

FINANCIAL REGULATORY DEVELOPMENTS FOCUS

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

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AML/CTF, Sanctions and Insider Trading

UK Office of Financial Sanctions Implementation Publishes First Annual Review

On October 5, 2018, the U.K. Office of Financial Sanctions Implementation published its Annual Review for the period from April 2017 to March 2018. OFSI was established in March 2016 with the objective of raising awareness of financial sanctions, assessing and addressing suspected sanctions breaches and providing a professional service to the public and industry. The Annual Review provides an overview of:

- I. UN and EU financial sanction regimes implemented by OFSI;
- II. OFSI's work on asset freezing and a breakdown of funds frozen;
- III. action taken by OFSI following reports of suspected breaches of financial sanctions;
- IV. licenses issued by OFSI during the period; and
- V. awareness-raising activities.

The Annual Review also outlines OFSI's forward plans in the above areas. This includes: (i) a plan to improve searchability of OFSI's Consolidated List of financial sanctions targets; (ii) potentially imposing monetary penalties in 2018 – 19; (iii) further activities to raise awareness, including the publication of more targeted guidance on financial sanctions compliance and on changes to the legal framework for sanctions; and (iv) Brexit preparations.

The Annual Report is available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746207/OFSI_Annual_Review_2017-18.pdf.

UK Regulator Finds E-Money Firms Have Effective Anti-Money Laundering Controls

On October 3, 2018, the Financial Conduct Authority published a report on the outcome of its thematic review into money laundering and terrorist financing risks in the e-money sector. The report focuses on e-money products, including prepaid cards and digital wallets. The FCA assessed the anti-money laundering and counter-terrorist financing controls of 13 authorized Electronic Money Institutions and registered small EMIs. The review included consideration of business models that involve distributing e-money through agents and distributors.

The FCA's review did not cover activities that are not regulated by the FCA (for instance, gift cards that can be used only within a limited network or prepaid products denominated in a cryptocurrency) or money remittance services provided by the EMIs.

The FCA found that the majority of EMIs had effective AML and CTF controls in place and had implemented the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. In addition, transaction monitoring was considered to be effective and mostly based on automated technological solutions. Where EMIs had outsourced distribution of e-money through agents, the FCA found that most of the EMIs had adequate governance and audit measures to manage the risks.

Nonetheless, the FCA noted that, despite progress in AML and CTF controls, certain weaknesses had been identified and that firms should remain vigilant.

The report is available at: <https://www.fca.org.uk/publication/thematic-reviews/tr18-3.pdf>.

Bank Prudential Regulation & Regulatory Capital

UK Prudential Regulator Consults on Changes to Forms for Regulatory Transactions

On October 1, 2018, the U.K. Prudential Regulation Authority launched a consultation entitled “Regulatory transactions: Changes to notification and application forms.” The proposals in the consultation are for the amendment of various PRA forms that are used for applications and notifications for regulatory transactions. The PRA has chosen to combine the proposals into one substantial consultation paper to avoid having to issue multiple separate consultations on the same forms. The affected forms are located in the Passporting, Change in Control, Insurance Special Purpose Vehicles (ISPVs) and Notifications Parts of the PRA Rulebook.

The consultation proposals are relevant for PRA-authorized firms and any firms that have, or intend to acquire, a qualifying holding in a PRA-authorized firm.

Comments on the consultation are invited by November 1, 2018. The PRA expects that the proposals will take effect immediately after the publication of its planned Policy Statement.

The consultation paper (PRA CP 21/18) is available at: <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2018/cp2118.pdf?la=en&hash=D58BA839130003D81018E544D57660D7C16E0E79>.

Brexit for Financial Services

Scottish Court Says Court of Justice of the European Union Should Rule on Whether Brexit Notification Can Be Revoked

On September 21, 2018, the Court of Session delivered an Opinion allowing a reference to be made to the Court of Justice of the European Union for a preliminary ruling on whether the U.K. can unilaterally revoke its notice of withdrawal from the EU—*Wightman v Secretary of State for Exiting the European Union* [2018] CSIH 62 (21 September 2018).

Under Article 50 of the Treaty on European Union, the United Kingdom gave notice to the EU Council on March 29, 2017 that it would leave the EU. The notification means that unless an agreement is reached between the U.K. and the EU, and absent any agreement to extend the two-year period, the U.K. will exit the EU on March 29, 2019.

The European Union (Withdrawal) Act 2018 provides that parliamentary approval must be obtained once the negotiations between the U.K. Government and the EU Council are concluded. This means that the withdrawal agreement can only be ratified with the approval of the House of Commons and after debate in the House of Lords. If no approval is forthcoming, or if the Prime Minister states, before January 21, 2019, that no agreement in principle with the EU can be reached, the Government must bring a proposal before both Houses on how it intends to proceed. The result is that if there is an agreement, Parliament must decide whether to ratify it or allow the U.K. to exit the EU on March 29, 2019 without any agreement (known as a “hard Brexit”).

Certain members of the Scottish, United Kingdom and EU Parliaments and others would like to obtain a declaration from the CJEU on whether the U.K.’s withdrawal notification can be unilaterally revoked by the U.K. in advance of March 29, 2019. If revocation is possible, it would present a third option to Parliament - to revoke the notification with the effect that the U.K. would remain in the EU.

The Court of Session’s Opinion is that a ruling from the CJEU on whether revocation is possible is needed before it can issue a declarator. In the case of *R (Miller and Santos) (Respondents) v Secretary of State for*

Exiting the European Union (Appellant) [2017] UKSC 5 (24 January 2017), the U.K.'s Supreme Court did not consider the revocation issue because it was an "agreed matter" between the parties that the Article 50 notification could not be withdrawn, once given. The Miller case is important because the Supreme Court held that the final decision about the withdrawal of the U.K. from the EU and the resulting arrangements is a matter for the U.K. Parliament to decide. The Court of Session considered that for Parliament to make an informed decision, it was correct for the courts to come to a conclusion on the effect of the existing law and, as the law in question is EU law, the issue could only be authoritatively decided by the CJEU. The Court's Opinion includes a draft reference which would ask the CJEU for a ruling on whether, under EU law, the U.K. could revoke its notification and if so, subject to what conditions and of what effect on the U.K.

The Court Opinion is available at: <https://www.scotcourts.gov.uk/docs/default-source/cos-general-docs/pdf-docs-for-opinions/2018csih62.pdf?sfvrsn=0>. The client note on the Miller Case is available at: <https://www.shearman.com/perspectives/2017/01/act-of-parliament-to-trigger-brex-it-negotiations>.

Conduct & Culture

Global Foreign Exchange Committee Update and Survey on Adoption of the FX Global Code

On October 4, 2018, the Global Foreign Exchange Committee published an update on the ongoing work of its four priority working groups: (i) the cover and deal working group; (ii) the disclosures working group; (iii) the buy-side outreach working group; and (iv) the working group on embedding the FX Global Code. The GFXC was established in 2017 as a forum for participants in the wholesale foreign exchange markets and its terms of reference include addressing misconduct in FX markets by facilitating adoption of the global principles of good practice enshrined in the FX Global Code.

The update refers to the recent launch (on September 28, 2018) of a survey by the working group on embedding the FX Global Code. Completed surveys are requested by October 19, 2018. The aims of the survey are to measure awareness and adoption of the FX Global Code among market participants and to inform the GFXC's further work on embedding and integrating the code into the global FX markets. The survey results will be considered at the GFXC's next meeting, which will be held in November.

The survey is available at: https://www.globalfx.org/docs/2018_gfxc_survey.pdf and the press release is available at: <https://www.globalfx.org/press/p181004.htm>.

Enforcement

UK Conduct Regulator Fines Retail Bank for Failures During a Cyber Attack

On October 1, 2018, the FCA published a final notice issued to a U.K. Retail Bank for breaches of Principle 2 of the FCA's Principles for Businesses. Principle 2 requires authorized firms to conduct their business with due skill, care and diligence. The Bank was subjected to a cyber-attack in November 2016, when attackers deployed an algorithm to generate authentic debit card numbers that were then used to make unauthorized transactions. While the attack did not involve loss or theft of customers' personal data, the FCA found that the attack left the Bank's personal current account holders vulnerable to a largely avoidable incident that occurred over 48 hours.

The FCA has fined the Bank £16.4 million, finding that the Bank breached Principle 2 by failing to exercise due skill, care and diligence to:

- I. design and distribute its debit card;
- II. configure specific authentication and fraud detection rules;

- III. take appropriate action to prevent the foreseeable risk of fraud; or
- IV. respond to the November 2016 cyber-attack with sufficient rigor, skill or urgency.

In a press release accompanying the final notice, the FCA reminds financial institutions that ensuring cyber crime controls are adequately resilient is ultimately a responsibility for the Board.

The final notice is available at: <https://www.fca.org.uk/publication/final-notice/tesco-personal-finance-plc-2018.pdf> and the press release is available at: <https://www.fca.org.uk/news/press-releases/fca-fines-tesco-bank-failures-2016-cyber-attack>.

FinTech

US and Australian Regulators Agree FinTech Information Sharing Arrangement

On October 4, 2018, the Commodity Futures Trading Commission and the Australian Securities and Investments Commission signed an arrangement designed to support cross-border FinTech innovation through their respective FinTech initiatives, LabCFTC and the ASIC Innovation Hub. The arrangement will facilitate information sharing between the two regulators in respect of emerging trends and developments, regulatory issues pertaining to FinTech innovations and best practices, among other things. It also includes a referral mechanism that will allow the CFTC and ASIC to refer to one another innovators that wish to operate or have questions about operating in the other's jurisdiction. The arrangement further calls for joint proofs of concept, trials and innovation competitions, where permitted, as well as periodic meetings to update each other on FinTech and RegTech trends and developments of common interest.

CFTC Chairman J. Christopher Giancarlo stated that the arrangement will "encourage the development of emerging financial and compliance technologies and continue to enhance global awareness of the critical role of regulators in 21st century digital markets," while ASIC Chair James Shipton said the arrangement will "assist[] innovative businesses to grow across borders and allow[] for greater information sharing and cooperation by the two regulators."

The arrangement follows similar agreements reached by the CFTC with the Monetary Authority of Singapore and the U.K. Financial Conduct Authority, and reflects the globalization of FinTech markets and the CFTC's commitment to cross-border collaboration among regulators.

The CFTC/ASIC arrangement is available at: <https://www.cftc.gov/sites/default/files/2018-10/cftc-asic-cooparrgt100418.pdf>, the CFTC/MAS agreement is available at: <https://fintech.shearman.com/cftc-and-monetary-authority-of-singapore-sign-fin> and the CFTC/FCA agreement is available at: <https://fintech.shearman.com/cftc-and-fca-agree-to-collaborate-on-regulating-fintech-innovation>.

Funds

European Supervisory Authorities and Commission Disagree on Retail Fund Investor Disclosures

On October 1, 2018, the Joint Committee of the European Supervisory Authorities (i.e., the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority), published a letter it sent to the European Commission, in response to a request from the European Commission on August 10, 2018 for the ESAs to develop guidance on facilitating the production and distribution of information on investment funds.

The Regulation on Packaged Retail and Insurance Based Investment Products (PRIIPs) has, since January 1, 2018, required a pre-contractual Key Information Document (known as the PRIIPs KID) to be provided to retail

investors in good time before they are bound by any contract or offer relating to that PRIIP. Although UCITS (Undertakings for Collective Investment in Transferable Securities) meet the definition of a PRIIP, the UCITS Directive already contains requirements for a Key Investor Information Document (known as the UCITS KIID), which provides retail investors with information similar to the content of the PRIIPs KID. Transitional provisions in the PRIIPs Regulation allow manufacturers and persons advising on or selling units in UCITS funds to continue to provide the UCITS KIID instead of the PRIIPs KID until December 31, 2019. From January 1, 2020, the effect of the legislation is that retail investors investing in UCITS will receive both the PRIIPs KID and the UCITS KIID. The Commission must assess by December 31, 2018 whether the UCITS KIID might be replaced by or considered equivalent to the PRIIPs KID or whether the transitional provisions might be extended.

The ESAs are concerned that an approach whereby retail investors will receive what is effectively duplicate information as of January 1, 2020, is not satisfactory and risks undermining the aims of the PRIIPs Regulation. The ESAs disagree with the Commission's view in its letter of August 10, 2018 that UCITS KIID information can be effectively articulated together with the PRIIPs KID information and the ESAs' opinion is that alternative solutions should be considered, including legislative changes to avoid the outcome whereby investors are provided with duplicate information.

The ESAs plan to conduct a targeted review of the secondary legislation under the PRIIPs Regulation and as part of this process they plan to launch a public consultation in Q4 2018 to gain feedback from stakeholders. The ESAs plan to submit to the Commission proposed amendments to the secondary legislation under the PRIIPs Regulation in Q1 2019.

The ESAs' letter to the Commission is available at: <https://esas-joint-committee.europa.eu/Publications/Letters/JC%202018%2055%20Joint%20letter%20to%20EC%20on%20PRIIPs.pdf> and the Commission letter of August 10, 2018, is available at: <https://esas-joint-committee.europa.eu/Publications/Letters/20180810%20Letter%20on%20PRIIPs%20to%20ESAs.pdf>.

MiFID II

European Supervisory Authority Issues Opinion on Position Limits for UK Natural Gas Derivatives

On October 5, 2018, ESMA published an Opinion (dated September 24, 2018) on position limits for U.K. Natural Gas Contracts, for the purposes of the position limit regime established by the revised Markets in Financial Instruments Directive. MiFID II and its secondary legislation establish the position limits regime for commodity derivatives. For illiquid contracts, the position limits are set in the legislation. However, where contracts are liquid, position limits are set by the relevant national regulator and notified to ESMA. Secondary legislation under MiFID II sets out Regulatory Technical Standards for the methodology national regulators should use and the factors they should consider when setting position limits.

The U.K. FCA notified ESMA in February 2018 of the position limits the FCA intends to set for U.K. Natural Gas commodity futures and options contracts. In its Opinion, ESMA confirms that the spot month position limit and the other months' position limit are consistent with the objectives of MiFID II and compliant with the methodology established by the relevant RTS. ESMA has also published two other opinions on position limits for: (i) Swiss Power Base contracts; and (ii) the Phelix DE/AT Base Power contract.

The Opinion on U.K. Natural Gas Contracts is available at: https://www.esma.europa.eu/sites/default/files/library/esma70-155-1538_opinion_on_position_limits_on_uk_natural_gas_contracts.pdf and all of ESMA's Opinions issued under MiFID II are available at: https://www.esma.europa.eu/search/site/mifid%20II?f%5B0%5D=im_field_document_type%3A48.

European Supervisory Authority Withdraws Guidelines for Algorithmic Trading Controls

On October 3, 2018, ESMA published a decision (dated September 26, 2018) of its Board of Supervisors to withdraw its existing Guidelines for trading platforms, investment firms and national regulators on systems and controls in an automated trading environment.

The Guidelines were published by ESMA in 2011 to provide important clarifications to ensure a common, uniform and consistent application of the original Markets in Financial Instruments Directive and its secondary legislation (MiFID I). The content of the Guidelines has now been incorporated within, and consequently superseded by, detailed provisions in MiFID II and the Market Abuse Regulation.

The Guidelines have been withdrawn effective from September 26, 2018.

The ESMA decision is available at: https://www.esma.europa.eu/sites/default/files/library/esma70-154-803_bos_decision_notice_at_guidelines_withdrawal.pdf.

EU Opinion Attempts to Clarify the Market Size Calculation for Ancillary Activity Exemption

On October 2, 2018, ESMA issued an opinion addressed to EU national regulators on the market size calculation for the ancillary activity exemption under MiFID II. MiFID II provides an exemption from the requirement for authorization as an investment firm when dealing on own account, or providing investment services to clients in commodity derivatives, emission allowances or derivatives thereof, provided that the activity is an ancillary activity to their main business at group level and the main business is not the provision of investment services within the meaning of MiFID II or banking activities under the Capital Requirements Directive. Delegated Regulation (EU 2017/592) sets out the criteria for establishing when an activity should be considered as ancillary to the main business at group level, including the rules for calculating the overall market trading activity of a firm.

ESMA's opinion provides guidance to market participants and national regulators on determining market size figures, since there is no centralized, publicly available record of transactions for commodity derivatives and emission allowances. ESMA acknowledges that the data it has used for the guidance may have limitations in terms of accuracy and completeness and states that national regulators may use alternative data provided by market participants for the calculation.

The opinion is available at: https://www.esma.europa.eu/sites/default/files/library/esma70-154-884_opinion_on_the_ancillary_activity_calculations.pdf.

European Securities and Markets Authority Recommends Tightening of Third-Country Requirements

On October 1, 2018, ESMA published a letter (dated September 26, 2018) from ESMA Chair Steven Maijoor addressed to Valdis Dombrovskis, the Vice President of the European Commission. The purpose of the letter is to contribute to any further work the Commission may undertake on the investor protection and intermediaries-related requirements under MiFID II.

The letter highlights four concerns that were initially considered in the context of the U.K.'s planned withdrawal from the EU, but which ESMA believes apply more widely beyond the Brexit debate:

- I. The MiFIR regime for third-country firms providing investment services and activities to eligible counterparties and per se professional clients. ESMA believes the supervision and enforcement framework for third-country firms operating within the EU may need further improvements. It sets out possible options the Commission might consider to introduce further harmonization to ensure a consistent and convergent level of protection for investors interacting with third-country firms.
- II. The MiFID II regime for third-country firms providing investment services and activities to retail and professional clients on request. ESMA notes that the MiFID II regime on the provision of investment services to retail clients is fragmented across the EU, with member

states having discretion whether or not to require branches to be established. ESMA has concerns that this can give rise to legal uncertainty and regulatory and supervisory arbitrage between jurisdictions and invites the Commission to consider requiring further harmonization of national regimes.

- III. Third-country firms providing investment services and activities at the exclusive initiative of EU clients ("reverse solicitation"). ESMA recommends that the Commission consider reviewing the MiFID II framework in order to "mitigate" the effects of reverse solicitation. It suggests three options the Commission might consider, including reassessment and clarification of existing provisions on reverse solicitation.
- IV. Investment firms outsourcing critical or important functions other than those related to portfolio management to third-country providers. ESMA notes that MiFID II's stricter requirements on outsourcing to third-country entities applies only to the outsourcing of functions related to portfolio management. ESMA recommends that the application of the requirements be extended to the outsourcing of critical and important functions to third-country entities.

The letter states that ESMA stands ready to discuss any of these concerns with the Commission.

The letter is available at: https://www.esma.europa.eu/sites/default/files/library/2018-esma35-36-1442-ipisc_uk_withdrawal_from_the_eu_letter.pdf.

EU Ban Relating to Binary Options Extended

On October 1, 2018, following its announcement in August 2018, ESMA published notice of the extension of the prohibition on the marketing, distribution and sale of binary options to retail investors for a further three-month period from October 2, 2018. ESMA is extending the ban because the threat to investor protection has not been addressed yet through a change in EU legislation and national regulators have either taken no action or have taken insufficient action to address the potential harm.

ESMA has powers under Markets in Financial Instruments Regulation to impose prohibitions or restrictions on certain financial instruments, financial activities or practices to address a significant investor protection concern in the Union. Product intervention measures imposed by ESMA under MiFIR must be reviewed at appropriate intervals and at least every three months. If a measure is not renewed after three months, it will expire and it would then fall to member states to impose similar restrictions at a national level, if they so wish.

ESMA adopted two temporary product intervention Decisions in June this year, one relating to binary options and another to Contracts for Difference. ESMA recently announced that its various restrictions on the sale, distribution and marketing of CFDs to retail investors will be extended from November 1, 2018 for a further three months and its Decision is due to be published in the Official Journal of the European Union before the initial measure expires.

ESMA has considered evidence to the effect that certain binary option products are unlikely to lead to investor detriment. As a result, the renewed ban does not apply to a binary option:

- I. for which the lower of the two predetermined fixed amounts is at least equal to the total payment made by a retail client for the binary option, including any commission, transaction fees and other related costs;
- II. that meets the following conditions: (i) the term from issuance to maturity is at least 90 calendar days; (ii) a prospectus drawn up and approved under the Prospectus Regulation is available to the public; and (iii) the binary option does not expose the provider to market risk throughout the term of the binary option and the provider or any of its group entities do not make a profit or loss from the binary option, other than previously disclosed commission, transaction fees or other related charges.

The U.K. FCA is expected to consult before the end of 2018 on whether to make permanent in the UK the EU's temporary prohibition on marketing, distribution and sale of binary options to retail investors.

The ESMA's Decision is available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018X1001\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018X1001(01)&from=EN) and the ESMA's announcement on extending the CFD measures is available at: <https://finreg.shearman.com/EU-Contracts-for-Difference-Product-Intervention->.

European Securities and Markets Authority Publishes Its 2019 Priorities

On October 1, 2018, ESMA published its Annual Work Programme for 2019, dated September 26, 2018. ESMA sets out its focus areas for 2019 and provides details of expected outputs within each of the areas. ESMA also indicates that a number of pieces of EU legislation may be reviewed. These include the Market Abuse Regulation and the clearing obligation under the European Market Infrastructure Regulation, in addition to the reviews that have already been announced.

The focus priorities, which cover the various sectors for which ESMA is responsible, are:

I. Supervisory convergence through the adoption of guidelines, Q&As and opinions

ESMA intends to focus on ensuring the consistent application of MiFID II and will continue to issue opinions on position limits, waivers for equity and non-equity instruments and on the temporary suspension from pre- and post-trade transparency requirements. ESMA will also be conducting assessments of third-country trading venues in the context of transparency and position limits.

In addition, work will be done to increase supervisory convergence under the new Prospectus Regulation, which will apply directly across the EU from July 21, 2019, and the Securitization Regulation, which will apply directly across the EU to securities issued under securitizations on or after January 1, 2019. In the funds sector, ESMA will develop guidelines on liquidity stress testing by investment fund managers and, under the Alternative Investment Fund Managers Directive, on leverage limits. For the post-trade services, ESMA will develop guidelines to assist in implementation of the settlement discipline regime under the Central Securities Depositories Regulation.

II. Assessing risks to investors, markets and financial stability

ESMA will be using the increasing amount of data that it holds to monitor for risks within the financial markets and to provide in-depth analytical research.

III. Completing a single rulebook for EU financial markets

In 2019, ESMA will continue to contribute to the implementation of the Capital Markets Union and FinTech Action Plans by, amongst other things, delivering technical advice, draft technical standards and opinions under a number of EU pieces of legislation. These will include, for example, technical advice on the content of exempted documents under the Prospectus Regulation and technical standards under both the revised European Social Entrepreneurship Funds Regulation and the European Long-Term Investment Funds Regulation. In addition, ESMA will be assisting the European Commission prepare its various reports on the impact of the MiFID II package.

Furthermore, ESMA will be issuing advice to national regulators on the recognition of third-country administrators under the EU Benchmarks Regulation. ESMA has indicated that it will support the work on equivalence assessments of third-country regimes in various sectors.

IV. Directly supervising certain entities, such as credit rating agencies and trade repositories.

ESMA will continue to supervise the entities that currently fall under its direct supervision and it will assume supervisory responsibility for trade repositories reporting under the Securities Financing Transactions Regulation as well as securitization repositories.

ESMA's Annual Work Programme for 2019 is available at:

https://www.esma.europa.eu/sites/default/files/library/esma20-95-933_2019_annual_work_programme.pdf.

People

UK Serious Fraud Office to Recruit New Senior Staff to Management Team

On September 27, 2018, the U.K.'s Serious Fraud Office announced that it will be restructuring and expanding its management team with two new senior appointments:

- I. A new Head of Intelligence to enable the SFO to move to a more proactive approach to sourcing new cases. This appointment will enable the Head of Investigations to focus on advising on investigative strategy and leading the professional development of investigators.
- II. A new Head of Corporate Services to manage the finance, human resources, procurement and facilities management functions. This new appointment will enable the General Counsel to focus on legal matters.

The recruitment process for the new roles will run concurrently with recruitment of an appropriate replacement for the SFO's current General Counsel, who will be leaving the SFO later in the year after six years.

The SFO press release is available at: <https://www.sfo.gov.uk/2018/09/27/new-senior-roles-at-the-sfo/>.

Upcoming Events

October 15, 2018: SRB Conference 2018 - 10 years after the crisis: are banks now resolvable?

November 28, 2018: EBA 7th Annual Research Workshop - Reaping the benefits of an integrated EU banking market

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Upcoming Consultation Deadlines

October 12, 2018: ISDA consultation on fall backs based on overnight risk-free rates for certain derivatives

October 12, 2018 – FCA consultation on approach to implementing technical standards under PSD2

October 14, 2018: Regulators (globally) consultation on a Global Financial Innovation Network

October 17, 2018: Comment deadline for Proposed Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (proposed changes to the Volcker Rule)

October 19, 2018: GFXC survey on awareness and adoption of the FX Global Code

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October 25, 2018: ECB consultation on draft Part 2 of the Guide to Assessments of Licence Applications by credit institutions

October 26, 2018: EBA consultation on revised ITS on supervisory reporting in line with the Liquidity Coverage Requirement under the CRR

October 26, 2018: Comment deadline for FDIC proposal to except a capped amount of reciprocal deposits from treatment as brokered deposits

October 27, 2018: FCA consultation on proposed changes to the rules governing P2P platforms

October 29, 2018: Comment deadline for interim final rule regarding expanded 18-month examination cycle for certain small insured depository institutions and U.S. branches and agencies of foreign banks

October 29, 2018: CFTC consultation on proposed clearing obligation exemptions for certain financial end users

November 1, 2018: PRA consultation, Regulatory transactions: Changes to notification and application forms

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November 2, 2018: FCA discussion paper on the potential introduction of a new duty of care for financial services firms

November 19, 2018: Comment deadline for OCC proposal to permit certain federal savings associations to operate with national bank powers

November 27, 2018: EBA consultation on revised ITS for supervisory reporting under the CRR

December 12, 2018: PRA consultation on revisions to supervisory reporting requirements

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:

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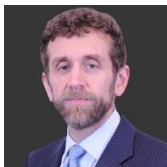
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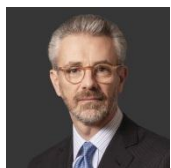
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