Shearman SHEARMAN & STERLING

FINANCIAL REGULATORY DEVELOPMENTS FOCUS

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

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Bank Prudential Regulation & Regulatory Capital

US Office of the Comptroller of the Currency Announces Technical Amendments to Stress Testing Regulation

On February 23, 2018, the U.S. Office of the Comptroller of the Currency issued a final rule that makes certain technical amendments to its annual stress testing regulation. The stress testing regulation provides that the OCC may require an institution to include trading and counterparty components in its adverse and severely adverse scenarios if the institution has significant trading activities. Under the final rule, the date range of this position data has been expanded from between January 1 and March 1 of the current calendar year to between October 1 of the preceding calendar year and March 1 of the current calendar year. The final rule notes that this will provide the OCC with greater flexibility in establishing an appropriate as-of date and that the U.S. Board of Governors of the Federal Reserve System has made a similar change to its corresponding regulations. The final rule also amends and clarifies the transition period for institutions that meet the $50 billion asset threshold, which subjects the institution to different stress testing requirements. Under the final rule, if an institution crosses the $50 billion threshold in the fourth quarter of a calendar year, it will not be subject to the supervisory stress testing requirement until the third calendar year after it crossed the threshold. Otherwise, institutions become subject to the over $50 billion stress testing requirements two calendar years after crossing the threshold. The final rule also makes definitional and other technical changes. The final rule will become effective 30 days from its publication in the Federal Register.

The full text of the final rule is available at: https://www.occ.treas.gov/news-issuances/news-releases/2018/nr-occ-2018-20a.pdf.

US Federal Deposit Insurance Corporation Issues Final Rule Amending International Banking Regulations

On February 14, 2018, the Federal Deposit Insurance Corporation adopted amendments to its international banking regulations that primarily impact the asset pledge requirements applicable to FDIC-insured branch offices of non-U.S. banks (of which there are only 10) as well as certain securities-related powers of foreign branch offices of state nonmember banks, which depend in part on whether the branch is transacting in investment grade securities. The amendments implement Section 939A of the Dodd-Frank Act, which generally requires the removal of reliance on credit ratings in banking (and other) regulations for determining the creditworthiness of a security or money market instrument. Under the amended regulation, an investment grade security is one "whose issuer has adequate capacity to meet all financial commitments under the security for the projected life of the exposure." This means that the risk of default by the obligor is low and that full and timely repayment of principal and interest is expected. FDIC-insured branch offices of foreign banks are required to pledge investment grade assets to the FDIC, and such assets must meet the new standard. In addition, in light of lessons learned from the financial crisis, the FDIC has added a liquidity standard and a fair value haircut requirement for pledged assets. The FDIC noted that the haircut requirement could require foreign banks that pledge a predominance of bank notes and CDs to pledge additional collateral, but that the overall impact on FDIC-insured branches is expected to be minimal. Interestingly, the FDIC will also now permit cash to be pledged, but only if the depository institution holding the cash holds it separate from the general funds of the bank and does not commingle it with any cash or other property of the depository institution. No interest may be paid on the cash because the depository may not lend, invest or otherwise use the cash in its operations. The FDIC noted that it is reviewing pledge agreements to determine what modifications may be needed (if any) in light of the amendments.

The final rule takes effect on April 1, 2018.

The full text of the final rule is available at: https://www.fdic.gov/news/news/financial/2018/fil18009a.pdf.

UK Prudential Regulation Authority Publishes Final Policy on Pillar 2 Liquidity

On February 23, 2018, the U.K. Prudential Regulation Authority published a Policy Statement on Pillar 2 liquidity, following two consultations in May 2016 and July 2017. The Capital Requirements Directive gives national regulators discretion to set additional Pillar 2 liquidity requirements. The Pillar 2 framework complements the Pillar 1 Liquidity Coverage Ratio requirements by capturing those liquidity risks that are either not captured or not fully captured under Pillar 1. In its May 2016 and July 2017 consultations, the PRA set out proposals for liquidity assessments, the introduction of a framework for cashflow mismatch risk (CFMR) and survival guidance on the granular liquidity coverage requirement stress within the CFMR framework.

The PRA received a number of consultation responses. The Policy Statement sets out the PRA's feedback and explanation of a number of changes it has made to its original proposals. The PRA has removed monetization in the granular LCR stress scenario on which the survival guidance was being set. It has also amended the stress uplift reference point for calculating intraday liquidity risk. In relation to CFMR, the PRA has added new timing assumptions on a number of outflows in the PRA110 reporting template and a new row in the template for the reporting of Pillar 2 add-ons. The implementation date for PRA110 reporting, which was originally scheduled for January 2019, has been delayed to July 2019.

The Policy Statement is accompanied by five separate appendices, namely, the final Statement of Policy, "Pillar 2 liquidity" (Appendix 1); updated Supervisory Statement, "The PRA's approach to supervising liquidity and funding risks" (Appendix 2); final PRA110 template and reporting instructions (Appendix 3); final PRA Rulebook instrument amending the Reporting Part of the PRA Rulebook (Appendix 4); and updated Supervisory Statement, "Guidelines for completing regulatory reports" (Appendix 5).

The updated Supervisory Statements and the Statement of Policy take effect on February 23, 2018. The PRA 110 template and reporting instructions, and the PRA Rulebook instrument, will take effect from July 1, 2019.

The Policy Statement is available at: https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2018/february/ps218.pdf, the Statement of Policy is available at: https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/statement-of-policy/2018/pillar-2-liquidity-sop.pdf, the updated Supervisory Statement, "The PRA's approach to supervising liquidity and funding risks" is available at: https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2018/ss2415update.pdf, the updated Supervisory Statement, "Guidelines for completing regulatory reports" is available at: https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2018/ss3415update.pdf, the PRA's July 2017 consultation is available at: http://finreg.shearman.com/uk-prudential-regulation-authority-publishes-seco and the PRA's May 2016 consultation is available at: http://finreg.shearman.com/uk-prudential-regulation-authority-consults-on-pi.

UK Regulator Warns Firms to Improve Prudential Reporting

On February 19, 2018, the Financial Conduct Authority published a new "Dear CEO" letter that it has sent to the Chief Executive Officers of certain firms for which it acts as prudential regulator.

The letter is addressed to the CEOs of "IFPRU Firms" (firms solo-regulated by the FCA that fall within the definition of "investment firm" in the Capital Requirements Directive and which are subject to the requirements of CRDIV) and "BIPRU Firms" (firms solo-regulated by the FCA that fall outside the definition of "investment firm" for CRD IV purposes). The FCA has observed that the prudential returns (in particular the Common Reporting (COREP) and Financial Reporting (FINREP) returns) submitted by these firms often contain

inaccurate or incomplete data. The FCA stresses that, while errors or omissions can appear minor in isolation, they can materially distort data that are aggregated and used to analyse a sector or a group of firms.

Examples of the issues the FCA has observed include; failure to submit certain returns, such as the FINREP return; failure to complete underlying templates; inaccurate calculations; inconsistent submissions; reporting using incorrect units; and failure to report cumulatively where that is required.

The FCA instructs CEOs of IFPRU and BIPRU firms to review their firm's regulatory reporting practices to ensure that they are fit for purpose, comply with the relevant reporting provisions and produce materially accurate data. The FCA plans to conduct a review of a sample of firms' returns as of October 1, 2018 and, should the same issues persist at that time, it will consider taking further steps to improve reporting standards.

The Dear CEO letter is available at: https://www.fca.org.uk/publication/correspondence/dear-ceo-quality-of-returns.pdf.

Competition

UK Competition Authority Updates Stakeholders on the Investment Consultants Market Investigation

On February 21, 2018, following a market investigation reference from the FCA in September 2017, the Competition and Markets Authority published a progress report on the Investment Consultants Market Investigation that it is carrying out into the supply of investment consultancy services and fiduciary management services to, or the acquisition of such services by, institutional investors and employers. The institutional investors who use investment consultancy services are mainly pension schemes but also include charities, insurance companies and endowment funds.

The progress report sets out the steps that the CMA has taken to date, such as the publication of the Issues Statement in October 2017, the hearings it has held and the visits it has made to the three largest investment consultants. The report also provides a list of working papers that the CMA intends to publish in the next few months, which will provide the CMA's emerging thinking on specific areas of the Investigation, such as information on fees and quality of service that investment consultants and fiduciary managers provide to current and prospective clients, the performance of investment consultants' recommended asset managers, conflicts of interest and market concentration. The CMA also confirms, as proposed in the Issues Statement, that the Investigation will focus on pension schemes as clients of investment consultants and fiduciary managers. The CMA will publish a Provisional Decision report in July 2018, to which interested stakeholders can provide feedback in advance of the publication of the final report in March 2019.

The progress report is available at: https://assets.publishing.service.gov.uk/media/5a8d44a540f0b641bc1835ef/investment-consultants-market-investigation.pdf and the Issues Statement is available at: https://assets.publishing.service.gov.uk/media/59c376f7ed915d408c10d131/investment-consultancy-market-investigation-issues-statement.pdf.

Conduct & Culture

UK Banking Standards Board Publishes Further Guidance on the Certification Regime

On February 20, 2018, the U.K. Banking Standards Board published further Supporting Guidance to its Statement of Good Practice on the Certification Regime: Fitness and Propriety Assessment Principles (known as Statement of Good Practice 1). The new Supporting Guidance, "Establishing Pass/Fail Criteria and

Evidencing the F&P Assessment" (known as Supporting Guidance 2), aims to assist firms and other persons assessing fitness and propriety in making certification decisions, particularly in borderline cases. The Certification Regime is part of the regulatory reforms introduced in the U.K. to strengthen individual accountability (namely, the Senior Managers Regime, the Certification Regime and the Conduct Rules). It requires firms to certify that all individuals in roles which pose a risk of significant harm are "fit and proper." The U.K. regulators are proposing to extend the Certification Regime to all other regulated firms. The BSB was launched in April 2015 as an industry initiative to help raise standards of behavior and competence in the banking sector.

Supporting Guidance 2 should be read with the Statement of Good Practice 1 and the Supporting Guidance to Statement of Good Practice 1 on the Certification Regime: Fitness and Propriety Definitions, Sources of Information and Assessment Record Template (known as Supporting Guidance 1), each of which were published in February 2017. The Statement of Good Practice 1 is a high-level set of principles relevant to the assessment of fitness and propriety, which aim to assist firms in effectively implementing the requirements of the Certification Regime, to raise industry standards and ensure that assessments are fair, consistent and transparent. Supporting Guidance 1 includes definitions of each element of fitness and propriety (honesty and integrity, reputation, competence and capability and financial soundness), an overview of different types of assessments and an assessment record template.

Supporting Guidance 2 provides guidance on the practical implementation of Principle 4 (establishing pass/fail criteria) and Principle 5 (evidencing the F&P assessment) of the BSB's Statement of Good Practice. It includes illustrative examples of issues that firms may face when assessing fitness and propriety. Guidance is provided on how those issues could be tackled. The Guidance does not impose any legal or regulatory obligations on BSB members, nor does it replace any of their existing regulatory requirements.

A consultation report, published alongside the final Guidance, sets out a summary and analysis of the responses to the consultation on the Guidance that was carried out in Q3 2017.

Supporting Guidance 2 is available at: https://www.bankingstandardsboard.org.uk/wp-content/uploads/2018/02/BSB-Certification-decision-guidance-draft-incorp-reg-comments-v0.3.pdf, the consultation report is available at: https://www.bankingstandardsboard.org.uk/wp-content/uploads/2018/02/BSB-Certification-decisions-guidance-Consultation-Report-FINAL.pdf, the Statement of Good Practice is available at: https://www.bankingstandardsboard.org.uk/pdf/Assessing-F&P-Statement-of-Good-Practice.pdf and Supporting Guidance 1 is available at: https://www.bankingstandardsboard.org.uk/pdf/Assessing-F&P-Supporting-Guidance.pdf.

International Standards Body Seeks to Tackle Conflicts of Interest and Conduct Risks in Equity Capital Raisings

On February 21, 2018, the International Organization of Securities Commissions published a consultation report in which it seeks feedback on proposed Guidance to address the significant potential conflicts of interest arising from the role of intermediaries during key stages of an equity raising.

IOSCO has identified a number of key risks. In the early, pre-offering phase of an equity raising, conflicts of interest can arise where analysts employed by firms managing the securities offering may be under pressure to present a positive view of the issuer. During the investor education and price-formation phase these "connected" analysts may produce conflicted research and conflicts can also be present during the allocation of securities. There can be both conflicts of interest and risks of misconduct where staff employed within firms that are managing an equity raising enter into personal transactions. These issues can damage investor confidence and the effectiveness of the capital markets as route for issuers to raise finance.

The proposed Guidance consists of eight separate measures that are designed to increase the range and quality of timely information available to investors, make allocations more transparent and enhance the integrity and efficiency of the process as a whole. IOSCO recognizes, however, that differing market practice, legal and regulatory frameworks in place to govern the equity capital raising process means that conflicts of interest and associated misconduct risks vary across jurisdictions. For this reason, ISOCO has built in some flexibility in the proposed Guidance that should enable national regulators to tailor its implementation in accordance with the specific risks of their jurisdiction.

Comments are invited by May 4, 2018. The finalized Guidance will not be binding, but IOSCO encourages its members to consider the proposals carefully in the context of their legal and regulatory frameworks.

The Consultation Report is available at: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD593.pdf.

Enforcement

US Department of Justice and Federal Financial Regulators Allege AML Failures at Large US Financial Institution and Its National Bank Subsidiary

On February 15, 2018, the U.S. Department of Justice entered into a deferred prosecution agreement with a large U.S. financial institution, which includes a $528 million forfeiture, alleging that the institution's national bank subsidiary willfully failed to maintain an adequate anti-money laundering program in violation of U.S. laws and regulations. In a related action, the U.S. Board of Governors of the Federal Reserve System issued a cease-and-desist order against the institution, alleging that the institution lacked adequate risk management and compliance policies and procedures to ensure compliance with certain anti-money laundering requirements. The order requires the institution to submit to its respective Federal Reserve Bank a written plan to strengthen the board of directors' oversight of the institution's firm-wide anti-money laundering risk management and compliance program within 60 days of the order, to submit revised policies and procedures within 30 days of the order and that a subsidiary of the institution submit a written enhanced customer due diligence program within 60 days of the order. All submissions must be acceptable to the institution's Federal Reserve Bank. In addition, the order imposes a $15 million civil money penalty. The Federal Reserve Board press release accompanying the order further noted that the OCC and U.S. Financial Crimes Enforcement Network had also announced monetary penalties against the institution's national bank subsidiary.

The full text of the DOJ deferred prosecution agreement is available at: https://www.justice.gov/usao-sdny/press-release/file/1035081/download and the full text of the Federal Reserve Board cease-and-desist order is available at: https://www.federalreserve.gov/newsevents/pressreleases/files/enf20180215a1.pdf.

Financial Market Infrastructure

UK Benchmarks Legislation Amended

On February 20, 2018, the Financial Services and Markets Act 2000 (Benchmarks) (Amendment) Regulations 2018 were published to correct a drafting issue in the Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018, which are due to implement parts of the EU Benchmarks Regulation with effect from February 27, 2018.

Under the U.K. Benchmarks Regulations, which were laid before Parliament on February 5, 2018, transitional provisions will apply until revoked on May 1, 2020. The transitional provisions include a provision that applies to existing benchmark administrators only in respect of benchmarks they were administering on or before

June 30, 2016. The effect of the transitional provision is that these existing benchmark administrators will not need to obtain regulatory permission under the Financial Services and Markets Act.

The newly published Amendment Regulations amend the U.K. Benchmarks Regulations to ensure that the transitional provision applies to existing benchmark administrators in relation to benchmarks administered before, on and after June 30, 2016. These benchmarks administrators will also be able to rely on the transitional provision in respect of new benchmarks during the transitional period.

The Amendment Regulations take effect on February 26, 2018.

The Amendment Regulations (S.I. 2018/204) are available at: http://www.legislation.gov.uk/uksi/2018/204/pdfs/uksi_20180204_en.pdf, the explanatory memorandum is available at: http://www.legislation.gov.uk/uksi/2018/204/pdfs/uksiem_20180204_en.pdf and details of the U.K. Benchmark Regulations are available at: http://finreg.shearman.com/uk-benchmarks-legislation-published.

FinTech

UK Parliament Launches Inquiry into Digital Currencies and Distributed Ledger Technology

On February 22, 2018, the House of Commons Treasury Committee launched an inquiry into digital currencies and distributed ledger technology in the U.K. The inquiry will consider the risks and opportunities of digital currencies for consumers, businesses and the Government as well as the impact of DLT on financial institutions, financial market infrastructure and the central bank. The regulatory response of the Bank of England and the FCA in relation to anti-money laundering legislation will also be assessed against the need to ensure the protection of consumers without repressing innovation.

The announcement is available at: http://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news-parliament-2017/digital-currencies-17-19/.

UK Financial Conduct Authority Consults on Machine Executable Regulatory Reporting

The FCA is seeking input on using technology to assist firms to meet their regulatory reporting requirements. The FCA would like to improve regulatory reporting by firms so that it is more accurate, efficient and consistent, less reliant on human interpretation and quicker for firms to implement changes to the requirements.

As part of its RegTech strategy, the FCA holds regular TechSprint events which are attended by financial services providers, technology companies and financial regulation experts to develop solutions to regulatory challenges. The Call for Input explains the proof of concept for Model Driven Machine Executable Regulatory Reporting which emerged at the November 2017 TechSprint.

The proposed Model Driven Machine Executable Regulatory Reporting has the potential to make regulatory reporting requirements machine-readable and executable, enabling firms to use automated, straight-through processing of regulatory returns. The proof of concept successfully used rules from the FCA Handbook, the PRA's Rulebook and International Financial Reporting Standards, illustrating the possibility for firms to comply with multiple regulatory reporting requirements.

The FCA thinks that the introduction of this technology would be of significant benefit to firms and regulators because it would bring increased clarity on the rules, efficiency in reporting, responsive regulation and better quality of data. The FCA notes that implementing machine-executable reporting would involve substantial challenges. These include, for example, developing the most effective governance mechanism to decide and

manage the implementation, determining whether it would be practical to introduce it across the industry or only for some regulated firms and the impact on the legal and liability positions of both regulators and regulated firms. There would also be costs implications. However, the FCA considers at this stage that the costs involved in moving to a more technology-driven regime, which it would seek to recover from industry, could be offset by other costs savings to regulated firms. The FCA is interested in collaboration with its international counterparts and seeks feedback from other regulators and standard setters on the proposal, including on whether international collaboration would involve a common data model.

Responses to the Call for Input are requested by June 20, 2018. TechSprint participants will host a series of roundtables to discuss further the legal, technological and regulatory issues arising from the proposal which interested parties can request to join (details in the Call for Input). In Summer 2018, the FCA intends to publish a feedback statement to the consultation responses as well as input provided through the roundtables and other discussions.

The Call for Input is available at: https://www.fca.org.uk/publication/call-for-input/call-for-input-smarter-regulatory-reporting.pdf.

10 Key Implications and Considerations of FinTech for Banks and Bank Supervisors Published by the Basel Committee on Banking Supervision

On February 19, 2018, the Basel Committee on Banking Supervision published a report, "Sound Practices on Implications of FinTech developments for banks and bank supervisors." The report is a result of the analysis by the Basel Committee-mandated taskforce of financial technology innovations and emerging business models in the banking industry, including the consultation that was run last year.

The report sets out the final 10 key implications and considerations for banks and banking systems and for bank supervisors and regulatory frameworks. The report also provides an overview of the current state of play in the industry.

The Basel Committee has decided not to determine whether there is a need to stipulate specific requirements at this stage. It will continue to monitor FinTech developments and assess whether any updates to the implications and considerations are warranted.

The report is available at: https://www.bis.org/bcbs/publ/d431.pdf.

Recovery & Resolution

US Department of the Treasury Releases Report and Recommendations Regarding the Orderly Liquidation Authority

On February 21, 2018, the U.S. Department of the Treasury released its report and recommendations regarding the Orderly Liquidation Authority established under Title II of the Dodd-Frank Act. The report proposes a "bankruptcy first" approach to the resolution of financial institutions, recommending the establishment of a new chapter of the U.S. Bankruptcy Code. This new Chapter 14, which has been the subject of academic and industry debate for several years, would generally involve placing the top-tier parent of a financial group into bankruptcy proceedings and transferring the subsidiaries to a new bridge company and would also include procedural features tailored to address specific nuances in respect of the resolution of financial institutions. Under this framework—and similar to existing bankruptcy processes—shareholders, management and specified creditors would bear all losses.

The report highlights that resolution through bankruptcy would provide clear, predictable and impartial adjudication of competing claims, and that the creation of this new Chapter 14 process would further reduce the likelihood that the OLA would have to be utilized to resolve a failing financial institution. The report does not, however, recommend the full repeal of Title II of the Dodd-Frank Act. Instead, Treasury recommends that reforms be made to the OLA, including limiting the discretion afforded to the FDIC and further tailoring the OLA process. The report notes that under the current formulation of the OLA, the FDIC is granted overly broad discretion on several issues, including the treatment of creditors. The reforms proposed by Treasury would require that only critical vendors be eligible for favored treatment, rather than the current framework that allows the FDIC to treat similarly situated creditors differently on an ad hoc basis. The report further recommends that, while the FDIC should manage the initial transfer and disposition of the bridge company under the OLA framework, claims should ultimately be adjudicated by a bankruptcy court. The report also recommends that the tax-exempt status of the bridge company be repealed and that the FDIC's single-point-of-entry strategy, which involves the "bail-in" of long-term creditors of the holding company, be clarified and circumstances when this strategy would not be used, be identified. The Treasury report also recommends changes to the Orderly Liquidation Fund, including giving priority to private loan guarantees over direct lending from the government. The report recommends that the FDIC only lend funds or provide loan guarantees if premium rates of interest or guarantee fees be charged and that any direct lending by the FDIC be done on a fully secured basis and be limited to a fixed term. Moreover, the Treasury report recommends that the industry backstop assessment process, in the event that an OLF loan is not fully repaid, be imposed as soon as reasonably practicable.

Many of the recommendations made by Treasury would require Congress to act, although a smaller subset of recommendations could be implemented by the federal financial regulators.

The full text of the Treasury report is available at: https://home.treasury.gov/sites/default/files/2018-02/OLA_REPORT.pdf.

Upcoming Events

March 1, 2018: U.S. Senate Committee on Banking, Housing, & Urban Affairs hearing – Semiannual Monetary Policy Report to the Congress

March 1-2, 2018: European Commission event: International Financial Integration in a Changing Policy Context – the End of an Era?

March 22, 2018: U.K. Government's second annual International Fintech Conference

Upcoming Consultation Deadlines

March 2, 2018: FCA proposals for a global sandbox

March 5, 2018: Comments to Federal Reserve Board's Proposed Regulation M Revisions due

March 5, 2018: Comments to Federal Reserve Board's Proposed Call Report Revisions due

March 6, 2018: PRA consultation on proposed updates to the Pillar 2 reporting requirements

March 6, 2018: PRA consultation on model risk management principles for stress testing

March 9, 2018: Basel Committee discussion paper on the regulatory treatment of sovereign exposures

March 9, 2018: ESMA consultation on draft RTS under the new Prospectus Regulation (ESMA31-62-802)

March 12, 2018: FCA consultation on its approach to authorization

March 12, 2018: FCA consultation on its approach to competition

March 15, 2018: Comments to Federal Reserve Board's proposed guidance clarifying risk management supervisory expectations for large financial institutions due

March 15, 2018: EBA Discussion Paper on EU implementation of the revised market risk and counterparty credit risk frameworks

March 15, 2018: EBA consultation on draft RTS for risk retention under STS Regulation

March 15, 2018: EBA consultation on draft RTS on homogeneity of underlying exposures in STS securitizations under the STS Regulation

March 19, 2018: ESMA consultation on draft technical standards on the content and format of the "Simple, Transparent and Standardized" notification under the STS Regulation

March 19, 2018: ESMA consultation on draft technical standards on disclosure requirements, operational standards, and access conditions under the STS Regulation

March 19, 2018: ESMA consultation on draft technical standards on third-party firms providing STS verification services under the STS Regulation

March 23, 2018: Basel Committee consultation on revised principles for supervisory and bank stress testing

March 23, 2018: FCA consultation on Handbook changes for implementation of the Money Market Funds Regulation

March 27, 2018: Comments to CFPB&'s Civil Investigative Demands request for information due

April 3, 2018: BoE consultation on new incident reporting rules for CCPs

April 9, 2018: PRA consultation on MREL reporting requirements

May 4, 2018: IOSCO Consultation - Conflicts of interest and associated conduct risks during the equity capital raising process

May 7, 2018: PRA consultation on governance and risk management for algorithmic trading

May 16, 2018: PRA consultation on guidance on the eligibility of guarantees as unfunded credit protection for capital requirement purposes

June 20, 2018: FCA consultation on Model Driven Machine Executable Regulatory Reporting

THIS NEWSLETTER IS INTENDED ONLY AS A GENERAL DISCUSSION OF THESE ISSUES. IT SHOULD NOT BE REGARDED AS LEGAL ADVICE. WE WOULD BE PLEASED TO PROVIDE ADDITIONAL DETAILS OR ADVICE ABOUT SPECIFIC SITUATIONS IF DESIRED. IF YOU WISH TO RECEIVE MORE INFORMATION ON THE TOPICS COVERED IN THIS PUBLICATION, YOU MAY CONTACT YOUR USUAL SHEARMAN & STERLING REPRESENTATIVE OR ANY OF THE FOLLOWING:

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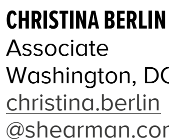

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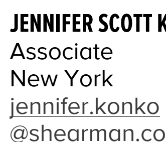

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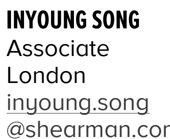

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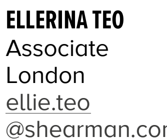

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This memorandum is intended only as a general discussion of these issues. It should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired.

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