

# European Regulatory Timeline 2023

## Key regulatory developments impacting UK and European financial services firms

	Date in Force	Regulatory Development	Commentary
January 2023	1 January 2023	<b>EU – SFDR Regulatory Technical Standards (SFDR RTS)</b> Firms in scope have to comply with the Level 2 regulation of the SFDR.	The delayed SFDR RTS providing details on disclosure requirements, including certain mandatory disclosure templates, will apply. The SFDR RTS aim to create a “single rulebook” for sustainability-related disclosures for SFDR pre-contractual and periodic product disclosures, including Taxonomy Regulation-related product disclosures and gas/nuclear related disclosures.
	1 January 2023	<b>EU – Taxonomy Regulation</b> In-scope firms have to comply with the disclosure requirements set out in the delegated acts for the four outstanding economic objectives.	The Taxonomy technical screening criteria and regulatory technical standards for water, circular economy, pollution prevention & control, and biodiversity & ecosystems start to apply.
	1 January 2023	<b>ESG – FCA’s Climate-related Disclosure Regime (Phase 2)</b> Certain in-scope have to comply with new requirements for climate-related financial information.	Certain UK asset managers, life insurers, and pension providers that are authorized by the FCA (with assets under management above a £5 billion exemption threshold) will have to comply with the new disclosure regime from 1 January 2023. The first public disclosures will need to be made by 30 June 2024.
	1 January 2023	<b>UK PRIIPS Regulation</b> New Key Information Document (KID) requirements must be complied with.	Firms marketing to “retail clients” for the purposes of MiFID II will need to follow updated rules in the UK on the preparation of their KIDs. The model-based “Performance Scenarios” section of the KID must be amended to a more narrative-based “Investment Performance Information” section.
	6 January 2023	<b>LIBOR</b> The FCA’s consultation paper on synthetic USD LIBOR closes to comments.	The FCA published a consultation paper (CP22/11) on its proposal to require the 1-, 3- and 6-month US dollar LIBOR settings to be published on a synthetic basis until end-September 2024. The FCA expects to announce its final decision towards the end of the Q1 or early in Q2 2023.
	10 January 2023	<b>Greenwashing</b> The European Supervisory Authorities’ (ESAs) joint call for evidence on greenwashing closes to comments.	The ESAs’ Call for Evidence seeks to gather input from stakeholders on how to understand the key features, drivers and risks associated with greenwashing and to collect examples of potential greenwashing practices. Contributions will feed into the ESAs’ findings for their progress reports due in May 2023, and final reports due in May 2024.
	25 January 2023	<b>UK Sustainability Disclosure Requirements</b> The FCA’s consultation paper on sustainability disclosure requirements and investment labels closes to comments.	Like the SFDR, the SDR seeks to ensure accurate representation of financial products that claim to be sustainable, by introducing labelling and disclosure requirements. The FCA plans to publish its final rules and guidance in a policy statement by the end of the first half of 2023.
February 2023	1 February 2023	<b>Financial Promotions</b> The FCA’s updated rules for financial promotions come into force.	Following the implementation of the risk warning and risk summary rules relating to the promotion of high-risk investments, which have been effective since 1 December 2022, the remaining financial promotion rules set out in PS22/10 will come into force. This will include further competence and monitoring requirements applicable to any firm that approves financial promotions directed at retail clients.
	17 February 2023	<b>MiFID II Passporting</b> ESMA’s consultation on a review of technical standards relating to passporting under Article 34 of MiFID II closes to comments.	This relates to the information that investment firms are required to provide in order to exercise the use of the financial services passport under MiFID II. ESMA expects to publish a final report and submission of the draft technical standards to the European Commission for endorsement by the end of 2023.
	20 February 2023	<b>ESG Fund Names</b> ESMA’s consultation on guidelines on funds’ names using ESG or sustainability-related terms closes to comments.	The purpose of the guidelines is to specify criteria to assess whether the name of a fund containing terms, acronyms or abbreviations suggesting that the fund focuses on investments that have, or investments whose issuers have, ESG or sustainability features, are fair, clear and not misleading.  ESMA expects to publish the final version of the guidelines by Q2 or Q3 2023. The guidelines will apply three months after the date of their publication on ESMA’s website, although a transitional period of six months will apply for those funds already existing before that date.

	Date in Force	Regulatory Development	Commentary
March 2023	3 March 2023	<b>UK Retail Disclosures</b> HM Treasury's consultation on a new UK retail disclosure regime closes to comments.	The UK Government plans to repeal the PRIIPS Regulation in favour of a new UK retail disclosure framework, as they view the current regime as not fit for purpose. It is not currently clear when the new regime will come into force.
	5 March 2023	<b>UK Short Selling</b> HM Treasury's call for evidence on the onshored Short Selling Regulation closes to comments.	The UK Government plans to repeal the onshored Short Selling Regulation. The replacement regulation aims to be tailored to UK markets and bolster its competitiveness. It is not currently clear when the new rules will come into force.
	7 March 2023	<b>UK Retail Disclosures</b> The FCA's discussion paper on a future disclosure framework for retail investments closes to comments.	The FCA published a discussion paper (DP22/6) on the future disclosure framework for retail investments. This complements HM Treasury's consultation paper (referred to above) and aligns with HM Treasury's vision for a new UK retail disclosure regime.  The FCA states that distribution of retail investments has changed in recent years, and disclosure regulations have not always reflected this. It has seen a trend towards online investment, and subsequently an increase in digital distribution of disclosure.
April 2023	April 2023	<b>ESG – Proposed Amendments to SFDR RTS</b> The ESAs due to respond to the EU Commission with amendments to the SFDR RTS relating to PAI indicators (although it is expected that there will be a delay to this of at least six months).	The ESAs have stated that it will not be possible to meet the original deadline of April 2023 and, consequently, there will be at least a six-month delay for the delivery of the mandate. This means that the ESAs do not anticipate producing the proposed amendments before November 2023.
	Q2 / Q3	<b>EU – AIFMD II</b> Final legislative expected to be agreed (effective date expected to be in 2025).	The draft text of AIFMD II was published by the European Commission in November 2021, covering topics including loan origination, delegation and liquidity management. In summer 2022, this was followed by the European Parliament's draft report and a "compromise text" published by the Council of the EU, with proposed amendments.  The European Parliament is expected to finalise its report on AIFMD II shortly, following which trilogue negotiations will be entered into to finalise the legislative text. The final text is expected to be published in Q2 or Q3 2023, which will begin the two-year transitional period for EU Member States to implement the rules.
June 2023	30 June 2023	<b>ESG – FCA's Climate-related Disclosure Regime (Phase 1)</b> First public disclosures of climate-related financial information by largest firms in scope.	The FCA's rules on climate-related disclosures have been applicable from 1 January 2022 for the largest UK asset managers, life insurers, and pension providers that are authorized by the FCA (generally firms with more than £50 billion in assets under management (or £25 billion assets under administration for asset owners)). The first public disclosures will need to be made by 30 June 2023.
	30 June 2023	<b>ESG – SFDR RTS PAI Reporting</b> In-scope firms to make first PAI statement under the SFDR RTS.	Financial market participants that are required to publish the statements referred in Article 4(1)(a), 4(3) or 4(4) of the SFDR will have to comply with the disclosure requirements on PAI on sustainability factors set out in the SFDR RTS by 30 June 2023.
September 2023	1 September 2023	<b>Money Laundering – Cryptoassets</b> Rules relating to the treatment of cryptoassets under UK money laundering regulations come into force.	Cryptoasset businesses will be required to share identifying information about the sender and recipient (payer and payee) of a wire transfer, in the payment message.
	September 2023	<b>Taskforce on Nature-related Financial Disclosures (TNFD)</b> Risk management and disclosure framework expected.	Building on a model developed by the Taskforce on Climate-Related Financial Disclosures, a framework is being developed for how organisations can address environmental risks and opportunities.

The information in this timeline is current as of January 2023. For more information on any of the topics, please reach out to the Proskauer Regulatory Team.

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