the US Federal Deposit Insurance Corporation Provides Remarks on the Impact of Post-Crisis Reforms on the US Financial System and Economy

On June 15, 2016, FDIC Chairman Martin Gruenberg provided remarks on the improvements to the US financial system and the economy as a result of the regulatory reforms that have been implemented since the financial crisis. He noted that there has been strong loan growth at US banks, and that it is outpacing GDP growth and other measures of household and business credit, suggesting that banks would be better positioned to extend credit in the event of economic distress. Gruenberg further noted that bank earnings have improved since the financial crisis and that almost two-thirds of all institutions reported higher earnings in 2015 as compared to 2014, despite economic challenges that the industry has faced, suggesting an improvement in bank profitability. Despite changes in the way corporate and Treasury bond trading is conducted, Gruenberg suggested that post-crisis market liquidity for such bonds has not declined and that liquidity conditions are strong. Gruenberg insisted that bank loan growth suggests the relative importance of banks as the ultimate holder of the credit risk associated with loans despite the increase in nonbank lending activity. He stated that banks are better capitalized and better able to absorb losses, and thus that the financial system is more resilient and more stable than before the crisis.

The speech is available at: <https://www.fdic.gov/news/news/speeches/spjun1516.html>.

European Securities and Markets Annual Report 2015

On June 15, 2016, the ESMA published its 2015 annual report. The report reviews ESMA's mission and objectives for 2015 and measures its achievements against its 2015 objectives. The report also provides information on ESMA's operations, budget and structure. ESMA is charged with enhancing the protection of investors and promoting stable and orderly financial markets, with various roles under legislation such as EMIR and MiFID.

The report states that ESMA has made significant steps in realizing its mission by assessing risks to investors, markets and financial stability, completing a single rulebook for EU financial markets, promoting supervisory convergence and supervising credit rating agencies and trade repositories.

The report is available at: https://www.esma.europa.eu/sites/default/files/library/2016-960_esma_annual_report_2015.pdf.

EU Regulation Proposal for Program to Enhance Consumer and End User Protection and Involvement in Financial Services Policy Making

On June 13, 2016, the European Commission published a proposal for a Regulation to provide funding for two financial expertise non-profit organizations: Finance Watch and Better Finance. The Commission initiated at the end of 2011 a pilot project aimed at providing grants to support the development of a financial expertise center to the benefit of consumers and other end-users and to enhance their capacity to participate in EU financial services policy making. As part of these efforts, operating grants were awarded to Finance Watch and Better Finance. Finance Watch seeks to defend the interests of civil society in the financial sector and Better Finance focuses on the interests of consumers, individual investors and shareholders, savers and other end users in the financial sector.

The evaluation of this pilot project concluded that the policy objectives have been generally achieved. However, neither organization managed to attract stable funding from other donors; co-funding from the European Union has been deemed necessary to ensure the organizations' continue to achieve the desired policy objectives. As such, the proposal establishes a program from January 1, 2017 to December 31, 2020 to support the activities of these organizations'. The Program will cover activities relating to research, awareness and advocacy and to support these activities, the proposal provides for a maximum budget of EUR 6,000,000 in the form of action grants awarded on an annual basis. The Commission is obliged to submit an evaluation report no later than twelve months before the end of the Program to the European Council and Parliament, evaluating the Program's overall relevance, added value and effectiveness and efficiency in the achievement of its objectives.

The proposed Regulation must still be approved by the European Parliament and the Council of the European Union and be published in the Official Journal before it can enter into force.

The Proposal is available at: <http://ec.europa.eu/transparency/regdoc/rep/1/2016/EN/1-2016-388-EN-F1-1.PDF>.

UK Legislation Implements Provisions of The Bank of England and Financial Services Act 2016

On June 7, 2016, The Bank of England and Financial Services Act 2016 (Commencement No. 3) Regulations 2016 were made. The Regulations bring a majority of the provisions in The Bank of England and Financial Services Act 2016 into force. Such provisions cover topics such as financial stability strategy, Financial Policy Committee: status and membership, Monetary Policy Committee: membership and procedure, audit, activities indemnified by Treasury, appointment of Financial Conduct Authority chief executive, Treasury recommendations to the FCA, administration of senior managers regime, rules of conduct, decisions causing a financial institution to fail: meaning of insolvency, enforceability of agreements relating to credit, illegal money lending and banks authorized to issue banknotes in Scotland and Northern Ireland.

The provisions will enter into force on July 6, 2016.

The Regulations are available at: http://www.legislation.gov.uk/uksi/2016/627/pdfs/uksi_20160627_en.pdf.

Funds

European Securities and Markets Authority Draft Technical Standards for European Long-Term Investment Funds

On June 8, 2016, ESMA published a final report containing draft RTS supplementing the Regulation on European Long-Term Investment Funds. The draft RTS set out the criteria to establish the circumstances in which the use of financial derivative instruments solely serves hedging purposes. The criteria are based on those set out in the CESR guidelines on Risk Management and the Calculation of Global Exposure and Counterparty Credit Risk for Undertakings in Collective Transferable Securities on risk measurements. The draft RTS also outlines the circumstances in which the life of an ELTIF is considered sufficient in length. The “life” should be determined with reference to the individual asset within the ELTIF portfolio which has the longest investment horizon. Additionally, the draft RTS provides criteria for certain elements of the itemized schedule for the orderly disposal of the ELTIF assets, costs disclosure and outlines the facilities available to investors. ESMA has submitted the additional final draft RTS to the European Commission for endorsement.

The draft RTS are available at: https://www.esma.europa.eu/sites/default/files/library/2016-935_final_report_on_eltif_rts.pdf.

European Commission Consults on Cross-border Distribution of Funds and Capital Markets Union

On June 2, 2016, the European Commission published a consultation paper on how the cross-border distribution of funds could be improved in the context of the Capital Markets Union. The CMU is intended to mobilize capital in Europe and channel it to companies and infrastructure projects to create jobs and economic expansion. The Commission believes that cross-border investment funds have an important role to play in achieving this aim. The consultation is aimed at stakeholders such as fund managers, investors and consumer representatives; the Commission also welcomes comments from investors to build a fuller picture of the barriers to distribution.

The Commission welcomes specific examples of barriers and quantitative and financial evidence on the financial impact of the barriers, including the impact of marketing rules, administrative arrangements imposed by host countries and distribution networks. This includes online platforms, regulatory fees and notification procedures and the most pertinent features of the tax environment. Eliminating unjustified barriers would support fund managers to engage in cross-border marketing of their funds, increase competition and choice and reduce costs for investors. The Commission will use information gathered in its assessment to address the barriers, supporting the development of the CMU and increasing choice.

Responses to the consultation are due by October 2, 2016.

The Consultation Paper is available at: http://ec.europa.eu/finance/consultations/2016/cross-borders-investment-funds/docs/consultation-document_en.pdf.

MiFID II

European Commission Adopts Regulatory Technical Standards on Volume Cap Mechanism and Provision of Information for the Purposes of Transparency and Other Calculations Under MiFIR

On June 13, 2016, the European Commission adopted a Delegated Regulation supplementing MiFIR with regard to RTS on the volume cap mechanisms and the provision of information for the purposes of transparency and other calculations. The adopted Regulation specifies general terms with regards to data submissions and reporting to ensure the consistency of data content, quality and format.

MiFIR requires regulators and ESMA to perform calculations to calibrate the applicability of the pre-and post-trade transparency regime and the applicability of the trading obligation for derivatives and to determine whether an investment firm is a systematic internaliser. The adopted RTS specifies the common elements of data content and

format to be submitted by trading venues, approved publication arrangements and consolidated tape providers for the purpose of transparency and other calculations, as well as specifying reporting requirements for the purposes of the volume cap mechanism.

The adopted RTS must still be approved by the European Parliament and the Council of the European Union and be published in the Official Journal before they can enter into force.

The adopted RTS is available at: <http://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-2711-EN-F1-1.PDF> and the Annex is available at: <http://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-2711-EN-F1-1-ANNEX-1.PDF>.

European Commission Adopts Regulatory Technical Standards on the Direct, Substantial, and Foreseeable Effect of Derivative Contracts Within the European Union

On June 13, 2016, the European Commission adopted a Commission Delegated Regulation supplementing MiFIR. Under MiFIR, a new trading obligation is introduced for shares and other sufficiently liquid instruments. Such instruments must be traded on EU regulated exchanges or trading platforms or third country recognized exchanges and trading platforms. The trading obligation applies generally to third country entities that would be subject to the clearing obligation under EMIR if they were established in the Union. The trading obligation will apply to derivatives transactions pertaining to a class of derivatives that has been declared subject to the trading obligation, provided that the contract has a direct, substantial and foreseeable effect within the Union or where such obligation is necessary or appropriate to prevent the evasion of any provision of this Regulation. The adopted Regulation sets out the RTS on the direct, substantial and foreseeable effect of derivative contracts within the European Union and the prevention of the evasion of rules and obligations, and therefore establishes when third country counterparties would be subject to the trading obligation mandated by MiFIR.

The adopted RTS provides that an OTC derivatives contract will be considered as having a direct, substantial and foreseeable effect within the European Union when at least one third country entity benefits from a guarantee provided by a financial counterparty established in the European Union which covers all parts of its liability resulting from that OTC derivative contract, to the extent that the guarantee meets two conditions. Firstly, the guarantee must (i) cover the entire liability of a third country entity resulting from one or more OTC derivative contracts for an aggregated notional amount of at least EUR 8 billion or the equivalent in the relevant currency, or (ii) cover only a part of the liability of a third country entity resulting from one or more OTC derivative contracts for an aggregated notional amount of at least EUR 8 billion or the equivalent amount in the relevant foreign currency divided by percentage of the liability covered. Secondly, the guarantee must be at least equal to 5 per cent of the sum of current exposures (as defined in the CRR) in OTC derivative contracts of the financial counterparty established in the European Union issuing the guarantee. These requirements are very similar to those established under EMIR for the clearing obligation.

The adopted RTS also outlines the cases where the trading obligation is necessary and appropriate to prevent avoidance of the provisions in MiFIR. For example, it provides that an OTC derivative contract shall be deemed to have been designed to circumvent the application of any provision of MiFIR if the way in which that contract has been concluded is considered to have as its primary purpose avoidance of the application of any provision of that Regulation when viewed as a whole and having regard to all circumstances.

The adopted RTS must still be approved by the European Parliament and the Council of the European Union and be published in the Official Journal before they can enter into force.

The adopted RTS is available at: <http://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-3544-EN-F1-1.PDF>.

EU Technical Standards on Data to be Published by Execution Venues on Execution Standards Adopted by the European Commission

On June 8, 2016, a Commission Delegated Regulation supplementing MiFID with regard to RTS concerning the data to be published by execution venues on the quality of execution of transactions was adopted by the European Commission. MiFID II requires that, for financial instruments subject to the trading obligation, each trading venue and systematic internaliser (and for other financial instruments, each execution venue) make data available to the public relating to the quality of execution of transactions on that venue on at least an annual basis. The adopted Regulation specifies the content, format and periodicity of data relating to quality of execution to be published by execution venues.

The adopted Regulation sets out specific information to be provided by execution venues in relation to price, costs and likelihood of execution. The adopted regulation also specifies additional information that must be published for continuous order book and continuous-quote driven execution venues, which includes best bid and offer prices and corresponding values. Periodic reports must include details about price, costs, speed and likelihood of execution for individual financial instruments as well as the book depth for three price increments. The adopted Regulation also lays down the additional information to be published by execution venue's operating requests for quote systems, including the mean amount of time and medium amount of time elapsed between the acceptance of a quote and execution for relevant transactions. Execution venues must publish the required information in the format contained in the annexure to the adopted regulation within three months after the end of each quarter as outlined in the adopted Regulation.

The adopted Regulation must be approved by the European Parliament and the Council of the European Union and be published in the Official Journal before it can enter into force.

The adopted Regulation is available at: <http://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-3333-EN-F1-1.PDF> and the Annex is available at: <http://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-3333-EN-F1-1-ANNEX-1.PDF>.

European Parliament Supports MiFID II Implementation Extension

On June 8, 2016, the European Parliament adopted at first reading the European Commission's proposals for a new Directive and Regulation to extend the implementation of MiFID II by one year to January 3, 2018. In addition, the provisional text of the Directive adopted by the European Parliament clarifies the exemption for persons dealing on own account with respect to market makers. An expanded exemption would apply for direct electronic access and own account dealing activities, when this is done for hedging or treasury management purposes. The provisional text of the Regulation adopted by the European Parliament excludes securities financing transactions from transparency requirements for trading venues, systematic internalisers and investment firms trading OTC, specifies the circumstances in which pre-trade transparency requirements do not apply to certain package transactions and amends the MAR and the Central Securities Depositories Regulation. The proposed Directive and Regulation will now be put forward to European Council under the normal legislative procedure.

The provisional text of the Directive is available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2016-0243+0+DOC+PDF+V0//EN&_sm_au_=-iVV5r1WMjfStnksr

Recovery & Resolution

US Board of Governors of the Federal Reserve System and US Federal Deposit Insurance Corporation Grant Extension to Four Foreign Banking Organizations for Submission of Their US Resolution Plans

On June 8, 2016, the Federal Reserve Board and the FDIC announced that they are giving four foreign banking organizations a one-year extension for the submission of their next US resolution plans. Barclays PLC, Credit Suisse Group, Deutsche Bank AG, and UBS AG will be required to submit their next plan on July 1, 2017, with the 2016 annual resolution filing requirement being satisfied by submission of the 2017 plans. The agencies' press release

indicates that the extension was granted in light of the fact that these firms are undergoing significant restructuring to come into compliance with the intermediate holding company requirement by July 1, 2016. The agencies also stated that they expect to provide feedback to the four foreign banking organizations in respect of their 2015 plans, as well as provide additional guidance to the firms for their 2017 plans.

The press release is available at: <http://www.federalreserve.gov/newsevents/press/bcreg/20160608a.htm>.

US Board of Governors of the Federal Reserve System and US Federal Deposit Insurance Corporation Permit Reduced Resolution Plan Submissions for Certain Foreign Banking Organizations

On June 10, 2016, the Federal Reserve Board and the FDIC announced that they are permitting certain foreign banking organizations with limited US operations to file “reduced content” resolution plans for their next three resolution plans. All of the 84 firms that are permitted to file the reduced content plans have less than \$50 billion in total US assets and have submitted prior plans that provide the agencies with an understanding of their US operations. The agencies noted that the decision is intended to create more certainty around future filing requirements. The ability for these firms to file such plans over the next three years is contingent on their maintaining less than \$50 billion in US assets, and not experiencing any material events. The agencies said the reduced content plans should focus on changes the firms have made to their prior resolution plans, actions taken to improve the effectiveness of those plans and actions to ensure any subsidiary insured depository institution is adequately protected from the risks of nonbank subsidiaries of the institution, where applicable. The first round of reduced content plan submissions is due by December 31, 2016.

The press release is available at: <http://www.federalreserve.gov/newsevents/press/bcreg/20160610a.htm>.

EU Implementing Technical Standards on Disclosure of Group Financial Support Agreements

On June 9, 2016, a Commission Implementing Regulation laying down Implementing Technical Standards on the form and content of the description of group financial support agreements in accordance with the Bank Recovery and Resolution Directive was published in the Official Journal of the European Union. The BRRD sets rules for agreements under which financial support is provided among an EU parent firm and its subsidiaries in other Member States or third countries that are firms covered by the consolidated supervision of the parent undertaking. The entity receiving the support must meet certain conditions for early intervention. Under the implementing technical standards, firms party to the group financial support agreement are required to disclose certain terms on their website in a form that ensures accessibility to the public, in the same form as established for non-quantitative information included in the firm's financial statements. Minimum terms to be disclosed include the form the support may take, the principles for calculation of the consideration for the provision of the support, a general description of the seniority, maturity profile and the maximum term of loans provided as support.

The implementing Regulation will enter into force on June 30, 2016.

The implementing Regulation is available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.153.01.0025.01.ENG&toc=OJ:L:2016:153:TOC&sm_au=iVV5r1WMjfStnksr

People

New York State Department of Financial Services Confirms New Superintendent

On June 15, 2016, Maria T. Vullo was confirmed by the New York State Senate as the Superintendent of the New York State Department of Financial Services. Ms. Vullo has served as Acting Superintendent since February, when she was nominated by Governor Andrew Cuomo to lead the NYSDFS.

Financial Industry Regulatory Authority Appoints New President and CEO

On June 13, 2016, the Financial Industry Regulatory Authority announced that its Board of Governors has appointed Robert W. Cook as its President and CEO, effective the second half of 2016. Mr. Cook succeeds Richard Ketchum, who has served as Chairman and CEO since 2009. Previously, Mr. Cook served as Director of the Division of Trading and Markets of the SEC from 2010 to 2013. FINRA intends to name a new Chairman in the coming months.

Upcoming Events

June 23: House Financial Services Committee hearing entitled “The Next Terrorist Financiers: Stopping Them Before They Start”

June 23: Senate Committee on Banking, Housing and Urban Affairs hearing entitled “Bank Capital and Liquidity Regulation Part II: Industry Perspectives”

June 23: US Federal Reserve to release the results of its Dodd-Frank Act stress tests

June 27: US Commodity Futures Trading Commission’s Market Risk Advisory Committee will hold a public meeting

June 29: US Federal Reserve to release the results of its Comprehensive Capital Analysis and Review

Upcoming Consultation Deadlines

June 24, 2016: European Commission Consultation on Revisions to Capital Requirements Framework and EU Implementation of CRR

June 24, 2016: European Commission Consultation on EU Implementation of the Net Stable Funding Ratio

June 25, 2016: FDIC Notice of Proposed Rulemaking on Recordkeeping for Timely Deposit Insurance Determination

June 29, 2016: PRA Consultation on Underwriting Standards for Buy-to-Let Mortgage Contracts

July 6, 2016: Basel Committee Consultation paper on proposed revisions to the Basel III leverage ratio framework

July 6, 2016: EBA Consultation on amendments to the RTS for determining proxy spread and the specification of a limited number of smaller portfolios for credit valuation adjustment risk under the CRR

July 8, 2016: UK PSR Consultation on the application of provisions in the Interchange Fee Regulation

July 13, 2016: FCA Report on Investment and Corporate Banking Strategy

July 14, 2016: FCA and PRA Consultation on Proposed Implementation of the Enforcement Review and the Green Report

July 15, 2016: Basel Committee Consultation on Guidelines for Prudential Treatment of Problem Assets

July 19, 2016: FCA Consultation on UCITS, SFTR and consequential Changes to the Handbook

July 22, 2016: FCA Consultation on Proposed Guidelines for Wind-Down Planning

July 22, 2016: US Federal Reserve Board, OCC, FDIC, NCUA, FHFA and SEC Notice of Proposed Rulemaking on Incentive-Based Compensation Restrictions

July 29, 2016: PRA Consultation on future reporting of balance sheet, statement of profit and loss and forecast capital data

August 2, 2016: US Federal Reserve Board Advance Notice of Proposed Rulemaking on Capital Requirements for Supervised Institutions Significantly Engaged in Insurance

August 2, 2016: US Federal Reserve Board proposed rule on Enhanced Prudential Standards for Systemically Important Insurance Companies

August 2, 2016: US FinCEN notice of proposed rulemaking Imposing of Special Measure Against North Korea as a Jurisdiction of Primary Money Laundering Concern

August 4, 2016: EBA Consultation on risks and benefits associated with the innovative uses of consumer data by Financial Institutions

August 5, 2016: US Federal Reserve Board, OCC and FDIC Notice of Proposed Rulemaking to Establish the Net Stable Funding Ratio

August 5, 2016: US Federal Reserve Board Notice of Proposed Rulemaking on Restrictions on Qualified Financial Contracts of Systemically Important US Banking Organizations and the US Operations of Systemically Important Foreign Banking Organizations; Revisions to the Definition of Qualifying Master Netting Agreement and Related Definitions

August 11, 2016: EBA Consultation on LCR Disclosure and Disclosure of Liquidity Risk Management

August 12, 2016: PRA Consultation on Pillar 2 Liquidity Risk Requirements

October 2, 2016: European Commission consultation on how the cross-border distribution of funds could be improved in the context of the Capital Markets Union

This newsletter is intended only as a general discussion of these issues. It should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired. If you wish to receive more information on the topics covered in this publication, you may contact your usual Shearman & Sterling representative or any of the following:

Contacts



BARNEY REYNOLDS
T: +44.20.7655.5528
barney.reynolds@shearman.com
London



REENA AGRAWAL SAHNI
T: +1.212.848.7324
reena.sahni@shearman.com
New York



RUSSELL D. SACKS
T: +1.212.848.7585
rsacks@shearman.com
New York



THOMAS DONEGAN
T: +44.20.7655.5566
thomas.donegan@shearman.com
London



DONNA M. PARISI
T: +1.212.848.7367
dparisi@shearman.com
New York



NATHAN J. GREENE
T: +1.212.848.4668
ngreene@shearman.com
New York



GEOFFREY B. GOLDMAN
T: +1.212.848.4867
geoffrey.goldman@shearman.com
New York



JOHN ADAMS
T: +44.20.7655.5740
john.adams@shearman.com
London

CHRISTINA BROCH
T: +1.202.508.8028
christina.broch@shearman.com
Washington, DC

TIMOTHY J. BYRNE
T: +1.212.848.7476
tim.byrne@shearman.com
New York

JAMES CAMPBELL
T: +44.20.7655.5570
james.campbell@shearman.com
London

TOBIA CROFF
T: +39 06 697 679 209
tobia.croff@shearman.com
Rome

JENNY DING
T: +1.212.848.5095
jenny.ding@shearman.com
New York

ANNA DOYLE
T: +44.20.7655.5978
anna.doyle@shearman.com
London

SYLVIA FAVRETTO
T: +1.202.508.8176
sylvia.favretto@shearman.com
Washington, DC

MAK JUDGE
T: +65.6230.8901
mak.judge@shearman.com
Singapore

HERVÉ LETRÉGUILLY
T: +33.1.53.89.71.30
hletreguilly@shearman.com
Paris

OLIVER LINCH
T: +44.20.7655.5715
oliver.linch@shearman.com
London

BEN MCMURDO
T: +44.20.7655.5906
ben.mcmurdo@shearman.com
London

JENNIFER D. MORTON
T: +1.212.848.5187
jennifer.morton@shearman.com
New York

BILL MURDIE
T: +44.20.7655.5149
bill.murdie@shearman.com
London

BRADLEY K. SABEL
T: +1.212.848.8410
bsabel@shearman.com
New York

JENNIFER SCOTT
T: +1.212.848.4573
jennifer.scott@shearman.com
New York

KOLJA STEHL
T: +49.69.9711.1623
T: +44.20.7655.5864
kolja.stehl@shearman.com
Frankfurt / London

ELLERINA TEO
T: +44.20.7655.5070
ellerina.teo@shearman.com
London

ABU DHABI | BEIJING | BRUSSELS | DUBAI | FRANKFURT | HONG KONG | LONDON | MENLO PARK | MILAN | NEW YORK | PARIS
ROME | SAN FRANCISCO | SÃO PAULO | SAUDI ARABIA* | SHANGHAI | SINGAPORE | TOKYO | TORONTO | WASHINGTON, DC

This memorandum is intended only as a general discussion of these issues. It should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired.

599 LEXINGTON AVENUE | NEW YORK | NY | 10022-6069

Copyright © 2016 Shearman & Sterling LLP. Shearman & Sterling LLP is a limited liability partnership organized under the laws of the State of Delaware, with an affiliated limited liability partnership organized for the practice of law in the United Kingdom and Italy and an affiliated partnership organized for the practice of law in Hong Kong.

*Dr. Sultan Almasoud & Partners in association with Shearman & Sterling LLP