

European Regulatory Timeline 2024

Key regulatory developments impacting UK and European financial services firms

Date in Force	Regulatory Development	Commentary
1 January 2024	EU – Taxonomy Regulation The Environmental Taxonomy Delegated Act starts to apply.	The Environmental Taxonomy Delegated Act introduced technical screening criteria to determine whether the relevant economic activity contributes substantially to one of the four remaining environmental objectives under the EU Taxonomy Regulation: Water and Marine Resources; Circular Economy; Pollution Prevention and Biodiversity; and Ecosystems, and whether the activity causes no significant harm to the other objectives.
8 January 2024	Fintech and Cryptoassets FCA registered / authorised cryptoasset firms must comply with the remaining cryptoasset marketing rules.	<p>New rules for the marketing of cryptoassets came into force in October 2023. The new requirements include the need for marketing materials to be “clear, fair and not misleading”, labelled with prominent risk warnings, and to not inappropriately incentivise people to invest. These rules apply to firms wherever they are based globally.</p> <p>Cryptoasset firms registered or authorised by the FCA were given flexibility under a modification by consent to implement parts of the rules that require greater technical development. If their application was successful, firms have until 8 January 2024 to implement the 24-hour cooling period, client appropriateness testing and client categorisation features.</p> <p>Please refer to our dedicated update on this topic here.</p>
10 January 2024	EU – European Long-Term Investment Fund (ELTIF) Regulation The amended ELTIF Regulation (known as “ELTIF 2.0”) comes into force.	<p>The original ELTIF Regulation was aimed at boosting European long-term investments in the real economy, but did not gain a lot of traction, with very few ELTIFs having been authorised. The purpose of ELTIF 2.0 is to enhance and reshape the ELTIF Regulation so that it can remain attractive to professional investors and also align private market strategies to a wider, retail investor base.</p> <p>There is a five-year transitional period for ELTIFs that are already authorised under the ELTIF Regulation and are still raising capital, though they may choose to opt-in to ELTIF 2.0 from the date of its application.</p> <p>Please refer to our dedicated update on this topic here.</p>
26 January 2024	UK Sustainability Disclosure Requirements (SDR) – Anti Greenwashing Rule The FCA’s guidance consultation on its new anti-greenwashing rule closes to comments.	As part of the SDR (please refer to our dedicated update on this topic here), the FCA introduced a new anti-greenwashing rule that will apply to all communications about financial products or services which refer to the environment and/or social characteristics of those products or services. The FCA has published a guidance consultation paper (GC23/3) on this new rule.
31 January 2024	UK Financial Promotion Regime The amended exemptions to the restrictions on communicating financial promotions come into force.	<p>The amended exemptions are applicable when communicating financial promotions to high net worth (HNW) individuals and self-certified investors. The changes include increases to the financial thresholds to be eligible for the HNW, individual exemption and amendments to the eligibility criteria for the self-certified investor exemption.</p> <p>Please refer to our dedicated update on this topic here.</p>
2024	UK Asset Management Regulation The FCA is expected to consider amendments to the UK asset management regime.	As part of its work on updating and improving the UK regime for asset management (please refer to our dedicated update on this topic here), the FCA is expected to consult on amendments to the UK AIFMD regime and re-evaluate the AIFMD rules for non-UCITS retail funds.
2024	Diversity and Inclusion The FCA and PRA are expected to publish rules on measures to improve diversity and inclusion in the financial services sector.	<p>In Q3 2023, the FCA and PRA published consultation papers (CP 23/20 and CP18/23) on the introduction of measures to improve diversity and inclusion in the financial services sector. The FCA and PRA are expected to publish finalised guidance / rules in 2024.</p> <p>Please refer to our dedicated update on this topic here.</p>
2024	UK Corporate Transparency Reform Further guidance / secondary legislation in relation to the second Economic Crime and Corporate Transparency Act is expected to be published.	<p>The UK Government has passed legislation that will reform the corporate governance regime in the UK. This follows concerns that the UK’s previous regime was facilitating criminal behaviour, through convoluted corporate structures that masked economic crimes such as money laundering.</p> <p>The changes introduced in the legislation include further transparency within limited partnership structures, but many of these requirements are yet to come into force and further guidance / secondary legislation will need to be published prior to the changes coming into effect.</p> <p>Please refer to our dedicated update on this topic here.</p>

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February 2024	6 February 2024	<p>Fintech and Cryptoassets</p> <p>The FCA and Bank of England's discussion papers on stablecoin regulation close to comments.</p>	<p>The FCA and Bank of England have published discussion papers (DP 23/4) on the regulation of stablecoins (i.e., digital assets that can be used to make payments). The FCA is seeking feedback to help develop its regime for fiat-backed (i.e., linked to real-world currency) stablecoins, whereas the Bank of England is considering the use of stablecoins for systemic payments systems.</p>
	12 February 2024	<p>UK Overseas Funds Regime (OFR)</p> <p>The FCA's consultation paper on implementing the OFR closes to comments.</p>	<p>The FCA has published a consultation paper (CP23/26) on implementing the OFR. The OFR provides a new method for offering an overseas fund to UK retail investors following an equivalence determination by HM Treasury. The FCA is consulting to ensure UK and overseas firms are aware of this new route to the UK market, as well as on changes to the FCA Handbook to operationalise this new gateway.</p>
	17 February 2024	<p>EU – Digital Services Act (DSA)</p> <p>Deadline for implementation of all measures under the DSA</p>	<p>The DSA aims to protect consumers from illegal or harmful activities online, including the spread of disinformation, as well as providing a level playing field for business users and increased legal certainty for providers of digital services.</p> <p>Following the implementation of compliance measures by the 17 online platforms and two online search engines designated as “very large” by the European Commission, all other regulated entities are now working to implement their obligations under the DSA. The DSA applies to online intermediaries, platforms and hosting services which offer their services within the EU (irrespective of where they are established).</p> <p>The Commission and national authorities can investigate and sanction non-compliant entities as of 17 February 2024.</p>
March 2024	Q1	<p>EU – AIFMD II</p> <p>The final text is expected to be published in the EU's Official Journal (effective date expected to be in 2026).</p>	<p>The draft text of AIFMD II was published by the European Commission in November 2021, covering topics including loan origination, delegation and liquidity management.</p> <p>In November 2023, the European Commission published its final “compromise text”, which now must be approved by the European Parliament and the Council of the EU. The European Parliament is expected to consider this text in its plenary session on 5 February 2024. Once agreed, the text will be published in the Official Journal, which will begin the two-year transitional period for EU Member States to implement the rules.</p>
	Q1	<p>EU – ESG Fund Name Rules</p> <p>ESMA is expected to approve and publish guidelines on ESG and sustainability-related terms in fund names.</p>	<p>In December 2023, ESMA published a public statement updating its guidelines on funds' names using ESG or sustainability-related terms. ESMA plans to adopt the guidelines following the entry into force of the amended AIFMD II (and updated UCITS Directive) in 2024, with the rules likely applying to fund names from a later date in 2024.</p> <p>Please refer to our dedicated update on this topic here.</p>
	Q1	<p>EU – AI Act</p> <p>The text of the EU's AI Act is expected to be finalised and adopted by the European Parliament and Council of the EU.</p>	<p>On 8 December 2023, the European Parliament and Council of the EU reached political agreement on the form of the AI Act. The AI Act will apply to providers and deployers of AI systems inside and outside the EU as long as the AI system is placed on the Union market or its use affects people located in the EU.</p> <p>The text of the AI Act will be published in the Official Journal once it is finalised and will become law 20 days after that publication. It will be fully applicable 24 months after entry into force, with a graduated approach as follows: (1) Six months: Member States must phase out prohibited systems; (2) 12 months: obligations for general purpose AI governance become applicable; (3) 24 months: all rules of the AI Act become applicable including obligations for high-risk systems defined in Annex III of the AI Act (list of high-risk use cases); and (4) 36 months: obligations for high-risk systems defined in Annex II of the AI Act (list of Union harmonisation legislation) apply.</p>
	6 March 2024	<p>EU – Digital Markets Act (DMA)</p> <p>Deadline for digital platforms designated as gatekeepers to ensure compliance with DMA obligations for each of their designated core platform services.</p>	<p>On 6 September 2023, the European Commission designated the first six digital platforms (Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft) as gatekeepers under the DMA in respect of 22 core platform services. This initiated a six-month period for these firms to comply with the obligations under the DMA in relation to these services.</p>
	31 March 2024	<p>LIBOR</p> <p>3-month synthetic sterling LIBOR setting ends.</p>	<p>The FCA has announced that the three-month synthetic sterling LIBOR setting will continue until the end of March 2024, after which it will permanently cease.</p>
April 2024	1 April 2024	<p>EU – Corporate Sustainability Reporting Directive (CSRD)</p> <p>The first reporting period begins for EU Public Interest Entities.</p>	<p>CSRD introduced a new requirement for companies to disclose information regarding the sustainability of their operations. The applicability of the CSRD reporting obligations will be effective in phases.</p> <p>Public interest entities (which typically covers banks, large insurers, large-listed entities and public interest entities that were previously subject to non-financial reporting under the EU's Non-Financial Reporting Directive, which is superseded by CSRD) will need to collect data in their 2024 financial year, to be reported on in 2025.</p>
	Q2	<p>UK – Digital Markets, Competition and Consumers Bill</p> <p>Expected to receive Royal Assent around spring 2024.</p>	<p>The Bill proposes significant changes to UK competition and consumer protection legislation, as well as additional powers to regulate the conduct of digital firms designated as having strategic market status and, in merger control, an additional acquirer-focused jurisdictional threshold.</p>

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May 2024	31 May 2024	UK SDR – Anti-Greenwashing Rule The FCA's new anti-greenwashing rule comes into force.	The FCA's new anti-greenwashing rule (introduced as part of the SDR and discussed above) comes into force. The rule will apply to all communications about financial products or services which refer to the environment and/or social characteristics of those products or services.
	May 2024	EU – Greenwashing The European Supervisory Authorities' (ESAs) are expected to publish their final report on greenwashing in the financial sector.	In November 2022, the ESAs published a Call for Evidence 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. The final report on the evidence gathered is expected to be published in May 2024.
June 2024	30 June 2024	Fintech and Cryptoassets Certain elements of the Markets in Crypto Assets Regulation (MiCA) become applicable.	MiCA came into force on 29 June 2023, establishing a regime for the regulation and supervision of cryptoasset issuance and cryptoasset service provision in the EU. The provisions relating to offering to the public and admission to trading of asset-referenced tokens (ARTs) and e-money tokens (EMTs) will be applicable from 30 June 2024.
	30 June 2024	ESG – FCA's Climate-related Disclosure Regime (Phase 2) First public disclosures of climate-related financial information by remaining firms in scope.	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) have needed to comply with the new climate-related disclosure regime from 1 January 2023. The first public disclosures will need to be made by 30 June 2024.
	H1	EU – Sustainable Finance Disclosure Regulation (SFDR) The European Commission is expected to adopt the revised regulatory technical standards (RTS) supplementing the SFDR.	The European Commission is due to adopt legislation amending the SFDR RTS, including updates to the principal adverse impact (PAI) indicators, as well as the pre-contractual disclosure templates and website disclosures for "Article 8" and "Article 9" funds. Please refer to our dedicated update on this topic here .
July 2024	31 July 2024	UK SDR The opt-in labels under the SDR are able to be used.	The SDR introduced an opt-in labelling regime for sustainable investment products. There are four labels: Sustainability Impact, Sustainability Focus, Sustainability Improvers and Sustainability Mixed Goals. If a label is used, the product must meet a general sustainability criteria, as well as a label-specific criteria. Please refer to our dedicated update on this topic here .
	31 July 2024	FCA Consumer Duty "Manufacturers" to have completed reviews for "closed" products and services.	In July 2022, the FCA published final rules (PS22/9) for a new "Consumer Duty", to set higher and clearer standards of consumer protection across financial services. The Consumer Duty came into force for "open" products/services – new and existing products or services that are open to sale or renewal – on 31 July 2023. "Manufacturers" – firms that create, develop, design, issue, operate or underwrite a product or service – must complete reviews of their "closed" products/services, to confirm their compliance with the Consumer Duty. These are existing contracts with retail customers entered into before 31 July 2023, that are not marketed or distributed to such consumers (including by way of renewal). This information should also be shared with their "distributors" – firms that offer, sell, recommend, advise on, propose or provide a product or service – in order to confirm their compliance as well. Management bodies must ensure that the firm is compliant and that any gaps or weaknesses have been addressed.
September 2024	30 September 2024	LIBOR One, three and six-month U.S. dollar LIBOR settings will continue to be published on a synthetic basis until end of September 2024.	The FCA will require the continued publication of one, three and six-month synthetic U.S. dollar LIBOR settings after 30 June 2023 (when the U.S. dollar LIBOR panel is due to cease) on a synthetic basis until 30 September 2024, for use in legacy contracts only (other than in cleared derivatives).
December 2024	2 December 2024	UK SDR The naming and marketing rules come into force.	The SDR introduced restrictions on the use of sustainability related terms for products marketed to retail investors. Firms can continue to use sustainability-related terms in product names and marketing if either: (i) they use a label under the SDR; or (ii) if they meet new product name, disclosure and statement conditions.
	30 December 2024	Fintech and Cryptoassets The remaining elements of MiCA become applicable.	Following the applicability of the provisions relating to ARTs and EMTs, the remaining provisions of MiCA will come into force on 30 December 2024.
	End of 2024	EU – Climate Risk ECB deadline for banks to meet all remaining supervisory expectations on climate and environmental risks.	The ECB expected banks to include climate and environmental risks in their governance, strategy and risk management by the end of 2023. By the end of 2024, banks are expected to meet all remaining supervisory expectations on climate and environmental risks, including full integration in the Internal Capital Adequacy Assessment Process (ICAAP) and stress testing. Deadlines will be closely monitored, and enforcement action for non-compliance will be taken.

The information in this timeline is current as of January 2024.
For more information on any of the topics, please reach out to the Proskauer Regulatory Team at UKReg@proskauer.com.

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