

Global Financial Markets Regulatory Review

April 2021

Editorial note

Dentons is pleased to present the April 2021 edition of the Global Financial Markets Regulatory Review. This regularly published report provides key financial markets regulatory developments as well as other legal developments related to financial markets around the world. Reported items include proposed legislation, rule changes, disciplinary actions, litigation, and other news. The report combines insights from Dentons lawyers with extensive financial markets experience located in major global financial centers.

Because of our international footprint of more than 12,000 lawyers in 203 locations in 80 countries, Dentons can service most cross border legal issues faced by global companies, including financial markets litigation and regulatory matters in all major global financial market centers. We hope you will find this report useful, and we look forward to the opportunity to share our expertise with our clients around the world.

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Key regulatory Developments in Australia

Source/Date	Brief description
Australian Finance Industry Association (AFIA) March 2021	<p>Buy Now Pay Later Code of Practice launched</p> <p>AFIA, following consultation with industry and ASIC, has launched a new, voluntary buy-now-pay-later (BNPL) Code of Practice that came into effect on March 1, 2021. The aim of the Code of Practice is to:</p> <ul style="list-style-type: none">• promote a 'customer-centric approach to the design, marketing and distribution' of BNPL products and services;• lift and expand upon industry standards; and• support compliance with legal obligations <p>The commitments in the Code of Practice are contractually enforceable on code-compliant members by customers through the Australian Financial Complaints Authority (AFCA).</p> <p>Further information can be accessed here.</p>
Treasury February 2021	<p>Introduction of legislation implementing mandatory comprehensive credit reporting</p> <p>The government has enacted legislation that implements mandatory comprehensive credit reporting (CCR) in Australia to:</p> <ul style="list-style-type: none">• establish a mandatory comprehensive credit reporting regime. Under the regime, eligible licensees, who on July 1, 2021, are large ADIs, will be required to provide credit information on consumer credit accounts to credit reporting bodies;• provide that a credit provider cannot refuse to provide further credit or reduce a customer's credit limit merely because financial hardship information exists;• expand ASIC's powers to enable the regulator to monitor compliance with the mandatory regime;• impose additional requirements on where data held by a credit reporting body must be stored;• provide for transitional arrangements;• permit reporting of financial hardship information within the credit reporting system;• require the attorney-general to cause an independent review and report of the credit reporting system before October 1, 2023; and• make a number of minor amendments relating to the administration of credit reporting. <p>Further information can be accessed here.</p>

Australian Prudential
Regulation Authority
(APRA)

February 2021

APRA outlines its policy and supervision priorities for 2021

APRA has released its policy and supervision priorities for the coming year. These include:

- finalizing and implementing a revised prudential standard on remuneration, a key Royal Commission recommendation that remains outstanding;
- strengthening crisis preparedness, including the development of a new prudential standard on resolution and recovery planning, taking into account the lessons and learnings of the past 12 months;
- updating prudential standards on operational risk, governance and risk management, and consulting with industry on guidance for climate change financial risk;
- completing the ongoing review of the capital framework for authorized deposit-taking institutions to fully implement ‘unquestionably strong’ capital ratios and the Basel III reforms;
- supporting implementation of the government’s ‘Your Future, Your Super’ reforms to improve member outcomes as well as progressing a range of enhancements recommended by APRA’s post-implementation review of the original superannuation prudential framework introduced in 2013; and
- continuing work on strengthening the capital framework for private health insurers.

Australian Securities
and Investments
Commission (ASIC)

January 2021

ASIC releases updates to Regulatory Guide 246

ASIC has released technical updates to Regulatory Guide RG 246 on conflicted and other banned remuneration to reflect:

- the end of the grandfathering of conflicted remuneration for financial product advice from January 1, 2021, and;
- the extension of the ban on conflicted remuneration to stamping fees paid in relation to listed investment companies and listed investment trusts (excluding real estate investment trusts) that took effect on July 1, 2020.

The ban on conflicted remuneration for financial product advice applies to all benefits given on or after January 1, 2021. Product issuers are required to provide rebates to clients for all previously grandfathered benefits that they remain legally obliged to pay on or after January 1, 2021.

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

Treasury

January 2021

Treasury releases its report from the Inquiry into the Future Directions for the Consumer Data Right

The Australian government has released its report from the Inquiry into the Future Directions for the Consumer Data Right (**CDR**). The Inquiry made 100 recommendations to expand the CDR's functionality, improve consumer choice and support Australia's developing digital economy.

The full report can be accessed [here](#).

APRA

December 2020

APRA consults on changes to the authorized deposit-taking institution (ADI) capital framework

APRA has released for consultation changes to the authorized deposit-taking institution (**ADI**) capital framework aimed at embedding 'unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength.

The consultation is a continuation of a process that responds to the Financial System Inquiry recommendations and ensures Australian banks meet the internationally agreed Basel III requirements.

Given the Australian banking sector is well capitalized, the proposed changes are not expected to require ADIs to raise additional capital.

APRA's proposed improvements to the capital framework include:

- greater risk sensitivity within the risk-weighting framework;
- providing for ADIs to hold a larger share of their required capital as buffers, enhancing the ability of the framework to respond flexibly to future stress events;
- improving the transparency of the framework by requiring all ADIs to disclose their capital ratios on a common basis; and
- introducing a simplified framework and reduced compliance requirements for smaller ADIs

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

Public Events & Conferences

Source/Date	Brief description
Pepper Money Insights 2021 March 2021	Pepper Money Insights 2021 This year, Dentons presented two regulatory sessions at the Pepper Money Insights 2021, tailored for mortgage brokers and asset finance introducers. Partners Elise Ivory and David Carter presented these sessions.
Dentons February 2021	Financial Services Regulation in 2021: What you need to know Partner Elise Ivory and special counsel Jon Denovan presented via Zoom on the following significant changes in 2021 to the financial services regime: <ul style="list-style-type: none">• reference checking protocols;• expanded breach reporting;• new IDR requirements;• design and distribution obligations;• deferred insurance proposals;• the addition of s47A and s47B to the Fair Trading Act; and• changes to responsible lending laws.

Key regulatory Developments in Europe

Regulatory Developments in the EU

Source/Date	Brief description
ESMA March 19, 2021	<p>ESMA clarifies application of position limits ending MiFID II change</p> <p>ESMA is issuing a public statement on its supervisory approach to position limits for commodity derivatives. The purpose is to clarify the application of position limits and coordinate the supervisory actions of national competent authorities (NCAs), pending the legislative change introduced by the MiFID II Recovery Package for commodity derivatives.</p> <p>For further information click here.</p>
ECB March 18, 2021	<p>ECB starts publishing compounded euro short-term rate (€STR) average rates on April 15, 2021</p> <p>The ECB will start publishing compounded €STR average rates and a compounded index based on the euro short-term rate (€STR) on April 15, 2021. Publication will take place on each TARGET2 business day at 09:15 CET.</p> <p>For further information click here.</p>
EBA March 18, 2021	<p>EBA updates phase 2 of its 3.0 reporting framework</p> <p>The EBA published phase 2 of its reporting framework v3.0. The technical package supports the implementation of the reporting framework by providing standard specifications and includes the validation rules, the Data Point Model (DPM) and the XBRL taxonomies for v3.0.</p> <p>For further information click here.</p>
EBA March 18, 2021	<p>EBA consults on its revised Guidelines on recovery plan indicators</p> <p>The EBA published a consultation paper on its revised Guidelines on recovery plan indicators. While maintaining the fundamental structure of the current recovery plan indicators framework, the revised Guidelines provide additional guidance on the indicators' calibration, monitoring and breaches notifications. The amendments aim at strengthening the quality of recovery indicators framework and contributing to effective crisis preparedness of institutions.</p> <p>For further information click here.</p>

EBA

ESAs consult on taxonomy-related product disclosures

March 17, 2021

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) issued a consultation paper seeking input on draft Regulatory Technical Standards (RTS) regarding disclosures of financial products investing in economic activities that contribute to an environmental investment objective. These economic activities are defined by the EU Regulation on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation).

For further information click [here](#).

EBA

EBA consults on changes to its Guidelines on Risk-based AML/CFT supervision

March 17, 2021

The EBA launched a public consultation on changes to its Guidelines on Risk-Based Supervision of credit and financial institutions' compliance with anti-money laundering and countering the financing of terrorism (AML/CFT) obligations. The proposed changes address the key obstacles to effective AML/CFT supervision that the EBA has identified during its review of the existing Guidelines, including the effective use of different supervisory tools to meet the supervisory objectives. The Guidelines are central to the EBA's mandate to lead, coordinate and monitor the EU financial sector's fight against money laundering and terrorist financing. The consultation runs until June 17, 2021.

For further information click [here](#).

ESMA

ESMA sees high risk for investors in non-regulated crypto assets

March 17, 2021

ESMA, the EU securities markets regulator, published its first Trends, Risks and Vulnerabilities (TRV) Report of 2021. The Report analyses the impact of COVID-19 on financial markets during the second half of 2020 and highlights the increasing credit risks linked to significant corporate and public debt overhang, as well as the risks linked with investments in non-regulated crypto-assets.

For further information click [here](#).

ESMA

ESMA to allow decision on reporting of net short position of 0.1% and above to expire

March 17, 2021

ESMA has decided not to renew its decision to require holders of net short positions in shares traded on a European Union (EU) regulated market to notify the relevant national competent authority (NCA) if the position reaches, exceeds or falls below 0.1% of the issued share capital. The measure, which has applied since March 16, 2020, will expire on March 19, 2021.

For further information click [here](#).

EBA

EBA reports on the monitoring of the LCR implementation in the EU

March 15, 2021

The EBA published its second Report on the monitoring of liquidity coverage ratio (LCR) implementation in the EU. This Report, which complements the one published on July 12, 2019, highlights areas in which further guidance is deemed useful for banks and supervisors in order to foster a common understanding and harmonization of the application of the liquidity standard across the EU, as well as to reduce some level playing field issues. The EBA will continue regularly monitoring the implementation of the LCR for EU banks and will update these reports on an ongoing basis to set out its observations and provide further guidance, where necessary.

For further information click [here](#).

EBA

EBA consults on technical elements for the implementation of the alternative standardized approach for market risk as part of its FRTB roadmap

March 12, 2021

The EBA launched two public consultations on its draft Regulatory Technical Standards (RTS) on gross jump-to-default (JTD) amounts and its draft RTS on residual risk add-on (RRAO). These draft RTS specify (i) how gross JTD amounts are to be determined for the purposes of calculating the default risk charge for non-securitization instruments, and (ii) how to identify instruments exposed to residual risks for the purposes of the residual risk add on (RRAO) – under the alternative standardized approach for market risk. These draft RTS are part of the phase 3 deliverables of the EBA roadmap for the new market and counterparty credit risk approaches. Both consultations run until June 12, 2021.

For further information click [here](#).

European
Commission

The Commission launches a targeted consultation on supervisory convergence and the single rule book: Taking stock of the framework for supervising European capital markets, banks, insurers and pension funds

March 12, 2021

For further information click [here](#).

EBA

EBA launches discussion paper on integrated reporting

March 11, 2021

The EBA published a discussion paper on the feasibility study of an integrated reporting system to collect feedback for the preparation of its final report in this area. The discussion paper outlines possible options around the main building blocks of a possible integrated system including a single data dictionary and single reporting system across supervisory, resolution and central bank statistical data. The consultation runs until June 11, 2021.

For further information click [here](#).

EBA	EBA launches public consultation on draft revised Guidelines on stress tests of deposit guarantee schemes (DGSs)
March 11, 2021	<p>The EBA launched a public consultation on its revised Guidelines on the stress tests conducted by national DGSs under the Deposit Guarantee Schemes Directive (DGSD). The proposed revision will extend the scope of the DGS stress testing, by requiring more tests that will cover additional aspects of DGS interventions. The proposed framework will also achieve greater harmonization and comparability, to enable the EBA to carry out a robust peer review of national DGS stress tests in 2024/25.</p> <p>For further information click here.</p>
SRB	SRB launches consultation on 2021 Single Resolution Fund contributions
March 5, 2021	<p>The SRB launched a streamlined consultation process in relation to the 2021 ex-ante contributions to the Single Resolution Fund (SRF).</p> <p>For further information click here.</p>
EBA	EBA issues new supervisory reporting and disclosures framework for investment firms
March 5, 2021	<p>The EBA published its final draft Implementing Technical Standards (ITS) on the supervisory reporting and disclosures of investment firms. These final draft ITS, which are part of the phase 1 mandates of the EBA roadmap on investment firms, will ensure a proportionate implementation of the new prudential framework for investment firms taking into account the different activities, sizes and complexity of investments firms.</p> <p>For further information click here.</p>
ESMA	ESMA proposes improvements to Transparency Directive after Wirecard case
March 3, 2021	<p>The ESMA has written to the European Commission (EC) with its proposals to improve the Transparency Directive (TD) following the Wirecard case. The letter addresses provisions related to enforcement of financial information.</p> <p>For further information click here.</p>

EBA

March 3, 2021

The EBA highlights key money laundering and terrorist financing risks across the EU

The EBA published its biennial Opinion on the risks of money laundering and terrorist financing (ML/TF) affecting the European Union's financial sector. The ML/TF risks identified by the EBA include those that are applicable to the entire financial system, for instance the use of innovative financial services, while others affect specific sectors, such as de-risking. The list also includes ML/TF risks that emerge from wider developments such as the COVID-19 pandemic that have an impact on both firms' AML/CFT compliance and competent authorities' supervision. The Opinion, therefore, sets out recommendations to competent authorities aimed at closing these gaps.

For further information click [here](#).

ESMA

March 1, 2021

ESMA publishes the results of the annual transparency calculations for equity and equity-like instruments

ESMA has published the results of the annual transparency calculations for equity and equity-like instruments, which will apply from April 1, 2021.

For further information click [here](#).

EBA

March 1, 2021

EBA launches public consultation on draft technical standards on Pillar 3 disclosures of ESG risks

The EBA published a consultation paper on draft implementing technical standards (ITS) on Pillar 3 disclosures on environmental, social and governance (ESG) risks. The draft ITS put forward comparable disclosures that show how climate change may exacerbate other risks within institutions' balance sheets, how institutions are mitigating those risks, and their green asset ratio on exposures financing taxonomy-aligned activities, such as those consistent with the Paris agreement goals.

For further information click [here](#).

EIOPA

March 1, 2021

EIOPA advises on insurers' key performance indicators on sustainability for non-financial reporting

EIOPA submitted its advice to the European Commission on the mandatory sustainability disclosure of insurers' and reinsurers' key performance indicators within the scope of the Non-Financial Reporting Directive.

For further information click [here](#).

EBA

March 1, 2021

EBA publishes final revised Guidelines on money laundering and terrorist financing risk factors

The EBA published its final revised Guidelines on ML/TF risk factors. The revisions take into account changes to the EU Anti Money Laundering and Counter Terrorism Financing (AML/CFT) legal framework and address new ML/TF risks, including those identified by the EBA's implementation reviews. In addition to strengthening financial institutions' risk-based approaches to AML/CFT, the revision supports the development of more effective and consistent supervisory approaches where evidence suggested that divergent approaches continue to exist. The Guidelines are central to the EBA's work to lead, coordinate and monitor the fight against money laundering and terrorist financing.

For further information click [here](#).

EBA

March 1, 2021

EBA advises the Commission on KPIs for transparency on institutions' environmentally sustainable activities, including a green asset ratio

The EBA published an Opinion in response to the Commission's call for advice on KPIs and related methodology for the disclosure by credit institutions and by investment firms of information on how and to what extent their activities qualify as environmentally sustainable in accordance with the EU taxonomy. In the advice, the EBA underlines the importance of the green asset ratio, supported by other KPIs, as a key means to understand how institutions are financing sustainable activities and meeting the Paris agreement targets.

For further information click [here](#).

EBA

February 25, 2021

ESAs issue recommendations on the application of the Regulation on sustainability-related disclosures

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have published a joint supervisory statement on the effective and consistent application and national supervision of the Regulation on sustainability-related disclosures in the financial services sector (SFDR). The statement aims to achieve an effective and consistent application and national supervision of the SFDR, promoting a level playing field and protecting investors.

For further information click [here](#).

ESMA

February 25, 2021

ESMA consults on methodology to calculate a benchmark in exceptional circumstances

ESMA has launched a consultation on draft guidelines detailing the obligations applicable to administrators that use a methodology to calculate a benchmark in exceptional circumstances under the Benchmarks Regulation (BMR).

For further information click [here](#).

<p>European Commission</p> <p>February 25, 2021</p>	<p>The Commission launches a public consultation on the review of the crisis management and deposit insurance framework</p> <p>For further information click here.</p>
<p>EIOPA</p> <p>February 25, 2021</p>	<p>ESAs issue recommendations on the application of the Regulation on sustainability-related disclosures</p> <p>The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have published a joint supervisory statement on the effective and consistent application and national supervision of the Regulation on sustainability-related disclosures in the financial services sector (SFDR). The statement aims to achieve an effective and consistent application and national supervision of the SFDR, promoting a level playing field and protecting investors.</p> <p>For further information click here.</p>
<p>EBA</p> <p>February 24, 2021</p>	<p>EBA consults on draft technical standards to improve supervisory cooperation for investment firms</p> <p>The EBA launched two public consultations on regulatory technical standards (RTS) and Implementing Technical Standards (ITS) on cooperation and information exchange between competent authorities involved in prudential supervision of investment firms.</p> <p>For further information click here.</p>
<p>EBA</p> <p>February 22, 2021</p>	<p>EBA calls on national authorities to take supervisory actions for the removal of obstacles to account access under the Payment Services Directive</p> <p>The EBA published an Opinion on supervisory actions national competent authorities (NCAs) should take to ensure banks remove any remaining obstacles that prevent third-party providers from accessing payment accounts, which restrict EU consumers’ choice of payment services. The Opinion will contribute to a level playing field across the EU and to a consistent application and supervision of relevant requirements under the Payment Services Directive (PSD2) and the EBA Regulatory Technical Standards on strong customer authentication and common and secure communication (RTS on SCA&CSC).</p> <p>For further information click here.</p>
<p>EBA</p> <p>February 19, 2021</p>	<p>EBA publishes final draft technical standards on indirect exposures arising from derivatives underlying a debt or equity instrument</p> <p>The EBA published final draft regulatory technical standards (RTS) specifying how institutions should determine exposures arising from derivative and credit derivative contracts not entered directly into with a client but whose underlying debt or equity instrument was issued by a client. These draft RTS will ensure appropriate levels of consistency through different pieces of the regulatory framework for the calculation of large exposures.</p> <p>For further information click here.</p>

<p>EBA February 18, 2021</p>	<p>EBA publishes final draft technical standards on disclosure of indicators of global systemic importance by G-SIIs</p> <p>The EBA published its final draft Implementing Technical Standards (ITS) on the disclosure of indicators of global systemically important institutions (G-SIIs). These standards help to identify which banks are GSIIIs and specify the formats and instructions in accordance with which G-SIIs disclose the information required under the Capital Requirements Regulation (CRR) and aim at ensuring consistency of information.</p> <p>For further information click here.</p>
<p>EBA February 17, 2021</p>	<p>EBA consults on guidance to assess breaches of large exposure limits</p> <p>The EBA launched a consultation on the criteria that competent authorities should use to assess a breach of the large exposure limits. The consultation paper also details the criteria to determine the period of time and the measures for institutions to return to compliance with those limits. The consultation runs until May 17, 2021.</p> <p>For further information click here.</p>
<p>EBA February 16, 2021</p>	<p>EBA publishes final guidelines on the conditions for the alternative treatment of “tri-party repurchase agreements” for large exposure purposes</p> <p>The EBA published final guidelines specifying the conditions for the application of the alternative treatment of institutions’ exposures related to ‘tri-party repurchase agreements’ for large exposure purposes. Under the alternative treatment, institutions are allowed to replace the total amount of their exposures to a collateral issuer due to tri-party repurchase agreements facilitated by a tri-party agent, with the full amount of the limits that the institution has instructed the tri-party agent to apply to those exposures.</p> <p>For further information click here.</p>
<p>ECB February 15, 2021</p>	<p>Summary of responses to the public consultation by the working group on euro risk-free rates on €STR-based EURIBOR fallback rates</p> <p>To access the summary click here.</p>
<p>EBA February 19, 2021</p>	<p>EBA publishes final draft technical standards on indirect exposures arising from derivatives underlying a debt or equity instrument</p> <p>The European Banking Authority published final draft regulatory technical standards (RTS) specifying how institutions should determine exposures arising from derivative and credit derivative contracts not entered directly into with a client, but whose underlying debt or equity instrument was issued by a client. These draft RTS will ensure appropriate levels of consistency through different pieces of the regulatory framework for the calculation of large exposures.</p> <p>For further information click here.</p>

<p>EIOPA February 19, 2021</p>	<p>Business model sustainability and adequate product design identified as new strategic supervisory priorities for national supervisors</p> <p>The European Insurance and Occupational Pensions Authority (EIOPA) identified business model sustainability and adequate product design as two Union-wide strategic supervisory priorities relevant for national competent authorities (NCAs).</p> <p>For further information click here.</p>
<p>EBA February 18, 2021</p>	<p>EBA publishes final draft technical standards on disclosure of indicators of global systemic importance by G-SIIs</p> <p>The European Banking Authority published final draft Implementing Technical Standards (ITS) on the disclosure of indicators of global systemically important institutions (G-SIIs). These standards help to identify which banks are GSIIIs and specify the formats and instructions, in accordance with which G-SIIs disclose the information required under the Capital Requirements Regulation (CRR). They aim at ensuring consistency of information.</p> <p>For further information click here.</p>
<p>ECB February 18, 2021</p>	<p>ECB publishes its financial statements for 2020</p> <p>The European Central Bank's (ECB's) audited financial statements for 2020 show that the profit for the year was €1,643 million (2019: €2,366 million).</p> <p>For further information click here.</p>
<p>EBA February 17, 2021</p>	<p>EBA consults on guidance to assess breaches of the large exposure limits</p> <p>The European Banking Authority launched a consultation on the criteria that competent authorities should use to assess a breach of the large exposure limits. The consultation paper also details the criteria to determine the period of time and the measures for institutions to return to compliance with those limits. The consultation runs until 17 May 2021.</p> <p>For further information click here.</p>
<p>EBA February 11, 2021</p>	<p>EBA launches public consultation on the draft technical standards on supervisory disclosure under the Investment Firms Directive</p> <p>The European Banking Authority launched a public consultation on its draft Implementing Technical Standards (ITS) on the new prudential requirements that competent authorities will be required to disclose publicly for all types of investment firms authorized under the Markets in Financial Instruments Directive (MiFID). The draft ITS, which are part of the phase 2 mandates of the EBA Roadmap on investment firms, aim at ensuring that the disclosed information is comprehensive and comparable across all Member States. The consultation runs until 11 May 2021.</p> <p>For further information click here.</p>

ECB

February 4, 2021

Eurosystem agrees on common stance for climate change-related sustainable investments in non-monetary policy portfolios

The Eurosystem central banks – the 19 national central banks of the euro area countries and the European Central Bank (ECB) – have defined a common stance for applying sustainable and responsible investment principles in the euro-denominated non-monetary policy portfolios that they each manage under their own responsibility.

For further information click [here](#).

ECB

February 4, 2021

ECB extends bilateral euro liquidity lines with non-euro area central banks

The European Central Bank (ECB) decided in December 2020 to offer a nine-month extension of its temporary swap and repo lines with non-euro area central banks. The central banks of Albania, Croatia, Hungary, the Republic of North Macedonia, Romania, San Marino and Serbia have agreed to extend the duration of their euro liquidity lines with the ECB to March 2022.

For further information click [here](#).

EIOPA

February 4, 2021

The three European Supervisory Authorities publish Final Report and draft RTS on disclosures under SFDR

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) has delivered to the European Commission (EC) its Final Report, including the draft Regulatory Technical Standards (RTS), on the content, methodologies and presentation of disclosures under the EU Regulation on sustainability-related disclosures in the financial services sector (SFDR).

For further information click [here](#).

EIOPA

February 3, 2021

EIOPA's Board of Supervisors agrees on changes to the PRIIPs key information document

The European Supervisory Authorities – ESAs (the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority) have submitted to the European Commission the draft Regulatory Technical Standards (RTS) on amendments to the key information document for packaged retail and insurance-based investment products (PRIIPs).

For further information click [here](#).

EBA

EBA launches 2021 EU-wide stress test exercise

January 29, 2021

The European Banking Authority launched the 2021 EU-wide stress test and released the macroeconomic scenarios. Following the postponement of the 2020 exercise due to the COVID-19 pandemic, this year's EU-wide stress test will provide valuable input for assessing the resilience of the European banking sector. Accordingly, the adverse scenario is based on a narrative of a prolonged COVID-19 scenario in a 'lower for longer' interest rate environment, in which negative confidence shocks would prolong the economic contraction. The EBA expects to publish the results of the exercise by 31 July 2021.

For further information click [here](#).

EBA

EBA publishes final draft technical standards to identify investment firms' risk takers and to specify the instruments used for the purposes of variable remuneration

January 21, 2021

The European Banking Authority published two final draft Regulatory Technical Standards (RTS) on:

- i. The criteria to identify all categories of staff whose professional activities have a material impact on the investment firm's risk profile or asset it manages ('risk takers')
- ii. The classes of instruments that adequately reflect the credit quality of the investment firm and possible alternative arrangements that are appropriate to be used for the purposes of variable remuneration.

The objective of these RTS is to define and harmonize the criteria for the identification of such staff and the use of instruments or alternative arrangements for the purposes of variable remuneration so as to ensure a consistent approach across the EU.

For further information click [here](#).

European
Commission

College meeting: European Commission reorganizes the "Task Force for Relations with the United Kingdom" into the "Service for the EU-UK Agreements"

January 19, 2021

The conclusion of the EU-UK Trade and Cooperation Agreement on December 24, 2020, means that the very successful mandate of the Task Force for Relations with the United Kingdom (UKTF) will come to an end. The UKTF will cease to exist on March 1, 2021.

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

European
Commission

January 19, 2021

Commission takes further steps to foster the openness, strength and resilience of Europe's economic and financial system

The European Commission has presented a new strategy to stimulate the openness, strength and resilience of the EU's economic and financial system for the years to come. This strategy aims to better enable Europe to play a leading role in global economic governance, while protecting the EU from unfair and abusive practices.

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

EBA

January 15, 2021

EBA consults on its new Guidelines on the monitoring of the threshold for establishing an intermediate EU parent undertaking

The European Banking Authority launched public consultations on its new Guidelines on the monitoring of the threshold and other procedural aspects of the establishment of intermediate EU parent undertakings (IPU) as laid down in the Capital Requirements Directive (CRD). This guidance specifies the methodology to calculate the total value of assets in the Union of the third-country groups and clarifies how to monitor this value in order to meet the IPU requirement. The consultation runs until March 15, 2021.

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

EBA

January 13, 2021

EBA points to a further rise in capital and leverage ratios, whereas profitability remains very subdued

The European Banking Authority published its quarterly Risk Dashboard together with the results of the Risk Assessment Questionnaire (RAQ). The Q3 data shows a rise in capital ratios and an improvement in the NPL ratio, while the return on equity (RoE) remained significantly below banks' cost of equity. The Risk Dashboard includes, for the first time, data on moratoria and public guarantee schemes.

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

ESMA

January 13, 2021

ESMA agreed position limits under MiFID II

The European Securities and Markets Authority (ESMA) has published two opinions on position limits regarding commodity derivatives under MiFID II/MIFIR.

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

ESMA

January 13, 2021

ESMA reminds firms of the MiFID II rules on reverse solicitation

The European Securities and Markets Authority issued a public statement to remind firms of the MiFID II requirements on the provision of investments services to retail or professional clients by firms not established or situated in the European Union (EU).

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

<p>ESMA</p> <p>January 8, 2021</p>	<p>Publication of transparency calculations update after the end of the Brexit transition period</p> <p>The European Securities and Markets Authority has published its first Financial Instruments Transparency System (FITRS) file following the end of the Brexit transition period.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>January 6, 2021</p>	<p>ESMA launches a common supervisory action with NCAs on the supervision of costs and feeds of UCITS</p> <p>The European Securities and Markets Authority launched a Common Supervisory Action (CSA) with national competent authorities (NCAs) on the supervision of costs and fees of UCITS across the European Union (EU). The CSA will be conducted during 2021.</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>January 6, 2021</p>	<p>ESMA promotes transparency for TLTRO III transactions</p> <p>The European Securities and Markets Authority has issued a public statement promoting transparency in the IFRS financial statements of banks regarding accounting for the third series of the European Central Bank's (ECB) Targeted Longer-Term Refinancing Operations (TLTRO III).</p> <p>For further information, click here.</p>
<p>ESMA</p> <p>January 5, 2021</p>	<p>Publication of financial instruments reference data after the end of the Brexit transition period</p> <p>The European Securities and Markets Authority has published its first set of Financial Instruments Reference Data System (FIRDS) files following the end of the Brexit transition period.</p> <p>For further information, click here.</p>
<p>European Commission</p> <p>December 30, 2020</p>	<p>The European Union and China complete negotiations on investment agreement</p> <p>For further information in English, click here.</p>
<p>European Commission</p> <p>December 25, 2020</p>	<p>Brexit: The Commission proposes the creation of a Brexit Adjustment Reserve</p> <p>The European Commission has put forward its proposal for a Brexit Adjustment Reserve, as agreed by the European Council in July, to help counter the adverse economic and social consequences – at the end of the transition period on December 31, 2020 – in the member states and sectors that are worst affected.</p> <p>For further information, click here.</p>

EBA

December 23, 2020

EBA publishes final draft technical standards on impracticability of contractual recognition under the BRRD framework

The European Banking Authority published its final draft Regulatory Technical Standards (RTS) and final draft Implementing Technical Standards (ITS) on the impracticability of contractual recognition of bail-in powers under the Bank Recovery and Resolution Directive (BRRD). These standards, which aim at ensuring the harmonized application of instances of impracticability of contractual recognition of bail-in powers, are part of the EBA's work to implement the BRRD.

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

EBA

December 23, 2020

EBA publishes final technical standards on reporting of MREL decisions from authorities to EBA

The European Banking Authority published its final draft Implementing Technical Standards (ITS) specifying uniform reporting templates, instructions and methodology for the identification and transmission, by resolution authorities to the EBA, of information on minimum requirements for own funds and eligible liabilities (MREL). These standards are part of the EBA's major program of work to implement the BRRD and address the problem of too-big-to-fail banks.

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

EBA

December 23, 2020

EBA publishes final technical standards on estimation of Pillar 2 and combined buffer requirements for setting MREL

The European Banking Authority published its final draft Regulatory Technical Standards (RTS) specifying the methodology to be used by resolution authorities to estimate the Pillar 2 (P2R) and combined buffer requirements (CBR) at resolution group level for the purpose of setting the minimum requirement for own funds and eligible liabilities requirement (MREL). These standards are part of the EBA's major program of work to implement the BRRD and address the problem of too-big-to-fail banks.

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

Public Events & Conferences

Date	Brief description
March 10, 2021	Getting ready for risk-free rates – IBOR transition in the Western Balkans To read the summary of the event, please click here .

Clients Alerts & Briefings

Date	Brief description
March 31, 2021	The taming of the crypto Wild West: a look at the UK’s alternative plans to MiCA To read the full client alert, please click here .
March 25, 2021	The UK’s overseas framework: HM Treasury’s call for evidence To read the full client alert, please click here .
March 16, 2021	ECB issues opinion on Markets in Crypto Assets Regulation (MiCA) and European Parliament Rapporteur tables own changes To read the full client alert, please click here .
February 18, 2021	ESMA publishes supervisory warning following very high volatility in trading of certain stocks spurred by social media action To read the full client alert, please click here .
February 16, 2021	ESMA launches two common supervisory actions (CSA), first on UCITS fees and costs and secondly on MiFID II product governance To read the full client alert, please click here .
February 12, 2021	European Supervisory Authorities publish joint letter on the EU’s proposed regulation for a digital operational resilience act (DORA) To read the full client alert, please click here .
January 26, 2021	Financing Innovation in Times of Pandemic To read the full client alert, please click here .
January 25, 2021	ESMA publishes final cloud outsourcing guidelines what do firms need to do to prepare? To read the full client alert, please click here .

January 19, 2021	ESMA’s reminder on reverse solicitation principles and its supervisory expectations To read the full client alert, please click here .
January 18, 2021	Are you ready for new ESG-related obligations? To read the full client alert, please click here .
January 11, 2021	Dentons Asset Management & Investment Funds Group: AIFMD consultation – what do asset management firms and stakeholders need to know now? To read the full client alert, please click here .
January 11, 2021	Switzerland’s new regulatory landscape To read the full client alert, please click here .
December 28, 2020	The Equivalence Decisions Framework of the EU and UK – Brexit and beyond To read the full client alert, please click here .
December 28, 2020	Post-Brexit EU-UK Trade and Cooperation Agreement – Key considerations for financial services To read the full client alert, please click here .

Regulatory Developments in the Czech Republic

Source/Date	Brief description
CNB February 1, 2021	<p>CNB has prepared an amendment to decree No. 346/2013 Coll., on the submission of statements by banks and branches of foreign banks to the Czech National Bank, and decree No. 426/2013 Coll., on the submission of statements by savings and credit unions to the Czech National Bank</p> <p>This amendment is a response to a bill amending the act No. 21/1992 Coll., on banks, act No. 87/1995 Coll., on savings and credit unions, and some other acts in connection with the implementation of Directive (EU) 2019/878 and Regulation (EU) 2019/876. This bill is currently in the legislative process and has not yet entered into force.</p> <p>The amendment has been submitted to an inter-ministerial comment procedure.</p> <p>For further information in Czech click here.</p>
CNB February 1, 2021	<p>CNB has prepared amendment decree No. 30/2017 Coll., to the Act on Central Register of Accounts</p> <p>The Central Register of Accounts (CRA) is a central database of basic information on accounts led by credit institutions for their clients. The CNB is the operator of the CRA.</p> <p>The amendment was prepared in connection with transposition of the V. AML directive into Czech law and changes within the legal regulation of CRA, specifically the extension of persons obliged to send specified data to the CRA and extension of the data recorded in the CRA.</p> <p>The amendment has been submitted to an inter-ministerial comment procedure.</p> <p>For further information in Czech click here.</p>
MF January 22, 2021	<p>Treaty for the avoidance of double taxation in the field of income taxes and the prevention of tax leak and tax avoidance concluded on 11 December 2019 between the Czech Republic and the People's Republic of Bangladesh has become valid</p> <p>The treaty became valid on 15 January 2021 and due to a different tax period, the agreement will come into force in Bangladesh on 1 July 2021, and in the Czech Republic on 1 January 2022.</p> <p>For further information in English and Czech click here.</p>

CNB

January 26, 2021

Public consultation – amendment to decree No. 234/2009 Coll. on protection against market abuse and transparency

The amendment responds to Commission delegated regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, the forthcoming implementing regulation to the list of insiders and the terminological changes contained in the amendment to the Capital Market Business Act containing the Capital Markets Union.

The public is invited to send suggestions for the amendment in question by 16 February 2021 to the address Vit.Ossendorf@cnb.cz, including the justification for the need for the proposed changes.

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

Chamber
of Deputies,

Parliament of the
Czech Republic

January 27, 2021

Bill amending the Act on Banks was approved in the first reading by the Chamber of Deputies on 27 January 2021

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

The main goal of CRD V and of this Bill is to reduce risks and improve consumer confidence in the banking sector.

In general, the Bill covers, among others:

- The application of supervisory requirements and capital guidance under Pillar 2
- The adjustment of requirements applied to remuneration policies
- Requirement of the establishment of intermediate parent undertakings
- Update of the governance requirements applied to firms.

For the Bill to be enacted, the approval of the Chamber of Deputies in the second and the third reading, the approval of the Senate and signature of the President are necessary.

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

Chamber
of Deputies,

Parliament of the
Czech Republic

January 27, 2021

A bill amending the Act on Recovery and Resolution in the Financial Market passed the first reading in the Chamber of Deputies on 27 January 2021

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

BRRD II responds to the need to adapt the rules for setting a minimum requirement for own funds and eligible liabilities (MREL) to standards adopted at the international level that relate to the requirement on total loss-absorbing capacity (TLAC).

For the Bill to be enacted, the approval of the Chamber of Deputies in the second and the third reading, the approval of the Senate and signature of the President are necessary.

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

MF

January 27, 2021

Treaty for the avoidance of double taxation in the field of income taxes and the prevention of tax leak and tax avoidance was signed on 27 January 2021 between the Czech Republic and the Republic of San Marino

The Ministry of Finance announced that on January 27 2021, a treaty for the avoidance of double taxation was signed in Rome between the Czech Republic and San Marino.

In both countries, a standard legislative procedure will follow, leading to the entry into force of this Treaty and its subsequent practical implementation.

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

MF

January 11, 2021

Report for the government on the concept of capital market development 2019–2023

On January 11, 2021, the members of the government were presented with the “Report of the Ministry of Finance for the Government on the Concept of Capital Market Development in the Czech Republic 2019–2023”, which summarizes the progress achieved in 2019 and 2020 and evaluates further steps in the field of capital market development.

The report is available in Czech [here](#).

CNB

December 18, 2020

CNB has published a report on the results of inspections of credit institutions focusing on weaknesses in the setting up of internal control system

The aim of this report is to provide internal auditors with a summary of information on the typology of weaknesses in credit institutions' internal control systems and the errors found by CNB during its supervisions.

CNB examines credit institutions both in relation to individual activities and processes and in the overall context of the conditions of banks and credit unions. CNB evaluates the adequacy of their conceptual and system settings and the assumptions of their proper functioning.

Although credit institutions are generally increasingly aware of the importance of their supervisory systems, CNB's supervision continues to encounter some shortcomings in their settings. These are sometimes the result of insufficient consideration of significant changes in the organization of activities, changes in the business model, expansion of the range of services provided or group influences, which are characterized by efforts to centralize activities in order to optimize costs within the group. Other weaknesses in the system settings can be observed in entities of a certain size, shareholder structure or in connection with corporate culture.

The report is available in Czech [here](#).

Senate of the
Parliament of the
Czech Republic
(**Senate**)/ Chamber
of Deputies of the
Parliament of the
Czech Republic

December 22, 2020

Senate repealed the newly proposed tax on the transfer of securities

In the form of an amendment proposal, the Senate repealed the amendment approved by the Chamber of Deputies of the Parliament of the Czech Republic, which limited the exemption from income tax from the sale of securities for natural persons, if a period of more than three years has elapsed between their acquisition and sale, for income exceeding CZK 20 million. Income exceeding CZK 20 million were to be subject to a new 15% tax rate.

Under the current regulation, the transfer of a securities for natural persons is exempt from income tax if the securities are held for at least three years (participation certificates, for at least five years).

The Chamber of Deputies of the Parliament of the Czech Republic passed a bill amending some tax laws and some other laws as proposed by the Senate on December 22, 2020.

The bill is available in Czech [here](#).

MF

December 23, 2020

Public consultation – amendment to the government regulation on investment funds

On September 2, 2020, the Government of the Czech Republic submitted to the Chamber of Deputies for discussion a “Bill Amending Certain Acts in Connection with the Development of the Capital Market”, which is registered as **Chamber Press 993**. If this bill is adopted, government regulations No. 243/2013 Coll., on the investment of investment funds and on techniques for their management, as amended, will also need to be amended. On the occasion of the amendment of this government regulation, it will be possible to make other necessary changes.

Therefore the public is invited to send suggestions for the amendment of the government regulation in question by February 3, 2021, to the address ales.kralik@mfcz.cz, including the justification for the need for the proposed changes.

The proposed amendment is available in Czech [here](#).

Clients Alerts & Briefings

Date	Brief description
February 10, 2021	Dentons Prague Newsletter – The Czech Republic’s New Act on Foreign Direct Investment To read the full client alert, please click here .

Regulatory Developments in Germany

Source/Date	Brief description
BaFin March 19, 2021	<p>Cryptocurrencies: BaFin joins renewed consumer warning</p> <p>Despite recent price records, virtual currencies such as Bitcoin and other cryptocurrencies are highly risky and speculative investments. The European Supervisory Authorities (ESAs) pointed this out again on March 17. BaFin shares the ESAs' assessment without reservation.</p> <p>For further information in German click here.</p>
BaFin March 9, 2021	<p>Insurance intermediaries and employees: BaFin publishes updated FAQs</p> <p>BaFin, together with the Association of German Chambers of Industry and Commerce (DIHK) and the Chambers of Industry and Commerce (IHKs), has compiled a list of frequently asked questions and answers regarding the obligation to provide further training for insurance intermediaries/consultants and employees working in sales. The list has been updated and is current as of February 26, 2021.</p> <p>For further information in German click here.</p>
BaFin March 3, 2021	<p>BaFin orders moratorium on Greensill Bank AG</p> <p>The German Federal Financial Supervisory Authority (BaFin) today issued a ban on sales and payments to Greensill Bank AG due to imminent over-indebtedness. In addition, BaFin ordered the bank to close down for dealings with customers and prohibited it from accepting payments that are not intended for the repayment of debts owed to Greensill Bank AG (moratorium). The BaFin measures are immediately enforceable but not yet final.</p> <p>For further information in German click here.</p>
BaFin March 3, 2021	<p>Group insurance contracts: BaFin publishes circular</p> <p>BaFin has published a circular with advice on genuine group insurance contracts. It aims to better protect and inform consumers who are insured persons of a genuine group insurance contract.</p> <p>For further information in German click here.</p>

<p>BaFin February 26, 2021</p>	<p>Countercyclical capital buffer: BaFin does not plan to increase it until the end of the year</p> <p>BaFin is leaving the countercyclical capital buffer (CCyB) at 0 percent for the time being and currently assumes that it will not increase it until the end of 2021. The background to this is the credit needs of the real economy and possible credit defaults in the further course of the coronavirus pandemic. The decision gives the German banking sector planning security and makes it easier for institutions to absorb losses from loan defaults and continue to grant loans to companies and households to an appropriate extent.</p> <p>For further information in German click here.</p>
<p>BaFin February 23, 2021</p>	<p>MaBewertung: BaFin publishes circular</p> <p>BaFin has published the circular on the minimum requirements for information systems for the provision of information for valuations in the context of a settlement (MaBewertung).</p> <p>For further information in German click here.</p>
<p>BaFin February 19, 2021</p>	<p>BaFin reports: ECB: Pandemic exposes weaknesses in recovery plans</p> <p>A 2020 benchmarking analysis by the European Central Bank has shown that banks need to further improve their recovery plans to cope with exceptional, system-wide stresses such as the Coronavirus pandemic. This is according to a recent ECB communication on the 2019 recovery plans of the Significant Institutions (SIs) under its supervision.</p> <p>For further information in German click here.</p>
<p>BaFin February 18, 2021</p>	<p>BaFin warns private investors against calls to buy shares in social media</p> <p>BaFin warns against market manipulation. BaFin has issued a warning to investors about the risks of securities transactions based on calls in social media, internet forums and apps, such as Telegram and Reddit. Investors should not base investment decisions on such concerted calls, but should inform themselves about the respective security from sources that are as objective as possible.</p> <p>For further information in German click here and here.</p>
<p>BaFin February 17, 2021</p>	<p>BaFin reports: ESRB: Support measures have proven their worth, but must not last too long</p> <p>On 16 February, the European Systemic Risk Board ESRB highlighted the positive effects of COVID-19 support measures in 31 member states in its report. According to the report, fiscal and monetary policy measures as well as regulatory flexibility have succeeded in maintaining financial stability, preventing a liquidity crisis and limiting defaulted or non-performing loans. Spillover effects between the real and financial economy have been contained so far.</p> <p>For further information in German, click here.</p>

BaFin February 12, 2021	<p>Life insurance operations: BaFin publishes new leaflet on the licensing of public limited companies</p> <p>BaFin has published a new leaflet with instructions for the authorization of insurance stock corporations to operate life insurance as primary insurance companies in Germany.</p> <p>For further information in German, click here and here.</p>
BaFin January 14, 2021	<p>Money laundering prevention – BaFin consults on special section of interpretation and application guidance for credit institutions</p> <p>The special part of the interpretation and application notes on Section 51(8) of the Money Laundering Act (GwG) for credit institutions is still open for consultation until February 12, 2021. The guidance applies to all credit institutions under the supervision of BaFin.</p> <p>For further information, click here.</p>
BaFin December 31, 2020	<p>Brexit – British insurance undertakings and IORPs lose European passporting rights</p> <p>The BaFin has issued and published a General Administrative Act stating that insurance undertakings and institutions for occupational retirement provision (IORPs) with their registered office in the United Kingdom of Great Britain and Northern Ireland or in the British overseas territory of Gibraltar will lose their European passporting rights on January 1, 2021, at 00:00 hrs. The General Administrative Act addresses the impact of Brexit on the existing contractual obligations of these insurance undertakings and IORPs.</p> <p>For further information, click here.</p>
BaFin December 28, 2020	<p>Supervisory update: the digital agenda of BaFin and the Bundesbank</p> <p>Article in the Handelsblatt of December 26, 2020, by Raimund Röseler, Executive Director Banking Supervision of BaFin, and Prof. Dr. Joachim Wuermeling, Member of the Executive Board of Deutsche Bundesbank</p> <p>For further information in German, click here.</p>

Clients Alerts & Briefings

Source/Date	Brief description
January 29, 2021	<p>Brexit and the future of cross-border (re-)insurance and pensions business from the UK and Gibraltar in Germany – BaFin issues new Post-Brexit Access Ruling</p> <p>To read the full client alert, please click here.</p>

Regulatory Developments in Italy

Source/Date	Brief description
Consob March 11, 2021	Knowledge and competence – amendments to the Intermediaries’ Regulation Consob published Resolution no. 21755, containing amendments to the regulation adopted by Resolution no. 20307 of February 15, 2018 (Intermediaries’ Regulation), on the knowledge and competence requirements of intermediaries’ staff. For further information click here .
Borsa Italiana March 5, 2021	Amendments to the instructions to the Market Regulation Borsa Italiana published Notice no. 6762, containing some amendments to the Instructions to the Market Regulation. For further information click here .
Borsa Italiana March 5, 2021	Amendments to MTF regulations Borsa Italiana published Notice no. 6764, containing some amendments to the MTF Regulations. In particular, the amendments concern the following aspects: (i) error management rules; and (ii) trading parameters. The amendments will enter into force on March 22, 2021. For further information click here .
Consob March 4, 2021	SFDR Consob Warning Notice and Q&A Consob published Warning Notice no. 3/2021 concerning the entry into force of Regulation (EU) 2019/2088 on sustainability reporting in the financial services industry (SFDR). For further information click here .
Borsa Italiana March 1, 2021	Amendments to the market regulations and related instructions Borsa Italiana published Notice no. 6024, containing some amendments to the Market Rules and the related instructions. For further information click here .
Borsa Italiana March 1, 2021	Amendments to the Guide to Trading Parameters Borsa Italiana published Notice no. 6104, containing some amendments to the “Guide to Trading Parameters of regulated markets organized and managed by Borsa Italiana”. For further information click here .

Consob	Non-financial information
March 1, 2021	<p>Consob announced its supports to the recommendations on how to report the information necessary to assess climate change-related risks and opportunities, published in July 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), established under the Financial Stability Board.</p> <p>For further information click here.</p>
IVASS	Supervisory reporting – IVASS’ letter to the market
February 24, 2021	<p>IVASS published a letter to the market, summarising the main requirements for sending supervisory reports with a reference date of 2021 or to be sent during 2021, including the methods of transmission through Infostat and the relevant deadlines.</p> <p>For further information click here.</p>
Italian Government	Prospectus Regulation – Italian implementation
February 24, 2021	<p>Law Decree no. 17 of February 2, 2021 was published in the Official Gazette of the Republic of Italy on February 24, 2021. The Law Decree implements the Regulation (EU) 2017/1129 concerning the prospectus to be published for the securities offered to the public or admitted to trading on a regulated market.</p> <p>For further information click here.</p>
Borsa Italiana	Amendments to the Transaction Reporting Manual
February 24, 2021	<p>Borsa Italiana published Notice no. 5606, containing some amendments to the Transaction Reporting Manual. The amendments entered into force on March 8, 2021.</p> <p>For further information click here.</p>
Borsa Italiana	Amendments to the Guide to the parameters for trading
February 17, 2021	<p>Borsa Italiana published Notice no. 4984, containing some amendments to the “Guide to the parameters for trading”, with specific reference to the IDEM Market.</p> <p>For further information click here.</p>
Consob	COVID-19 Offer documents and prospectuses
February 16, 2021	<p>Consob published Warning Notice no. 1/2021 on financial and non-financial information to be provided by the issuers and those responsible for preparing the offer documents and prospectuses.</p> <p>For further information in English click here.</p>

<p>Consob</p> <p>February 16, 2021</p>	<p>COVID-19 Crowdfunding</p> <p>Consob published Warning Notice no. 2/2021 on the impact of the COVID-19 emergency on the obligations of online portal managers for raising capital for small and medium-sized enterprises and social enterprises (so called 'Crowdfunding Portals').</p> <p>For further information click here.</p>
<p>Bank of Italy</p> <p>February 16, 2021</p>	<p>Collective asset management regulations – Implementation of ESMA guidelines</p> <p>Bank of Italy published a measure amending the Regulations on collective asset management (Bank of Italy Regulation of January 19, 2015), updating it to the provisions of the recent ESMA Guidelines on liquidity stress testing in UCITS and AIFs.</p> <p>For further information click here.</p>
<p>Italian Financial Intelligence Unit</p> <p>February 16, 2021</p>	<p>AML – Update of user manual for suspicious transaction reports</p> <p>The Italian Financial Intelligence Unit published the updated version of the user manual for submitting Suspicious Transaction Reports (SOS). The main new features include the publication of the list of SOS checks (blocking errors and non-blocking findings).</p> <p>For further information click here.</p>
<p>Bank of Italy</p> <p>February 12, 2021</p>	<p>Confidi – CMO</p> <p>Bank of Italy announced that on February 10, 2020, the Organismo Confidi Minori (CMO) started managing the list of confidi pursuant to article 112 of the Italian Decree Law no. 385/1993 (the Italian consolidated law on banking).</p> <p>Therefore, as of February 11, 2021, the Bank of Italy ceased to hold the relevant section and the confidi still registered, which have not requested the enrolment to the new list held by the CMO, are consequently deleted by default.</p> <p>For further information click here.</p>

<p>Bank of Italy</p> <p>February 2, 2021</p>	<p>Supervisory reports – update</p> <p>The Bank of Italy has put out for consultation the amendments to the following circulars relating to supervisory reporting, namely:</p> <ul style="list-style-type: none"> • Circular No. 115 of 7 August 1990 “Instructions for preparing supervisory reports on a consolidated basis” • Circular No. 272 of 30 July 2008 “Accounts Matrix” • Circular No. 148 of 2 July 1991 “Manual of Statistical and Supervisory Reporting for Securities Intermediaries” • Circular No. 189 of 21 October 1993 “Manual of Statistical and Supervisory Reporting for collective investment undertakings” • Circular No 217 of 5 August 1996 “Manual for the compilation of regulatory reporting for financial intermediaries, payment and electronic money institutions” <p>For further information click here.</p>
<p>IVASS</p> <p>February 1, 2021</p>	<p>Survey COPRT</p> <p>IVASS published a letter to the market concerning the new IT procedure for the exchange of survey data entitled “assets covering the technical provisions” (survey COPRT).</p> <p>For further information click here.</p>
<p>IVASS</p> <p>January 27, 2021</p>	<p>Capital losses in current securities</p> <p>IVASS published Order No. 108 of 27 January 2021, which sets out amendments and integrations to IVASS Regulation No. 43 of 12 February 2019 implementing the provisions on the temporary suspension of capital losses in current securities.</p> <p>For further information click here.</p>
<p>IVASS</p> <p>January 27, 2021</p>	<p>IFRS 9</p> <p>IVASS published Order No. 109 of 27 January 2021, which sets out amendments to Regulation No. 7/2007 implementing the extension of the temporary exemption from the application of IFRS 9 to 1 January 2023.</p> <p>For further information click here.</p>

Bank of Italy	COVID-19
January 27, 2020	<p>The Bank of Italy has published a communication clarifying its measure entitled “The Financial Statements of IFRS intermediaries other than banking intermediaries”. It concerns the information to be provided to the market on the effects that COVID-19 and the related economic support measures have had on the strategies, objectives and risk management policies, as well as on the economic and financial position of intermediaries.</p> <p>For further information click here.</p>
Italian Government	IDD
January 25, 2020	<p>The Law Decree No. 187 of 30 December 2020 was published in the Official Gazette of the Republic of Italy on 25 January 2021. The Law Decree provides, inter alia, additional provisions and amendments to Legislative Decree No. 68 of 21 May 2018 implementing the Directive (EU) 2016/97 Insurance Distribution Directive (IDD).</p> <p>For further information click here.</p>
Borsa Italiana	Guide to trading parameters
January 25, 2021	<p>Borsa Italiana, with Notice No. 2336, published some amendments to the “Guide to Trading Parameters of regulated markets organised and managed by Borsa Italiana”, with specific reference to the IDEM Market.</p> <p>For further information click here.</p>
IVASS	Distribution networks – Clarifications for the report on control
January 22, 2021	<p>IVASS published some clarifications regarding the drafting of the report on distribution control provided for in Article 46 of IVASS Regulation No. 40/2018.</p> <p>For further information click here.</p>
Borsa Italiana	IDEM Market
January 22, 2021	<p>Borsa Italiana, with Notice No. 2215, published some amendments to the IDEM Market Instructions on the subject of changes to trading hours.</p> <p>For further information click here.</p>
Consob	Supervisory Contribution 2021
January 21, 2021	<p>Consob published Resolution No. 21659 concerning the determination of the contribution due for the year 2021, pursuant to Article 40 of Law No. 724/1994.</p> <p>For further information click here.</p>

<p>Bank of Italy January 20, 2021</p>	<p>Corporate representatives – Consultation on the procedure for assessing the suitability of exponents</p> <p>The Bank of Italy put out for consultation the provisions governing the procedure for the assessment (by the same Supervisory Authority) of the suitability of exponents of banks, financial intermediaries, trusts, electronic money institutions, payment institutions and depositor guarantee schemes, pursuant to Decree No. 169 of the Minister of Economy and Finance of 23 November 2020.</p> <p>For further information click here.</p>
<p>Bank of Italy January 20, 2021</p>	<p>Money Market – Circular 312</p> <p>The Bank of Italy published Circular No. 312 on the statistical collection of money market transactions, providing instructions for the daily statistical collection of money market transactions to be transmitted to the Bank of Italy.</p> <p>For further information click here.</p>
<p>Bank of Italy January 20, 2021</p>	<p>Qualified shareholdings – Consultation on the provisions relating to the application for authorisation</p> <p>The Bank of Italy put out for consultation the draft provisions governing the information and documents to be submitted for the application for authorization to acquire qualifying holdings in banks and intermediaries pursuant to Article 106 of Legislative Decree No. 385 of 1993, IMEL, IP, SGR, SICAV and SICAF.</p> <p>For further information click here.</p>
<p>IVASS January 15, 2021</p>	<p>Brexit – IVASS</p> <p>IVASS published a communication on Brexit measures provided for by Article 22 of Decree Law no. 183/2020 (so-called “Decreto Milleproroghe”) which highlights certain aspects of interest for UK insurance undertakings and their Italian customers.</p> <p>For further information in Italian, click here.</p>
<p>Consob January 13, 2021</p>	<p>COVID-19 – transitional regime of enhanced transparency</p> <p>Consob published Resolution no. 21672 further extending, for a three-month period (from January 14, 2021, to April 13, 2021), the transitional regime of enhanced transparency regarding changes in significant shareholdings and communication of investment objectives for companies with a particularly dispersed shareholder base (as defined by Article 120 of the Italian Consolidated Law on Finance).</p> <p>The extension became necessary due to the continuing uncertainty about the evolution of the economic and financial situation generated by the COVID-19 epidemic.</p> <p>For further information in English, click here.</p>

<p>IVASS</p> <p>January 12, 2021</p>	<p>Run-off of portfolio transfer</p> <p>IVASS published Order no. 107 of 12 January 2021 laying down a proposal for modifying ISVAP Order no. 14 of 18 February 2008 concerning run-off portfolio transfers, specifying that “the portfolio may not consist of claims only”.</p> <p>For further information in English, click here.</p>
<p>Bank of Italy</p> <p>Consob</p> <p>IVASS</p> <p>January 5, 2021</p>	<p>IAS/IFRS – tax credits</p> <p>The “Coordination round table between the Bank of Italy, Consob and IVASS on the application of IAS/IFRS” published a document clarifying the accounting treatment and the representation in the financial statements of tax credits provided for by Law Decree no. 18/2020 (so-called “<i>Cura Italia</i>”) and Law Decree no. 34/2020 (so-called “<i>Rilancio</i>”).</p> <p>For further information in Italian, click here.</p>
<p>Bank of Italy</p> <p>January 5, 2021</p>	<p>Prudential treatment of tax credits</p> <p>The Bank of Italy published (i) a clarification note on the application of credit risk provisions set forth by Circular no. 285/2013 (Supervisory provisions for banks); and (ii) an update to the clarification note to Circular no. 288/2015 (Supervisory provisions for financial intermediaries), in order to provide guidance on the prudential treatment of tax credits introduced by Law Decree no. 18/2020 (so-called “<i>Cura Italia</i>”) and Law Decree no. 34/2020 (so-called “<i>Rilancio</i>”).</p> <p>For further information in Italian, click here and here.</p>
<p>Ministry for Economic Development</p> <p>January 4, 2021</p>	<p>Electronic form for insurance contracts</p> <p>The Ministry for Economic Development published a Decree defining common standard information serving as a basis for the offer of a “base contract” relating to “insurance against civil liability in respect of the use of motor vehicles” through the websites of undertakings.</p> <p>This Decree shall enter into force on April 30, 2021.</p> <p>For further information in Italian, click here.</p>
<p>Bank of Italy</p> <p>January 2, 2021</p>	<p>Brexit – Bank of Italy</p> <p>The Bank of Italy published two communications on Brexit measures provided for by Article 22 of Decree Law no. 183/2020 (the so-called “<i>Decreto Milleproroghe</i>”), which highlight certain measures ensuring continuity in the provision of services by intermediaries that had already applied for a new authorization to operate in Italy by December 31, 2020, and the orderly management of contractual relations in cases where intermediaries are to cease operations.</p> <p>For further information in Italian, click here and here.</p>

Consob	Brexit – Consob
January 2, 2021	<p>Consob published two communications on Brexit measures provided for by Article 22 of Decree Law no. 183/2020 (so-called “<i>Decreto Milleproroghe</i>”), which highlight certain measures concerning clients of UK financial intermediaries operating in Italy.</p> <p>For further information in Italian, click here and here.</p>
Italian government	Brexit – Law Decree
December 31, 2020	<p>The Law Decree no. 183 of 31 December 2020 (so-called “<i>Decreto Milleproroghe</i>”) was published in the Official Gazette of the Republic of Italy on December 31, 2020. It introduced measures to safeguard the clients of UK intermediaries operating in Italy.</p> <p>In particular, Article 22 of the Law Decree provides for the measures applicable as from the end of the Brexit transition period (<i>i.e.</i> December 31, 2020) to UK banking and financial intermediaries and insurance undertakings.</p> <p>For further information in Italian, click here.</p>
Bank of Italy	CRD IV – corporate governance
December 24, 2020	<p>Bank of Italy has put out for consultation the amendments to Circular no. 285 of 17 December 2013, in order to strengthen, in line with Directive (EU) 2019/878 (CRD V), the corporate governance of banks and to align the current provisions with the evolution of the national and European regulatory framework.</p> <p>For further information in Italian, click here.</p>
IVASS	IVASS – supervisory contribution
December 30, 2020	<p>IVASS published Provision no. 104 of 16 December 2020 setting the rate for calculating management fees to be deducted from insurance premiums collected in the financial year 2021 for the purposes of calculating the supervisory fee on insurance and reinsurance activities, pursuant to Article 335 of Legislative Decree no. 209 of 7 September 2005.</p> <p>For further information in Italian, click here.</p>
IVASS	IBIP – insurance distribution
December 28, 2020	<p>IVASS published Provision no. 101 of 15 December 2020 concerning the regulations on the distribution of IBIPs products and introducing amendments to IVASS Regulations nos. 23/2008, 24/2008, 38/2018, 40/2018 and 41/2018, with the aim of rationalizing and simplifying the obligations incumbent on operators and increasing the level of protection for policyholders.</p> <p>For further information in Italian, click here.</p>

Clients Alerts & Briefings

Date	Brief description
February 23, 2021	Green New Deal – Sace To read the full client alert, please click here .
January 5, 2021	Italian measures for UK banking, financial intermediaries and electronic money institutions after Brexit To read the full client alert, please click here .
January 4, 2021	Italian measures for UK insurance undertakings after Brexit To read the full client alert, please click here .

Regulatory Developments in Luxembourg

Source/Date	Brief description
CSSF ¹ March 12, 2021	<p>Statistics for the year 2020 on the time required to approve regulated funds published by the CSSF</p> <p>The CSSF disclosed the average processing times between the date of receipt of an application by the CSSF and the date of CSSF authorization/refusal decision, as well as the key lessons learned and best practices regarding the authorization process.</p> <p>To access the statistics, please click here.</p> <p>To access CSSF guidelines on the approval process, please click here.</p>
CSSF March 11, 2021	<p>Frequently asked questions document (“FAQ”) on AML² addressed to individuals / investors updated by the CSSF</p> <p>With this update, the CSSF has provided guidance on certain aspects of international financial sanctions.</p> <p>To access the text of the document, only available in French, please click here.</p>
CSSF March 11, 2021	<p>FAQ on persons involved in AML for a Luxembourg investment fund or investment fund manager supervised by the CSSF for AML purposes</p> <p>Through the update, the CSSF confirms that the CSSF Regulation n°20-05 of August 14, 2020, did not change the content of the FAQ.</p> <p>To access the text of the document, please click here.</p>
Parliament March 3, 2021	<p>Draft law implementing the PEPP Regulation³, SFDR⁴ and Taxonomy Regulation⁵</p> <p>The draft law designates the CSSF and the CAA⁶ as the national authorities competent to enforce the above-mentioned EU regulations. The draft law provides for investigative powers and administrative sanctions that can be imposed by the CSSF and the CAA.</p> <p>To access the text of the draft law, only available in French, please click here.</p>

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

2 Anti-money laundering

3 Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)

4 Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector

5 Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment

6 *Commissariat aux Assurances*, the Luxembourg insurance sector supervisor

<p>CSSF March 1, 2021</p>	<p>FAQ document issued by the CSSF on its new application named “e-Prospectus”</p>
	<p>The FAQ provides further guidance on the use of the e-Prospectus platform, which covers applications under the Prospectus Regulation (EU) 2017/1129 and the Law of July 16, 2019, on prospectuses for securities.</p> <p>To access the text of the FAQ, please click here.</p>
<p>Parliament February 26, 2021</p>	<p>Law of February 25, 2021, amending among others the law of November 12, 2004, on the fight against money laundering and terrorist financing (“AML Law”) published</p>
	<p>The law among others:</p> <ul style="list-style-type: none"> • prohibits professionals from holding numbered accounts and numbered safe-deposit boxes; • requires professionals to always identify the client and its beneficial owner(s); and • introduces additional requirements for the registration of virtual asset service providers. <p>To access the text of the law, only available in French, please click here.</p>
<p>CSSF February 23, 2021</p>	<p>New questionnaire for the approval of a new sub-fund of a regulated fund published by the CSSF</p>
	<p>The request for approval of a new sub-fund under an existing fund structure will now have to be transmitted via one single new questionnaire, which should simplify the submission process.</p> <p>To access the text of the press release 21/06 and the new questionnaire, please click here.</p>
<p>CSSF February 22, 2021</p>	<p>User guide for authentication for use of the e-Prospectus and access to files published by the CSSF</p>
	<p>The user guide provides guidance, in combination with the above-mentioned FAQ, on the use of the e-Prospectus platform.</p> <p>To access the text of the user guide, please click here.</p>
<p>CSSF February 22, 2021</p>	<p>Results of the enforcement of the 2019 financial information published by issues subject to the Transparency Law disclosed by the CSSF</p>
	<p>The examinations performed in 2020 covered 21% of the issuers falling within the scope of enforcement of financial information and include the results of the focused examinations on IFRS 3 <i>Business combinations</i>, on IFRS 15 <i>Revenue from contracts with customers</i> and on IFRS 16 <i>Leases</i>.</p> <p>To access the results, please click here.</p>

<p>CSSF February 16, 2021</p>	<p>Questions and answers (“Q&A”) of the ABL⁷ webinar dedicated to circular 12/552 on central administration, internal governance and risk management published by the CSSF</p> <p>The Q&A reflect the discussion between the industry and the CSSF on the amendments that the CSSF made to the circular in December 2020.</p> <p>To access the text of the Q&A, please click here.</p>
<p>CSSF February 15, 2021</p>	<p>Market abuse</p> <p>General findings and observations on the suspicious transaction and order reports (STORs) under MAR⁸ published by the CSSF</p> <p>The CSSF surveyed more than 70 Luxembourg banks and investment firms on their STOR systems and procedures during the period from 2017 to 2018. According to the CSSF, the outcome of the survey is rather positive in the sense that no major industry-wide shortcomings were identified among the surveyed entities.</p> <p>To access the text of the communication, please click here.</p>
<p>CSSF February 11, 2021</p>	<p>MiFIR⁹</p> <p>Press release 21/04 on the monitoring of the quality of transaction reports received under Article 26 of MiFIR published by the CSSF</p> <p>The press release informs on the number of reporting entities as well as the number of reports received by the CSSF in 2020. Moreover, the CSSF aims to inform all reporting entities on the quality and completeness campaigns that it conducted during 2020 as well as to announce the topics that will be the subject of dedicated campaigns during 2021.</p> <p>To access the text of the press release, please click here.</p>
<p>CSSF February 8, 2021</p>	<p>FinTech</p> <p>White paper on financial innovation published by the CSSF</p> <p>In this white paper, the CSSF sets out its regulatory approach towards financial innovation, as well as its ongoing work in this respect, including crypto-assets, payment services, artificial intelligence, robo-advice and crowdfunding.</p> <p>To access the text of the communication, please click here.</p>

⁷ *Association des Banques et Banquiers, Luxembourg*, i.e. the Luxembourg Bankers’ Association

⁸ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

⁹ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

CSSF	AML¹⁰
February 8, 2021	<p>Communication regarding a new eDesk module: AML/CFT Market Entry Form (Funds and IFM) published by the CSSF</p> <p>The CSSF has digitalized the AML/CFT Market Entry Form, previously in Excel format. The Market Entry form needs to be submitted through the eDesk portal from 15 February 2021.</p> <p>To access the text of the communication, please click here.</p>
CSSF	Press release 21/03 on the SFDR¹¹ fast track procedure and the deadline of 10 March 2021 published by the CSSF
February 5, 2021	<p>The CSSF reminded UCITS¹² management companies and alternative investment fund managers to comply with the SFDR by 10 March 2021. They need to submit the prospectus/issues documents to the CSSF by 28 February 2021 to benefit from the special fast track procedure introduced by the CSSF for these purposes.</p> <p>To access the text of the press release, please click here.</p>
Parliament	Draft law amending among others the law of 5 April 1993 on the financial sector, the law of 23 December 1998 establishing the CSSF and the law of 7 December 2015 on the insurance sector
January 29, 2021	<p>The draft law modernizes the authorization regime applicable to certain financial sector entities by granting directly to the CAA¹³ and the CSSF the powers to confer and withdraw the licenses of those entities, in lieu of the competent ministry.</p> <p>To access the text of the draft law, only available in French, please click here.</p>
Ministry of Justice	Crypto-assets
January 25, 2021	<p>First vertical risk assessment of AML risks in relation to virtual asset service providers (“VASPs”) published</p> <p>Among the main findings are that (i) pseudo-anonymous crypto-assets, such as Bitcoin, and anonymous crypto-assets, such as Monero, are considered to represent a very high inherent risk and that (ii) the global level of inherent risk of VASPs is considered average, whereas the sub-category of crypto-exchanges represent high risk.</p> <p>To access the text of the risk assessment, please click here.</p>

10 Anti-money laundering.

11 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (Text with EEA relevance).

12 Undertakings for collective investment in transferable securities.

13 *Commissariat aux Assurances*, the Luxembourg insurance sector supervisor.

CSSF

Banks / Investment firms

January 25, 2021

Resolutions reporting requirements updated by the CSSF

Two notable updates include (i) the extension of the deadlines for the Critical Function and the Financial Markets Infrastructure report until 30 April 2021 and (ii) the requirement to submit a checklist on reported liabilities, as well as a sign off form, in relation to the Additional Liability Report within the framework of the Single Resolution Board reporting.

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

Parliament

FinTech

January 22, 2021

Law of 22 January 2021 amending the law of 5 April 1993 on the financial sector and the law of 6 April 2013 on dematerialized securities

The law recognizes the possibility to use secure electronic recording systems (including distributed ledger technologies) for dematerialized securities (whether at issuance or upon conversion from another form of security).

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

CSSF¹⁴

Listed companies

January 20, 2021

Application of the European Single Electronic Format (ESEF) requirements in relation to annual financial reports postponed by the CSSF

The CSSF availed itself of the option offered by the amended Transparency Directive¹⁵. The ESEF requirements thus apply to the annual financial reports for periods beginning on or after 1 January 2021. For periods preceding that date, issuers may already apply the ESEF requirements on a voluntary basis.

To access the text of the press release 21/01, please click [here](#).

Parliament

AML¹⁶

December 27, 2020

Law of 19 December 2020 on the implementation of restrictive measures in finance

The law aims, among others, to strengthen financial sanctions framework at the national level and grant competent authorities increased powers in the matter.

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

¹⁴ *Commission de Surveillance du Secteur Financier*, the Luxembourg financial supervisory authority.

¹⁵ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.

¹⁶ Anti-money laundering.

CSSF ¹⁷	AML
December 24, 2020	<p>Launch of AML annual survey announced by CSSF</p> <p>The objective is to collect standardized key information concerning AML risks to which supervised entities are exposed and the implementation of measures to mitigate these risks. Answers to the survey questions will have to be submitted through the CSSF eDesk portal between February 15 and March 15, 2021.</p> <p>To access the text of the communiqué, please click here.</p>
Parliament	Investment funds
December 23, 2020	<p>Law of 19 December 2020 on the 2021 budget published</p> <p>Two notable changes introduced by the budget law are (i) a 20% tax on real estate revenue realized by Luxembourg investment funds, and (ii) a reduced subscription tax for sustainable investment funds.</p> <p>To access the text of the law in French, please click here.</p>
CSSF	Investment funds
December 23, 2020	<p>Regulation 20-10 of 21 December 2020 laying down arrangements regarding the marketing of foreign open-end undertakings for collective investment (“UCIs”) to retail investors in Luxembourg</p> <p>The regulation implements article 100(1) of the Law of 17 December 2010 on UCIs (the “UCI Law”) by setting out the procedure and the conditions applicable to the marketing to Luxembourg retail investors of foreign non closed-end UCIs to Luxembourg retail investors, which do not fall under the remit of article 43 of the AIFMD¹⁸.</p> <p>To access the text of the regulation in French, please click here.</p>
CSSF	Brexit
December 23, 2020	<p>Publication of Regulation 20-09 of 14 December 2020, amending regulation 20-02 of 28 June 2020 on certain third countries with respect to supervision and authorization rules for the purpose of providing investment services or performing investment activities and ancillary services by third-country firms (“TCFs”)</p> <p>The regulation granted equivalence status to the UK. UK investment firms will now be able to benefit from the national TCF regime under certain conditions.</p> <p>To access the text of the regulation in French, please click here.</p>

¹⁷ Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority.

¹⁸ Directive 2011/61/EU on alternative investment fund managers.

CSSF	Banks
December 22, 2020	<p>Frequently asked questions document (“FAQ”) on COVID-19 updated by the CSSF</p> <p>The update relates to new question 13, whereby the CSSF followed the recommendation of the European Central Bank¹⁹ that less significant banks withhold or limit dividend distributions and share buybacks, as well as be moderate when paying bonuses, both at least until September 2021.</p> <p>To access the text of the FAQ, please click here.</p>
CSSF	Banks
December 21, 2020	<p>FAQ on Regulation CSSF No 20-08 on borrower-based measures for residential real estate credit published by the CSSF</p> <p>The FAQ provide guidance on the (i) treatment of bridge loans, (ii) application of limits and calculation of portfolio allowance, (iii) in case of significant renovations or works and properties with constructions to be completed, (iv) scope of the loan-to-value limit, (v) concept of first-time buyer, and (vi) treatment of subsequent leases of primary residences.</p> <p>To access the text of the FAQ, please click here.</p>
Government	Investment funds
December 19, 2020	<p>Draft law n° 7737 implementing Directive (EU) 2019/1160 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings introduced into parliament</p> <p>The draft law amends the UCI Law and the Law of 23 July 2013 on alternative investment fund managers.</p> <p>To access the text of the draft law in French, please click here.</p>
Government	AML
December 19, 2020	<p>Draft law n° 7736 amending among others the Law of 12 November 2004 on the fight against money laundering and terrorist financing (the “AML Law”) and the UCI Law introduced into parliament</p> <p>The draft law (i) amends certain provisions of the AML Law to complete the implementation of the 4th AML Directive²⁰ and (ii) extends until July 31, 2021, the Brexit-related transitional regime introduced into the UCI Law to ensure an orderly transition and to avoid legal uncertainty for Luxembourg investors holding assets in UK UCIs.</p> <p>To access the text of the draft law in French, please click here.</p>

19 ECB/2020/62.

20 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

CSSF

Investment funds

December 16, 2020

Communication on regulatory requirements and fast-track procedure in relation to Regulation (EU) 2019/2088 on the sustainability-related disclosures in the financial services sector (the “SFDR”) published by the CSSF

The CSSF announced the introduction of a fast-track procedure for visa stamping of a fund prospectus/issuing document updated for compliance with the SFDR. The procedure is available to UCITS, Part II UCIs and SIFs.

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

Ministry of Justice

AML

December 14, 2020

Report on the national risk assessment of money laundering and terrorist financing (the “NRA”) published

The report updates the NRA carried out in 2018. Private banking, investment funds, and domestic real estate continue to represent significant risks.

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

Regulatory Developments in the Netherlands

Source/Date	Brief description
House of Representatives March 10, 2021	<p>Consultation for a proposal of the “Act on availability of basic payment accounts for Dutch citizens abroad”</p> <p>Not being able to have a basic payment account can have far-reaching consequences, from incurring additional costs to no longer having access to necessary medication. Therefore, according to the introduction of the proposal, the proposal creates the right for Dutch citizens living outside the European Union to apply for and maintain a basic payment account with a bank.</p> <p>The proposal is open for consultation until May 5, 2021, here.</p>
Dutch Authority for the Financial Markets (AFM) March 10, 2021	<p>AFM endorses joint statement on SFDR application by European Supervisory Authorities</p> <p>The Sustainable Finance Disclosure Regulation (SFDR) applies from Wednesday March 10, 2021. The three European Supervisory Authorities (European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority; the ESAs) published a joint statement on February 25, 2021, on consistent application of national supervision of the SFDR.</p> <p>In the statement, the ESAs advise to use draft regulatory technical standards (RTS) as a reference in the interim period between the application of SFDR and the application of the RTS at a later date (probably January 1, 2022).</p> <p>The AFM indicates that it considers it important that a common European line is followed and endorses the statement.</p> <p>For further information in Dutch, click here.</p>
Dutch National Bank (DNB) March 9, 2021	<p>Approval requirement for financial holding companies in banking groups</p> <p>In banking groups with a (mixed) financial holding company as the parent, the application of prudential requirements in the Capital Requirements Regulation is based on the consolidated situation at the level of the holding company.</p> <p>To ensure that consolidated requirements are met by the whole group, an approval requirement for these holdings has been introduced as a result of implementation of Directive 2019/878/EU (CRD V); this brings these holding companies directly within the scope of supervisory powers under the Capital Requirements Directive and the Capital Requirements Regulation and allows them to be held directly responsible for compliance of the banking group with consolidated prudential requirements.</p> <p>For further information in Dutch, click here.</p>

<p>Ministry of Finance</p> <p>March 8, 2021</p>	<p>Consultation of the covered bonds directive implementation act</p> <p>Directive (EU) 2019/2126, on the issuance of covered bonds and the public supervision of covered bonds, regulates the supervision of, and conditions for, covered bond issuance by banks. This legislative proposal seeks to implement that directive in the Netherlands.</p> <p>The proposal is open for consultation until April 5, 2021, here.</p>
<p>DNB</p> <p>February 16, 2021</p>	<p>DNB publishes letter to Associated Bitcoin Companies Netherlands on its website</p> <p>On February 10, 2021, the DNB responded to a letter from the Associated Bitcoin Companies Netherlands (<i>Verenigde Bitcoinbedrijven Nederland (VBNL)</i>). In that letter, the VBNL had a number of questions about DNB's supervision, in particular about its supervision of compliance with sanctions legislation. The DNB noted that there are questions in the sector about their response and therefore published the letter on their website.</p> <p>For further information in Dutch, click here.</p>
<p>DNB</p> <p>February 15, 2021</p>	<p>DNB publishes new guidance on the Dutch Money Laundering and Terrorist Financing (Prevention) Act and Sanctions Act</p> <p>The DNB's 'Guide to the Money Laundering and Terrorist Financing (Prevention) Act and Sanctions Act' has been updated in response to the legislative changes that took effect this year.</p> <p>According to the DNB, some of these legislative changes are intended to implement the latest amendments to the Anti-Money Laundering Directive. The Guide to the Wwft and Sw of December 2020 replaces the version of December 2019, which will cease to be valid.</p> <p>For further information in Dutch, click here.</p>
<p>DNB</p> <p>February 15, 2021</p>	<p>DNB changes suitability matrix (explaining knowledge and experience of climate risks)</p> <p>According to the DNB, this year, climate and environment-related risks are a standard part of the suitability tests of (co) policymakers at banks, insurers and pension funds. The DNB expects candidates, whose suitability it assesses this year, to share their knowledge and experience with them on these subjects, and it has changed the suitability matrix to this end.</p> <p>For further information in Dutch, click here.</p>

Ministry of Finance

Letter on developments in the consumer credit market

February 11, 2021

In his letter to the House of Representatives, the Dutch minister of Finance informs on the progress of the measures on the consumer credit market that he previously announced. He announced that:

- The temporary reduction of the maximum credit compensation in connection with the coronavirus crisis from 14% to 10% will be extended for 6 months.

Currently, an offeror of consumer credit only has to verify a consumer's financial situation for credit amounts of €1,000 and higher. To protect those who take out a loan of less than €1,000, the minister wants to lower the legal verification obligation to €250.

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

AFM

AFM clarifies the scope of individual asset management in sector letter

February 4, 2021

In a sector letter, the AFM clarifies which services fall and do not fall under the definition of individual asset management under MiFID II. The AFM expects investment firms to use this sector letter to assess whether they have the correct licenses and, where necessary, to take steps to comply with all laws and regulations that apply to their services.

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

AFM

Reporting in ESEF by securities issuers delayed by one year

January 18, 2021

Securities issuers are given a one-year grace period for making their annual report available digitally in accordance with the European Single Electronic Format (**ESEF**). The European Commission (**EC**) offered this option because of the ongoing COVID-19 pandemic. Minister Hoekstra of the Dutch Ministry of Finance has informed the EC that the Netherlands is making use of this option.

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

AFM

AFM Examination Agenda 2021-2022

January 14, 2021

The AFM published – for the first time – its Examination Agenda 2021-2022. This document contains the most important AFM research topics for the next two years. The AFM has chosen to focus its research over the next two years on five themes:

Theme 1: The interaction between financial markets and regulation.

Theme 2: The impact of market behavior on financial stability.

Theme 3: The impact of digitization on the financial sector.

Theme 4: The protection of consumers in vulnerable situations.

Theme 5: The effective influencing of the behavior of financial firms.

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

AFM

AFM Agenda 2021

January 14, 2021

The AFM published its Agenda 2021. In this document, the AFM shares its supervisory priorities and key activities for 2021.

In 2021, the AFM will continue to focus on the protection of consumers in vulnerable situations. The coronavirus crisis puts great pressure on the financial resilience of households. With the establishment of trading platforms in Amsterdam as a result of Brexit, the efforts in the supervision of capital markets will also increase. In addition, the AFM is preparing for changes in the supervision of the pension sector and audit firms.

For further information about these and other supervisory priorities and activities (in Dutch), click [here](#).

DNB

Adjusted supervisory approach of DNB

January 13, 2021

From January 1, 2021, DNB will conduct supervision according to an updated supervisory methodology, referred to by the DNB as the 'Actualization of Supervision Methodology' (**ATM**)

The risk tolerance of supervision is an important factor in the ATM. The starting point is that a stable and reliable financial system benefits from public trust in financial institutions to meet their obligations and act with integrity. In addition, the purpose of supervision is to reduce the risk and impact of a failing institution, not to prevent it at all costs. The DNB aims to deploy its available capacity where the biggest prudential (and integrity) risks are identified. The intensity of supervision increases as the negative impact of these risks on public trust grows. With this risk-based approach, the DNB aims to deploy its capacity as effectively and efficiently as possible.

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

Ministry of Finance

Consultation

January 8, 2021

The Ministry of Finance opened a consultation for a proposed act implementing the Directive on Cross-Border Distribution of AIFs and UCITS. The purpose thereof is to remove the obstacles that still exist in the area of cross-border distribution of AIFs and UCITS and to promote the cross-border distribution of AIFs and UCITS.

The consultation ends on 14 February 2021.

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

AFM

December 28, 2020

According to the AFM, reporting of incidents by financial service providers must improve

Financial advisors and intermediaries do not always comply with the timely reporting and recording of incidents, according to the Dutch Financial Markets Authority (*Autoriteit financiële Markten*, **AFM**) after visiting approximately 40 offices of financial service providers. However, it appears that it is not always easy for the market to assess whether an incident should be reported. The AFM understands that this is difficult, for instance due to the complexity of the legislation with open standards, and, if in doubt, calls on financial advisors and intermediaries to contact them.

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

AFM

December 23, 2020

The AFM calls on companies in the financial sector to report incidents.

Partly due to the outbreak of the coronavirus, the AFM is drawing attention to integrity and information security incidents. Incident reporting is important for a healthy and properly functioning sector. Therefore, the AFM calls on the sector to report incidents immediately and will pay extra attention to this in its supervision in the coming period.

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

Financial Gazette

December 20, 2020

DNB reassesses administrative fines

According to a national gazette, DNB will reassess already imposed administrative fines still open to appeal, following a court procedure against a corporate services provider and the recent publication of its policy 'imposing fines'.

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

DNB

December 18, 2020

DNB supports ESRB recommendation on capital distributions by investment firms and alternative investment funds

On December 18, 2020, the European Systemic Risk Board (ESRB) extended its recommendation on restricting dividends paid by financial institutions during the COVID-19 pandemic to September 30, 2021. The Dutch National Bank (De Nederlandsche Bank N.V., **DNB**) supports the aim of this recommendation and asks investment firms and alternative investment funds to take account of the current crisis, the outlook and possible other scenarios that could affect their profitability, and financial buffers when considering dividend payments, share buybacks and variable remuneration payments.

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

Regulatory Developments in Spain

Source/Date	Brief description
Bank of Spain March 15, 2021	Bank of Spain publishes the primary public financial statements of credit financial institutions. To access the document click here .
Bank of Spain March 15, 2021	Impact of the dividend restriction on the flow of credit to non-financial corporations in Spain. To access the document click here .
Spanish Official Gazette March 13, 2021	Royal Decree-Law 5/2021, of March 12, on extraordinary measures to support business solvency in response to the COVID-19 pandemic. This concerns a modification of the Spanish Securities Market Act in order to include a new article 240 bis, which grants the CNMV competencies in order to subject to administrative control the advertising of crypto-assets and other assets and instruments. For further information click here .
Bank of Spain March 11, 2021	The GDPR in European Central Banks and competent authorities. To access the document click here .
Spanish Treasury March 10, 2021	Spain joins efforts with World Bank against climate change To access the document click here .
Bank of Spain March 4, 2021	Bank of Spain adopts TIBER-EU cybersecurity testing framework for the Spanish financial sector. To access the document click here .
Bank of Spain March 3, 2021	Quarterly report on the Spanish economy. To access the document click here .
CNMV March 1, 2021	CNMV warns on attempts to defraud investors by impersonating authorized entities. To access the document click here .
Bank of Spain February 25, 2021	The economic impact of COVID-19 on Spanish companies according to the Bank of Spain's Business Activity Survey (EBAE). To access the document click here .

CNMV February 18, 2021	Public statement on the forthcoming application of Regulation 2019/2088 on sustainability-related disclosures in the financial service sector. To access the document click here .
Bank of Spain January 28, 2021	Bank of Spain Circular 1/2021, of January 28, amending Circular 1/2013, of May 24, on the Central Credit Register, and Circular 5/2012, of June 27, to credit institutions and payment service providers, on transparency of banking services and responsibility in the granting of loans. To access the document click here .
CNMV / Bank of Spain February 9, 2021	Joint press statement by the Bank of Spain and the CNMV on cryptocurrency investment risks. To access the full content click here .
CNMV February 8, 2021	The CNMV discloses its priorities for supervising the annual accounts of issuing companies. To access the full content click here .
Bank of Spain February 8, 2021	Statistical Bulletin of the Bank of Spain. January 2021. To access the full content click here .
Bank of Spain February 4, 2021	Bank of Spain adopts the Eurosystem's common stance for sustainable investment. To access the full content click here .
Spanish Parliament January 28, 2021	The plenary session validates the Royal Decree-Law by which adaptation measures are adopted after the withdrawal of the United Kingdom from the European Union. To access the full content click here .
CNMV January 27, 2021	New Q&As on the regime for prospectuses to be published in public offerings and admissions to trading on regulated markets To access the full content click here .
CNMV January 27, 2021	Quarterly CNMV bulletin for the fourth quarter of 2020. To access the full content click here .
Bank of Spain January 25, 2021	Bank of Spain is to participate in the second BIS green bond investment fund. To access the full content click here .

Bank of Spain January 25, 2021	The Ministry of Consumer Affairs, the Bank of Spain and the CNMV sign an agreement to improve consumer protection through financial education. To access the full content click here .
CNMV January 15, 2021	Draft accounting Circular for investment firms, collective investment scheme management companies and venture capital management companies repealing Circular 7/2008 For further information in English, click here .
CNMV January 13, 2021	CNMV recommendations in view of the potential cessation of LIBOR by the end of 2021 For further information in English, click here .
CNMV January 12, 2021	CNMV publishes report on non-banking financial intermediation in Spain for the year 2019 For further information in Spanish, click here .
CNMV January 5, 2021	ESMA guidelines on performance fees in UCITS and certain types of AIFS For further information in English, click here .
Spanish Official Gazette December 30, 2020	Royal Decree-Law 38/2020, of 29 December, adopting measures to adapt the United Kingdom of Great Britain and Northern Ireland to the situation of a third country after the end of the transitional period provided for in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, of 31 January 2020 For further information in Spanish, click here .
Bank of Spain December 30, 2020	In October 2020 the financing capacity of the Spanish economy was €1.9 billion, compared to €3.1 billion For further information in Spanish, click here .
Bank of Spain December 23, 2020	Bank of Spain and the Latin-American reserve fund sign a cooperation agreement For further information in Spanish, click here .
Bank of Spain December 23, 2020	Spain's net international investment position stood at – 79% of GDP in the third quarter of 2020 compared to – 77.3% in the previous quarter For further information in Spanish, click here .
Bank of Spain December 21, 2020	Bank of Spain maintains the countercyclical capital cushion at 0% For further information in Spanish, click here .

Public Events & Conferences

Source/Date	Brief description
March 19, 2021	<p>The Spanish reform of the Securities Market Law will allow CNMV to monitor cryptocurrency advertising</p> <p>To read the full client alert, please click here.</p>

Regulatory Developments in Romania

Source/Date	Brief description
Romanian regulators March 3, 2021	<p>Launch of financial education platform</p> <p>On March 3, 2021, three Romanian financial regulators, top industry bodies, together with the Ministry of Education and the Ministry of Finance announced the launch of the financial education platform www.edu-fin.ro.</p> <p>The platform is open to the general public and is designed to provide knowledge and practical advice in financial matters. It is one of the steps in implementing in Romania a National Strategy of Financial Education, which the partner institutions have agreed to work together on and develop.</p> <p>The elaboration of the National Financial Education Strategy is seen as a crucial step in boosting the country's financial education. The partner institutions acknowledge the importance for Romania of having financially skilled citizens, capable of understanding and managing risks associated with the use of increasingly complex financial services, while making the most of the benefits offered by such services.</p> <p>The next step is the elaboration of a "White Paper" – a national database of financial education activities and projects, and the entities that implement them. Interested parties are invited to register their programs, starting with 2018, on www.edu-fin.ro, in the "White Paper" section. The deadline is April 30, 2021.</p>

Clients Alerts & Briefings

Date	Brief description
February 18, 2021	<p>Meet the ECCC – the EU's new cybersecurity competence center</p> <p>To read the full client alert, please click here.</p>

Key Regulatory Developments in the United Kingdom

Source/Date	Brief description
FCA March 24, 2021	<p>FCA launches whistleblowing campaign</p> <p>The campaign, “In confidence, with confidence”, encourages individuals working in financial services to report potential wrongdoing to the FCA, and reminds them of the confidentiality processes in place.</p> <p>As part of the campaign, the FCA has published materials for firms to share with employees. It has also produced a digital toolkit for industry bodies, consumer groups and whistleblowing groups to encourage individuals to have the confidence to step forward.</p> <p>The FCA’s website has been updated to provide more information for potential whistleblowers, as well to increase the ways in which whistleblowers can make disclosures.</p> <p>Regulated firms are required to have effective arrangements in place for employees to raise concerns, and to guarantee those concerns are handled appropriately and confidentially. This includes appointing a whistleblowers’ champion to ensure there is senior management oversight over the integrity, independence and effectiveness of the firm’s arrangements.</p> <p>For more information, click here.</p>

HM Treasury

HM Treasury report of the UK Listing Review

March 3, 2021

HM Treasury published the report of the UK Listing Review, chaired by Lord Hill. The Review was launched in November 2020 to examine potential reforms to the UK listing rules, with the aim of strengthening the UK's position as a leading financial centre and boosting competitiveness.

The report makes a number of recommendations to improve the listing process whilst maintaining the high standards of corporate governance, shareholder rights and transparency for which the UK is known. In particular the report recommends:

- Modernising listing rules to allow dual-class share structures in the London Stock Exchange's (**LSE**) premium listing segment, giving directors (and in particular founders) enhanced voting rights on certain decisions.
- Reducing free float requirements from 25% to 15% and allowing companies to use other measures to demonstrate liquidity.
- Providing for an annual report on the state of the City, and its competitive position, to be delivered to parliament by the Chancellor.
- Rebranding and repositioning the LSE's standard listing segment to increase its appeal to companies of all sizes and types.
- Carrying out a fundamental review of the prospectus regime so that admission to a regulated market and offers to the public are treated separately.
- Liberalizing the rules regarding special purpose acquisition companies (also known as SPACs).

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

Speech by the Governor of the Bank of England: The case for an open financial system

The Bank of England published a speech by Andrew Bailey, the Governor of the Bank of England.

In the speech, given at the Mansion House, Mr Bailey considers the benefits of a global financial system and comments on the UK's role in it. He argues that the benefits are global (not regional) in nature, and that global co-operation is needed to ensure a safe and strong financial system. This is why the UK spends so much time and effort on the work of the global standard-setting and oversight bodies.

On the open UK financial system, Mr Bailey stresses that the UK is deeply committed to financial stability and – in light of that – the success of its financial center. The UK's outlook has always been to trade freely and compete and grow new markets, facing outwards. The UK's encouragement of fintech is an example of this.

Mr Bailey also commented on the ongoing issue of EU equivalence, and provided three examples of areas where the UK is considering reforming its rules. Those areas are:

- Potentially applying a strong but simple framework of rules for small banks that are not internationally active, noting the examples of similar arrangements in the US and Switzerland.
- Consulting on reversing the December 2020 EU rule change that allowed software assets to be part of banks' regulatory capital.
- Reviewing the Solvency II regime on the basis that some elements have not worked well for the life insurance market.

Mr Bailey also stressed that none of the UK's plans for reforms mean that it will create a low-regulation, high-risk financial center.

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

FCA / HM Treasury

Buy-now-pay-later products to be regulated by the FCA

February 2, 2021

HM Treasury announced that interest free buy-now-pay-later (**BNPL**) products will be regulated by the FCA. The decision follows a recommendation from the review earlier this year by Christopher Woolard, former interim CEO of the FCA, into change and innovation in the unsecured credit market.

Regulating BNPL products, the use of which has rapidly grown recently, is one of the Woolard review report's 26 recommendations.

In a letter to HM Treasury, Mr Woolard explains there is a significant risk that, without appropriate oversight, the market may develop in a way that is not beneficial for consumers or the wider credit market. The letter identifies potential harms from BNPL products, which include the following:

- Consumers often do not view BNPL products as credit, associating it more with payment technologies.
- Consumers think they are protected and assume the product is already regulated.
- The BNPL market structure can focus on outcomes for the retailer rather than the borrower.
- There is a lack of proper affordability assessments and the potential to create high levels of indebtedness.
- Presentation of BNPL offers can make it hard for consumers to make an informed decision.

HM Treasury says legislation will be brought forward as soon as parliamentary time allows.

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

HM Treasury

UK and Switzerland to deepen cooperation on financial services

January 28, 2021

HM Treasury announced plans to move forward to the next stage of talks between the UK and Switzerland on an agreement on financial services.

Following initial exploratory talks, the two countries have agreed to move forward with negotiations on the ambition to deliver a comprehensive mutual recognition agreement that would reduce costs and barriers for UK firms accessing the Swiss market, and vice versa. Negotiations are expected to cover a wide range of sectors such as insurance, banking, asset management and capital markets, including market infrastructure.

The UK and Swiss governments made a joint statement announcing their intention to develop a mutual recognition agreement on financial services in June 2020.

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

FCA

FCA “Dear CEO” letter on business interruption test case

January 22, 2021

The FCA published a Dear CEO letter outlining its expectations of insurers following the Supreme Court’s judgment in the FCA’s business interruption insurance test case.

The test case was brought to seek legal clarity on the meaning and effect of certain non-damage business interruption insurance policy wordings, and the Supreme Court’s judgment means that thousands of policyholders will have their claims for coronavirus-related business interruption losses paid.

The letter explains that:

- Cover may be available for partial closure of premises (as well as full closure) and for mandatory closure orders that were not legally binding.
- Valid claims should not be reduced because the loss would have resulted in any event from the COVID-19 pandemic.
- Two additional policy types provide cover, taking this to a total of 14 wordings from the representative sample of 21.

The FCA notes that more policyholders will have valid claims and some pay-outs will be higher. Therefore, insurers should promptly reassess all BI claims affected by the test case, including those previously rejected or not fully paid, in accordance with FCA final guidance on the case.

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

FCA

FCA Market Watch issue 66

January 11, 2021

The FCA published Market Watch, its newsletter on market conduct and transaction reporting issues.

Issue 66 sets out the FCA's expectations for firms on recording telephone conversations and electronic communications when alternative working arrangements are in place, including increased homeworking. It covers:

- Risk from reduced monitoring: The FCA expects firms to continue to comply with the recording obligations in the FCA Handbook. Among other things, firms need to ensure that, if unmonitored or encrypted communication applications are used for in-scope activities on business devices, they are recorded and audible.
- Communications that must be recorded: Firms must take reasonable steps to record telephone conversations and keep a copy of electronic communications falling within the scope of the recording rules.
- Robust policies: Firms must have effective, up-to-date recording policies and be able to demonstrate to the FCA that their policies, procedures and management oversight meet the recording rules. This includes policies and procedures adopted for home working arrangements.
- Training: if new or amended policies are introduced, or new technologies used, the FCA expects firms to provide enhanced or refreshed training to staff.

The FCA concludes that there is no specific restriction on the technologies firms can use for communications. However, in all cases firms must understand the recording obligations and have effective policies, controls and oversight to ensure that these are met.

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

HM Treasury consultation on regulatory approach to crypto-assets and stablecoins

HM Treasury published a combined consultation paper and call for evidence on the regulatory approach to crypto-assets and stablecoins. This is the first stage in HM Treasury's consultative process on the broader regulatory approach on this issue.

The consultation paper focuses on establishing a sound regulatory environment for stablecoins, where HM Treasury judges that risks and opportunities are most urgent. If appropriate standards and regulation can be met, HM Treasury considers that certain stablecoins have the potential to play an important role in retail and cross-border payments, including settlement. It proposes to introduce a regulatory regime for "stable tokens" used as a means of payment, covering firms issuing stable tokens and firms providing services relating to them, either directly or indirectly, to consumers.

HM Treasury proposes that tokens and associated activities that are primarily used for speculative investment purposes, such as Bitcoin, would initially remain outside the regulatory perimeter for conduct and prudential purposes. Utility tokens (those used to access a service) would also remain outside the perimeter.

If the proposals are adopted, further consultations and guidance will be issued by HM Treasury and relevant regulators on implementation, including specific firm requirements. HM Treasury proposes an incremental, phased approach to regulatory adjustments.

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

UK-EU trade and cooperation agreement

December 24, 2020

The government published the draft UK-EU trade and cooperation agreement, together with related declarations (including a joint declaration on financial services regulatory cooperation). The agreement contains provisions on financial services that aim to secure continued market access and ensure regulatory protection.

The European Commission has explained that the agreement covers financial services in the same way as they are normally covered in the EU's free trade agreements.

In relation to financial services, the UK and EU have agreed, among other things:

- Not to prevent each other from adopting or maintaining measures for prudential reasons (such as protecting investors, depositors or policyholders, or ensuring the integrity and stability of their financial systems). However, such measures should not be used as a means of avoiding commitments or obligations under the agreement.
- To use best endeavours to ensure that internationally agreed standards in the financial services sector for regulation and supervision, anti-money laundering, counter-terrorist financing and anti-tax evasion and avoidance are implemented and applied in their territory.
- To permit a financial services supplier of the other party established in its territory to supply any new financial service that it would permit its own financial service suppliers to supply in accordance with its law in like situations, provided that the introduction of the new financial service does not require the adoption of a new law or the amendment of an existing law.
- Under terms and conditions that accord national treatment, to grant financial service suppliers of the other party established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business.

The agreement does not include any provisions on equivalence frameworks for financial services. The Commission has explained that this is because these are unilateral decisions of each party and are not subject to negotiation.

Under the joint declaration on financial services regulatory co-operation, the UK and the EU have agreed to establish structured regulatory co-operation on financial services, with the aim of establishing a durable and stable relationship.

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

Clients Alerts & Briefings

Date	Brief description
March 3, 2021	Changing times: Brexit's impact on the EU's financial services market To read the full client alert, please click here .
February 22, 2021	A Quick Guide to Sustainability-Linked Bonds To read the full client alert, please click here .
January 11, 2021	Dentons Asset Management & Investment Funds Group: Brexit – The new UK regime for regulation of funds and the asset management industry To read the full client alert, please click here .
December 15, 2020	Asset holding companies and funds – introduction of new UK tax regime To read the full client alert, please click here .
December 10, 2020	Dentons Asset Management and Investment Funds Group: Long-Term Investment Funds – an opportunity for the UK and the EU? To read the full client alert, please click here .

Key Regulatory Developments in the United States

Source/Date	Brief description
April 8, 2021	<p>CFTC staff issue Brexit-related relief</p> <p>The Commodity Futures Trading Commission’s Market Participants Division (MPD), Division of Clearing and Risk (DCR), Division of Data (DOD), and Division of Market Oversight (DMO) announced they are issuing no-action relief, effective immediately, to provide greater certainty to the global marketplace in connection with the withdrawal of the United Kingdom from the European Union, known as Brexit.</p> <p>The Divisions are providing two no-action relief positions, subject to certain specified conditions. MPD, DCR, DOD and DMO are providing relief for U.S. swap dealers (SDs) from certain transaction-level requirements for certain swaps between their foreign branches and non-U.S. persons. MPD is also providing relief to SDs by allowing them to utilize existing relief provided in CFTC Staff Letter No. 20-39 in lieu of the required comparability determination under certain exceptions in the Commission’s recent cross-border final rule.</p> <p>The CFTC has taken a number of other steps to facilitate a smooth transition upon the withdrawal of the UK from the EU. For example, in February 2019, the CFTC, the Bank of England and its Prudential Regulation Authority, and the Financial Conduct Authority issued a statement regarding the continuity of derivatives trading and clearing post-Brexit.</p> <p>Further information can be found here.</p>

SEC issues amendments, seeks public comment on Holding Foreign Companies Accountable Act

The Securities and Exchange Commission has adopted interim final amendments to implement congressionally mandated submission and disclosure requirements of the Holding Foreign Companies Accountable Act (HFCA Act).

The interim final amendments will apply to registrants that the Commission identifies as having filed an annual report on Forms 10-K, 20-F, 40-F or N-CSR, with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction, and that the Public Company Accounting Oversight Board (PCAOB) has determined it is unable to inspect or investigate completely because of a position taken by an authority in that jurisdiction. Before any registrant will have to comply with the interim final amendments, the Commission must implement a process for identifying such a registrant. Thus, the Commission is seeking public comment on this identification process.

Consistent with the HFCA Act, the amendments will require any such identified registrant to submit documentation to the Commission establishing that the registrant is not owned or controlled by a governmental entity in that foreign jurisdiction, and will also require disclosure in a foreign issuer's annual report regarding the audit arrangements of, and governmental influence on, such a registrant. The Commission is seeking public comment on these submission and disclosure requirements. The HFCA Act requires the Commission to issue rules within 90 days of the date of enactment to establish the manner and form in which registrants must comply with the documentation submission requirement. The Commission is issuing the interim final amendments to comply with this 90-day deadline.

The Commission staff is actively assessing how best to implement other requirements of the HFCA Act not subject to the 90-day deadline, including the identification process and the trading prohibition requirements.

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

CFTC sanctions cryptocurrency trading platform with \$6.5 million fine

The CFTC issued an order filing and settling charges against digital asset exchange operator Coinbase Inc., based in San Francisco, California, for reckless false, misleading, or inaccurate reporting as well as wash trading by a former employee on Coinbase's GDAX platform.

The order requires Coinbase to pay a civil monetary penalty of \$6.5 million and to cease and desist from any further violations of the Commodity Exchange Act or CFTC regulations, as charged.

According to the order, between January 2015 and September 2018, Coinbase recklessly delivered false, misleading, or inaccurate reports concerning transactions in digital assets, including Bitcoin, on the GDAX electronic trading platform it operated. During this period, Coinbase operated two automated trading programs, Hedger and Replicator, which generated orders that at times matched with one another. The GDAX Trading Rules specifically disclosed that Coinbase was trading on GDAX, but failed to disclose that Coinbase was operating more than one trading program and trading through multiple accounts.

In addition, the order finds that while Hedger and Replicator had independent purposes, in practice the programs matched orders with one another in certain trading pairs, resulting in trades between accounts owned by Coinbase. Coinbase included the information for these transactions on its website and provided that information to reporting services, either directly or through access to its website. Reporting firms such as Crypto Facilities Ltd., which publishes the CME Bitcoin Real Time Index, and CoinMarketCap OpCo, LLC, which posts such transactional information on its website, received access to Coinbase's transactional information via Coinbase's Application Programming Interface, while the NYSE Bitcoin Index received it directly in transmissions from Coinbase. According to the order, transactional information of this type is used by market participants for price discovery related to trading or owning digital assets, and potentially resulted in a perceived volume and level of liquidity of digital assets, including Bitcoin, that were false, misleading, or inaccurate.

The order also finds that over a six-week period — August through September 2016 — a former Coinbase employee used a manipulative or deceptive device by intentionally placing buy and sell orders in the Litecoin/Bitcoin trading pair on GDAX that matched each other as wash trades. This created the misleading appearance of liquidity and trading interest in Litecoin. Coinbase is therefore found to be vicariously liable as a principal for this employee's conduct.

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

March 4, 2021

SEC announces enforcement task force focused on climate and ESG issues

The Securities and Exchange Commission announced the creation of a Climate and ESG Task Force in the Division of Enforcement. The task force will be led by Kelly L. Gibson, the Acting Deputy Director of Enforcement, who will oversee a division-wide effort, with 22 members drawn from the SEC's headquarters, regional offices, and Enforcement specialized units.

Consistent with increasing investor focus and reliance on climate and ESG-related disclosure and investment, the Climate and ESG Task Force will develop initiatives to proactively identify ESG-related misconduct. The task force will also coordinate the effective use of division resources, including through the use of sophisticated data analysis to mine and assess information across registrants, to identify potential violations.

The initial focus will be to identify any material gaps or misstatements in issuers' disclosure of climate risks under existing rules. The task force will also analyze disclosure and compliance issues relating to investment advisers' and funds' ESG strategies. Its work will complement the agency's other initiatives in this area, including the recent appointment of Satyam Khanna as a Senior Policy Advisor for Climate and ESG. As an integral component of the agency's efforts to address these risks to investors, the task force will work closely with other SEC divisions and offices, including the Divisions of Corporation Finance, Investment Management, and Examinations.

"Climate risks and sustainability are critical issues for the investing public and our capital markets," said Acting Chair Allison Herren Lee. "The task force announced today will play an important role in enhancing and coordinating the efforts of the Division of Enforcement, the Office of the Whistleblower, and other parts of the agency to bolster the efforts of the Commission as a whole on these vital matters."

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

February 4, 2021

SEC requests comment on potential money market fund reform options highlighted in President's Working Group Report

The Securities and Exchange Commission published a request for public comment on potential reform measures to improve the resilience of money market funds, as highlighted in a report of the President's Working Group on Financial Markets issued in December 2020.

The report noted that certain short-term funding markets experienced stress in March 2020 amid economic concerns related to the onset of the COVID-19 pandemic.

"Money market funds play a significant role in our short-term funding markets, and they are utilized by both large institutions and individual retail investors," said SEC Acting Chair Allison Herren Lee. "Comments received will assist the SEC and other relevant financial regulators in further analysis of potential reforms."

The report also discusses prior money market fund reforms, the evolution of different types of money market funds since the 2008 financial crisis, and events in certain short-term funding markets in March 2020.

The report concludes that more work is needed to reduce the risk that structural vulnerabilities in prime and tax-exempt money market funds will lead to or exacerbate stresses in short-term funding markets. The report also discusses various reform measures that policymakers could consider.

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

January 19, 2021

CFTC staff provides limited continuation of certain no-action relief to market participants in response to COVID-19

The CFTC announced the Market Participants Division (MPD) and the Division of Market Oversight (DMO) are providing a short continuation of limited parts of the temporary no-action relief issued in response to the COVID-19 (coronavirus) pandemic that expired on January 15, 2021.

Subject to the conditions stated therein, CFTC Staff Letter No. **21-04** provides relief related to oral communications recordkeeping. CFTC Staff Letter No. 21-05 provides relief related to timestamping requirements for registrants and members of Swap Execution Facilities and DCMs, registration and location requirements for introducing brokers, registration requirements for introducing brokers and location requirements for floor brokers, and audit trail requirements for DCMs.

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

Key Regulatory Developments in Singapore

Source/Date	Brief description
Monetary Authority of Singapore (“MAS”) January 28, 2021	<p>Industry taskforce proposes taxonomy and launches environmental risk management handbook to support green finance</p> <p>The Green Finance Industry Taskforce (GFIT), convened by MAS, has issued a proposed taxonomy for Singapore-based financial institutions to identify activities that can be considered green or transitioning towards green, and has also launched a handbook on implementing environmental risk management for asset managers, banks, and insurers. The GFIT aims to help accelerate the development of green finance through four key initiatives: (i) developing a taxonomy, (ii) enhancing environmental risk management practices of financial institutions, (iii) improving disclosures, and (iv) fostering green finance solutions.</p> <p>For further information click here.</p>
MAS January 18, 2021	<p>MAS enhances guidelines to combat heightened cyber risks</p> <p>MAS has issued revised Technology Risk Management Guidelines to keep pace with emerging technologies and shifts in the cyber threat landscape. The revised Guidelines focus on addressing technology and cyber risks in an environment of growing use by financial institutions of cloud technologies, application programming interfaces, and rapid software development. The Guidelines reinforce the importance of incorporating security controls as part of financial institutions’ technology development and delivery lifecycle, as well as in the deployment of emerging technologies.</p> <p>For further information click here.</p>
MAS January 4, 2021	<p>Parliament amends the Payment Services Act 2019</p> <p>Amendments to the Payment Services Act 2019 were passed by parliament on January 4, 2021. The amendments were introduced to implement the enhanced international standards adopted by the Financial Action Task Force in June 2019 that are aimed at addressing the money laundering and terrorist financing risks posed by service providers of digital payment tokens. The amendments will come into force at a later date.</p> <p>For further information click here.</p>

Public Events & Conferences

Source/Date	Brief description
Investment Management Association of Singapore March 9, 2021	<p>IMAS-Bloomberg Investment Conference 2021: The Future of Capital</p> <p>2020 has upended the global economy and the world of investing. The pandemic brought a decade-long US bull market to an end and sparked extreme market volatility. More than ever, the investment community needs to address the large-scale social and economic consequences of the pandemic and its economic fallout. The IMAS-Bloomberg Investment Conference 2021 shared new ideas on the future of capital and highlighted emerging innovations that will fundamentally change the asset management industry.</p> <p>For further information click here.</p>
Asia Financial Markets Forum January 22, 2021	<p>Asia Financial Markets Forum 2021 Prelude</p> <p>The Asia Financial Markets Forum 2021 Prelude was a prelude to the flagship event to be held in October 2021, which will be large-scale event spread over two days and will focus on the themes relevant to the Asian financial markets in the next decade.</p> <p>For further information click here.</p>

Clients Alerts & Briefings

Source/Date	Brief description
Dentons Rodyk (Singapore) February 3, 2021	<p>4 things you need to know about the amended Electronic Transactions Act</p> <p>On February 1, 2021, the Electronic Transactions Act (ETA) was amended by parliament. The changes to the ETA reflect Singapore's drive towards becoming a smart nation by allowing for the digitizing of trade-related documents. This is a welcomed move, especially for the maritime industry, given that instruments such as bills of lading and bills of exchange were previously excluded from the scope of the ETA. Much productivity can now be gained through the use of trade facilitation systems.</p> <p>For further information click here.</p>

Key Regulatory Developments in China

Source/Date	Brief description
Shenzhen Stock Exchange (SZSE) March 3, 2021	<p>SZSE optimizes bond repo business to improve market participation</p> <p>On March 2, 2021, SZSE officially released the Measures of Shenzhen Stock Exchange for Bond Pledged Repo Business (hereinafter referred to as the Business Measures). Considering that market institutions will need time for preparatory work such as networking testing and account information reporting, SZSE has provided sufficient preparation time, setting the effective date of the Business Measures as May 17, 2021.</p> <p>The optimization has mainly involved two respects. First, refining the display of the identity information of the transaction parties to improve transaction security; second, improving transaction execution convenience and fund utilization efficiency to increase investors' participation and sense of gain.</p> <p>For further information, click here.</p>
SZSE March 1, 2021	<p>Strengthening organic ties in the capital market to support SMEs – SZSE unveils the measures for transferring the listing of NEEQ companies to ChiNext</p> <p>On February 26, SZSE officially issued the Measures of Shenzhen Stock Exchange for Transferring the Listing of Companies on National Equities Exchange and Quotations to the ChiNext Board (Provisional) (hereinafter referred to as the Transfer Measures), setting forth the rules for transfer and regulating the transfer.</p> <p>The rules for transfer include, first, conditions for companies to transfer to ChiNext; second, review of the transfer listing; third, transitional arrangements for lock-up periods; fourth, trading mechanism coordination.</p> <p>According to the arrangements of the CSRC, SZSE will uphold the underlying principle of pursuing progress while ensuring stability, take solid steps in preparations for transfer, including supporting business rules and technical systems, and coordinate acceptance, review, listing and regulation to ensure stable implementation and the orderly progress of the transfer.</p> <p>For further information, click here.</p>

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

February 14, 2021

Opinions of PBC, CBIRC, CSRC, SAFE and Shanghai Municipal People's Government published on accelerating the building of Shanghai into an international financial hub and financially supporting the integrated development of the Yangtze river delta

Accelerating the building of Shanghai into an international financial hub and the integrated development of the Yangtze river delta is a key growth strategy defined by the CPC Central Committee and is part of the efforts to implement the guiding principles of the Fourth Plenary Session of the 19th CPC Central Committee to improve the government's governance systems and capabilities in finance. The Opinions provide 30 initiatives covering topics such as advancing financial piloting in the Lin-gang Special Area, accelerating the opening up of the financial industry in Shanghai at a higher level and financially supporting the integrated development of the Yangtze river delta. The release will be helpful for accelerating the building of Shanghai into an international financial hub and the integrated development of the Yangtze river delta, and will be of great strategic significance to lead the high-quality development of China and speed up the building of a modern economic system.

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

Shanghai Stock Exchange (SSE)

February 5, 2021

SZSE improves bond amortization method to promote coordinated development of the bond market

Shanghai Stock Exchange (SSE) issued the Notice of Matters Concerning the Reporting on the Program Trading of Convertible Corporate Bonds (the **Notice** for short) to establish the reporting system for the program trading of convertible bonds. The Notice will come into effect starting on March 29, 2021.

First, the Notice stipulates the scope of the program trading investors; second, the Notice clarifies the reporting methods; third, the Notice specifies the content of the information reporting; fourth, the Notice requires the investors to ensure that the reported information is true.

The SSE has established the reporting mechanism for the program trading of convertible bonds in accordance with the new Securities Law, with a view to enhancing market transparency and regulatory accuracy, and accumulating beneficial experience for the follow-up implementation of relevant practices market-wide.

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

SSE

SSE issues main business rules for infrastructure REITs

January 29, 2021

In order to improve the system of supporting rules for the publicly offered infrastructure Real Estate Investment Trusts (REITs) and ensure the orderly implementation of the pilot program, in accordance with the overall work deployment of the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE) has formulated and issued three sets of main business rules, namely the Business Measures for the Publicly Offered Infrastructure Real Estate Investment Trusts (REITs) (for Trial Implementation), the Guidelines No. 1 for the Application of the Rules for the Publicly Offered Infrastructure Real Estate Investment Trusts (REITs) – Review Concerns (for Trial Implementation), and the Guidelines No. 2 for the Application of the Rules for the Publicly Offered Infrastructure Real Estate Investment Trusts (REITs) – Offering Business (for Trial Implementation).

The official release of the three sets of rules marks the new progress made by the SSE in advancing the pilot program of the publicly offered infrastructure REITs.

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

China Banking and
Insurance Regulatory
Commission (**CBIRC**)

CBIRC solicits public opinions on the Rules on Liability Management of Commercial Banks (for Consultation)

January 22, 2021

In order to urge commercial banks to improve liability management and maintain the safety and soundness of the banking system, the CBIRC formulated the Rules on Liability Management of Commercial Banks (for Consultation) (hereinafter referred to as the **Rules**), which is now open for public consultation.

The key points of the rules include: first, it clarifies the definition and scope of liability management of commercial banks; second, it establishes the liability management system; third, it sets forth six elements of liability management; fourth, it strengthens the supervisory examination and regulatory measures related to liability management.

The Rules is an important step to improve the liability supervision and regulation of commercial banks in China. Next, the CBIRC will further revise the Rules based on the feedback collected, and will release it in due course.

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

CBIRC

January 15, 2021

CBIRC and PBC issue notice on matters concerning the regulation of internet-based personal deposits of commercial banks

In order to strengthen the regulation of the internet-based personal deposits of commercial banks, maintain market order, forestall financial risks and protect the legitimate rights and interests of consumers, the General Office of the China Banking and Insurance Regulatory Commission (CBIRC) and the General Office of the People's Bank of China (PBC) recently jointly issued the Notice on Matters Concerning the Regulation of Internet-based Personal Deposits of Commercial Banks (hereafter referred to as the **Notice**).

The Notice mainly specifies requirements on four aspects: the first is to regulate business operation; the second is to enhance risk management; the third is to strengthen consumer protection; the fourth is to strengthen supervision.

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

CBIRC

January 13, 2021

CBIRC issues the interim measures on the supervisory rating of consumer finance companies

In order to improve the risk supervision framework of consumer finance companies, strengthen classified supervision and promote the sustainable and healthy development of consumer finance companies, the CBIRC recently issued the Interim Measures on the Supervisory Rating of Consumer Finance Companies (hereinafter referred to as the **Measures**).

The Measures consists of 25 articles in five chapters, including general provisions, rating components and methodology, rating procedures, use of rating results, and supplementary provisions, which form the overall arrangements for the supervisory rating of consumer finance companies.

The issuance and implementation of the Measures will further improve the supervisory regime for consumer finance companies, provide institutional support for classified supervision and strengthen supervisory effectiveness.

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

CBIRC

January 12, 2021

CBIRC issues the reform plan on the main supervisory responsibilities of life insurance companies

In order to further strengthen the supervision of life insurance, coordinate supervisory resources, improve supervisory efficiency, and promote the streamlining of administration and the delegation of power, the CBIRC recently issued the Reform Plan on the Main Supervisory Responsibilities of Life Insurance Companies (hereinafter referred to as the **Plan**).

In order to ensure the smooth transition of the restructured responsibility lines to the CBIRC local offices, the Plan puts forward three work requirements: first, to strengthen coordination and leadership to ensure effective undertaking; second, to improve the policies and processes and unify the regulatory standards; third, to improve the coordination mechanism and strengthen the cooperation and collaboration between the headquarters and local offices.

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

State Administration
of Foreign Exchange
(SAFE)

January 3, 2021

Circular of the State Administration of Foreign Exchange on amending the Guidelines for Interbank Foreign Exchange Market Makers

To further optimize the management of interbank foreign exchange market makers, the SAFE has amended the Guidelines for Interbank Foreign Exchange Market Makers (Huifa No.13 [2013]).

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

China Securities
Regulatory
Commission
(CSRC)

September 25, 2020

Measures for the administration of domestic securities and futures investment by QFIIs and RQFIIs

In order to supervise and regulate the investment activities of qualified foreign institutional investors and RMB qualified foreign institutional investors in China's securities and futures markets and promote the steady and sound development of the securities and futures markets, the CSRC has issued the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors (CSRC Decree No. 176).

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

Public Events & Conferences

Source/Date	Brief description
China Securities Regulatory Commission (CSRC) March 20, 2021	<p>Keynote speech by Chairman YI Huiman at the CSRC Roundtable of the China Development Forum 2021</p> <p>Chairman YI Huiman made a speech at the CSRC Roundtable of China Development Forum 2021 on March 20 to share some of his thoughts and observations on China's capital market.</p> <p>The content of the speech embraced four parts as follows:</p> <ol style="list-style-type: none">I. Mission of the capital market in serving high-quality development;II. Promoting structural improvement of the capital market through comprehensively deepening reform;III. Steadily advancing the registration-based IPO reform;IV. Orderly promoting institutional opening-up of the capital market. <p>For further information, click here.</p>
The People's Bank of China (PBC) February 26, 2021	<p>PBC holds 2021 Anti-Money Laundering Virtual Work Conference</p> <p>The PBC held its 2021 Anti-Money Laundering Virtual Work Conference in Beijing on February 25. The conference fully recognized anti-money laundering (AML) achievements of the People's Bank of China (PBC) in 2020. It analyzed the current AML situations and made comprehensive arrangements for priority AML work in 2021.</p> <p>For further information, click here.</p>
The People's Bank of China (PBC) February 5, 2021	<p>PBC holds video meeting on enhancing deposit regulation</p> <p>The People's Bank of China (PBC) held a video meeting to discuss plans for enhancing deposit regulation on February 4.</p> <p>The PBC will urge locally-incorporated banks to return to their primary responsibility of providing local services and refrain from offering any form of inter-city depositing services. It will continue to strengthen the monitoring of irregular innovative deposit products and maintain fair competition of the deposit market to protect people's savings.</p> <p>For further information, click here.</p>

Key Regulatory Developments in Hong Kong

Source/Date	Brief description
The Hong Kong Monetary Authority (HKMA) March 22, 2021	<p>Fintech co-operation between the HKMA and the Central Bank of the United Arab Emirates</p> <p>HKMA and the Central Bank of the United Arab Emirates (CBUAE) jointly announced the exchange of a memorandum of understanding (MoU) to enhance fintech collaboration, with a view to strengthening co-operation between Hong Kong and the UAE in promoting innovative financial services and regulatory development.</p> <p>Under the MoU, the two authorities have agreed that the CBUAE will join the multiple central bank digital currency bridge (m-CBDC Bridge) project collaboratively implemented by the HKMA, the Bank of Thailand, the Digital Currency Institute of the People's Bank of China and the Bank for International Settlements Innovation Hub Centre in Hong Kong.</p> <p>For more information, click here.</p>
Securities and Futures Commission (SFC) March 15, 2021	<p>The SFC issues restriction notices to 15 brokers to freeze client accounts linked to suspected social media ramp-and-dump scams</p> <p>The SFC has issued restriction notices to 15 brokers, prohibiting them from dealing with or processing certain assets held in 32 trading accounts, which are related to suspected social media ramp-and-dump scams. The scams involve the manipulation of the market in the shares of a company listed on The Stock Exchange of Hong Kong Limited between November 2019 and November 2020.</p> <p>For more information, click here.</p>
SFC, Hong Kong Police Force (Police) March 5, 2021	<p>The SFC and Police joint operation against suspected ramp-and-dump syndicate</p> <p>The SFC and the Police have conducted a joint operation against an active and sophisticated syndicate suspected of operating ramp and dump manipulation schemes. These schemes drive up the share prices of target stocks and then induce unwary investors via social media platforms to buy shares at artificially high prices. The syndicate then sell shares in a manner that gives them substantial profits whilst leaving innocent victims with substantial financial losses.</p> <p>Twelve people, including those believed to be the ringleaders of the syndicate and their associates, were arrested on March 4 during a joint search of 27 premises across Hong Kong by more than 160 officers of the SFC and the Police.</p> <p>For more information, click here.</p>

SFC, Financial Reporting Council (FRC)

February 25, 2021

The SFC and FRC to enhance collaboration through new memorandum of understanding

The SFC and FRC have concluded a new memorandum of understanding (MoU) to strengthen the regulation of the capital markets through enhanced collaboration between the two regulators.

Under the new MoU, which took effect on February 24, the SFC and the FRC agreed to foster closer cooperation in the regulation of the securities and futures market, particularly in relation to the regulation under their respective supervisory regimes of listed entity auditors and compliance by listed entities with financial reporting requirements.

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

SFC

February 8, 2021

SFC consults on conduct requirements for bookbuilding and placing activities

The SFC launched a consultation on conduct requirements for capital market transactions in Hong Kong. The proposed requirements would help clarify the roles played by intermediaries in equity and debt capital raisings and set out the standards of conduct expected of them in bookbuilding, pricing, allocation and placing activities.

A separate “sponsor coupling” proposal would require that, for an initial public offering of shares, at least one head of the underwriting syndicate would also act as a sponsor.

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

SFC, HKMA

February 5, 2021

Memorandum of understanding on supervisory cooperation under the cross-boundary Wealth Management Connect

HKMA and the People’s Bank of China, the China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, State Administration of Foreign Exchange, SFC and the Monetary Authority of Macao have agreed on the principles of supervisory cooperation under the cross-boundary Wealth Management Connect, and signed the “Memorandum of Understanding on the Launch of the Cross-Boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area”.

Authorities in the three places aim to establish sound supervisory cooperation arrangements and liaison mechanisms. This will lay a good foundation for the smooth operation of the scheme and the protection of investors’ interests.

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

SFC

Hong Kong and Thailand regulators sign MoU on mutual recognition of funds

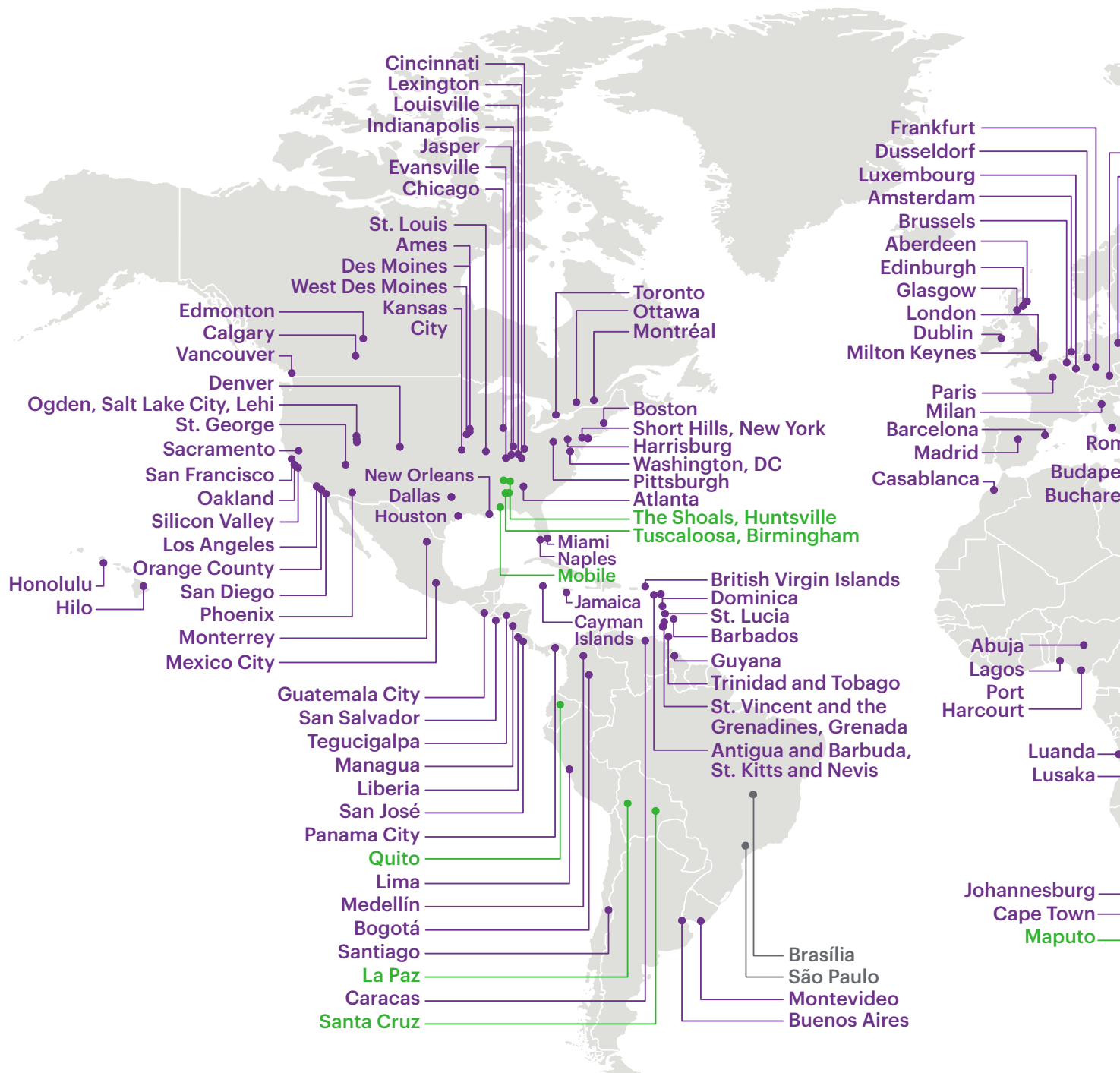
January 20, 2021

The SFC and the Securities and Exchange Commission of Thailand (SEC) have entered into a memorandum of understanding (MoU) on mutual recognition of funds to allow eligible Hong Kong and Thai public funds to be distributed in each other's markets through a streamlined process.

The MoU establishes a framework for exchange of information, regular dialogue as well as regulatory cooperation in relation to the cross-border offering of eligible Hong Kong and Thai funds.

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

Global presence

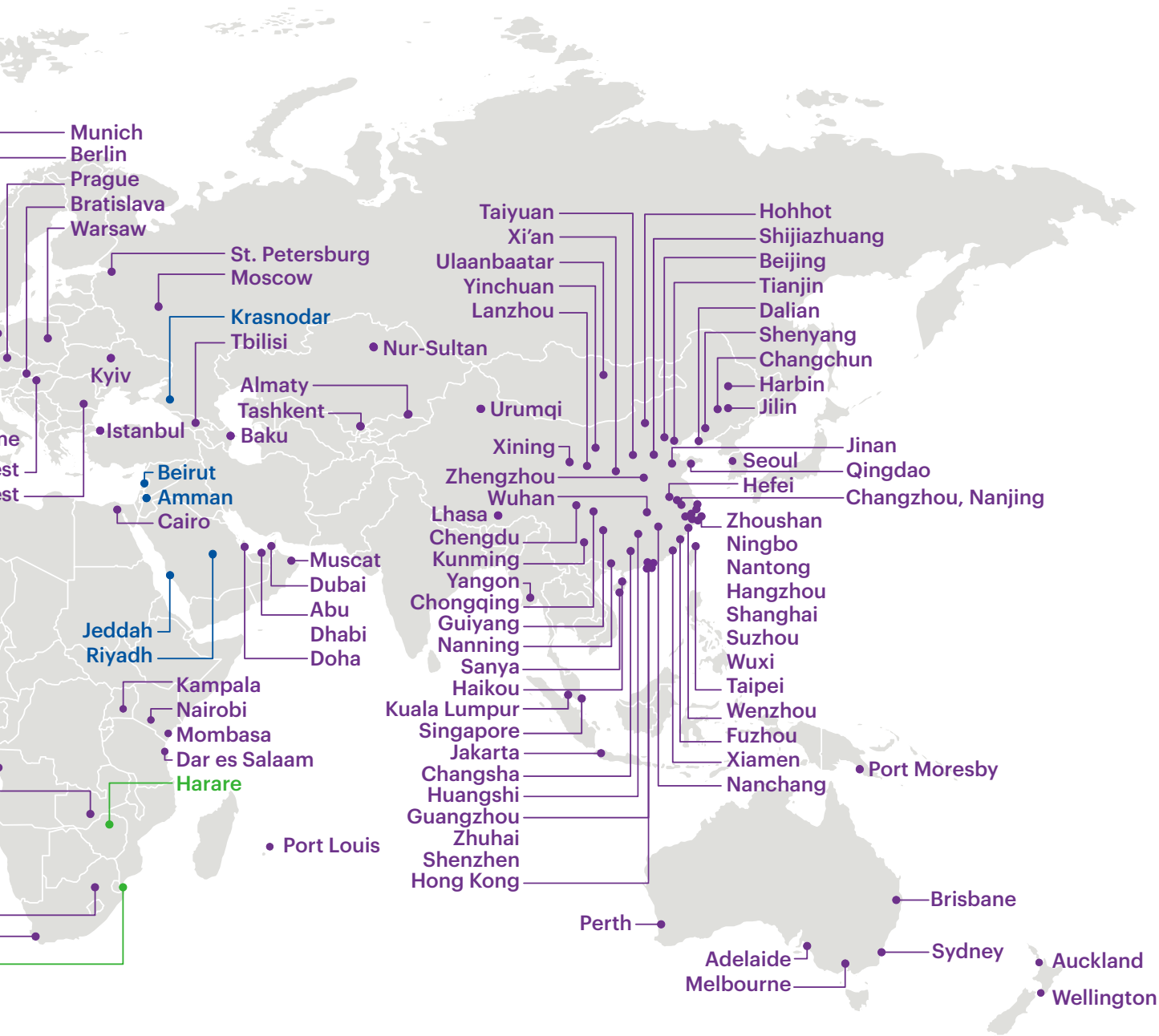


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April 2021

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