

Regulation Round Up

June 2017

2 June

The ESMA published its [final report](#) on guidelines on product governance requirements under the MiFID II Directive (2004/65/EU). The guidelines (set out in Annex IV) to the final report aim to promote greater convergence in the implementation and application of the MiFID II requirements on product governance.

The FCA published [Market Watch](#) No.52, which expressed concerns on some firms engaging in dividend arbitrage. Firms which identify areas of concern relating to this practice should conduct an assessment and also consider whether it should make a disclosure to the FCA under Principle 11 of the FCA's Principles for Businesses.

6 June

ESMA published an updated version of its questions and answers ([Q&As](#)) on investor protection topics under the MiFID II Directive (2014/65/EU) and the Markets in Financial Instruments Regulation (Regulation 600/2014) (MiFIR). ESMA added 14 new Q&As covering information on costs and charges, post-sale reporting, and appropriateness.

21 June

The UK government announces eight major bills to prepare for withdrawal from the EU. However, it remains unclear whether Prime Minister Theresa May's government will be able to push through the legislation. The eight bills are (i) the Repeal Bill (to enshrine EU legislation into domestic law and to repeal the European Communities Act 1972 which gives EU law effect in the UK); (ii) a Customs Bill (to create a new legal basis for the UK's customs regime which is currently decided at an EU level); (iii) a Trade Bill (to put in place the "essential and necessary legislative framework" to allow the UK to conduct an independent trade policy outside the EU); (iv) an Immigration Bill (to create new powers governing the immigration status of EU nationals and their family members, and allow for the repeal of the EU's free-movement laws in the UK); (v) a Fisheries Bill (to enable the UK to "exercise responsibility" over access to its territorial waters after Brexit when the UK must exit the Common Fisheries Policy); (vi) a Nuclear Safeguards Bill (to hand powers to the Office for Nuclear Regulation to oversee British civil nuclear facilities and uphold international non-proliferation agreements); and (vii) an International Sanctions Bill (to create the new legal powers to allow the UK to impose non-UN sanctions).

In the Queen's [Speech](#) it was announced that foreign investments in Britain that endanger national security could be stopped by the UK government under newly announced proposals. The proposals would "ensure critical national infrastructure is protected to safeguard national security". It again remains unclear whether Prime Minister Theresa May's government will be able to push through the legislation.

23 June

The UK published the finalised [legislation](#) (The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) transposing the EU Fourth Money Laundering Directive into UK. The deadline for transposition was 26 June.

26 June

The UK published the finalised [legislation](#) (The Scottish Partnerships (Register of People with Significant Control) Regulations 2017) creating a persons of significant influence (PSCI) regime for Scottish limited partnerships. This PSCI regime was introduced to transpose aspects of the Fourth Money Laundering Directive.

The UK finalised and published [legislation](#) (The Information about People with Significant Control (Amendment) Regulations 2017) to the PSC regime for UK companies and limited liability partnerships were also finalised and published. These amendments increase the reporting frequency for in-scope undertakings, requiring them to report changes to their PSCs within 14 days as oppose to waiting until the annual confirmation statement as had previously been the case.

28 June

The UK Financial Conduct Authority (FCA) [published](#) the final findings of its asset management market study and announced the package of remedies it will take forward to address the concerns identified in its interim report into the sector. The proposed remedies include holding individual asset managers accountable for failing to act in the interests of investors. Further consultations on the proposed remedies are expected before the end of the year.

[Related Professionals](#)

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