

Regulation Round Up

Regulatory & Compliance on April 2024

Welcome to the UK Regulation Round Up, a regular bulletin highlighting the latest developments in UK and EU financial services regulation.

Key developments in April 2024:

30 April

Financial Markets Infrastructure: The Bank of England published a [speech](#) by Sasha Mills, Executive Director, Financial Market Infrastructure, on operational resilience and its expectations of financial market infrastructures (“**FMIs**”).

29 April

Liability Driven investing: ESMA published technical advice to the national competent authorities in [Ireland](#) and [Luxembourg](#) on their imposition of an investment restriction on alternative investment fund managers established in Ireland and Luxembourg and managing GBP-denominated alternative investment funds that are pursuing a liability-driven investment funding strategy.

UK / Switzerland Cooperation: The House of Lords International Agreements Committee published a [report](#) on the UK-Switzerland agreement on the mutual recognition of financial services – the Berne Financial Services Agreement.

26 April

UK Listing Reform: The Financial Conduct Authority (“**FCA**”) published its [48th Primary Market Bulletin](#), a special edition that consults on proposed changes to the FCA Knowledge Base in relation to the listing regime.

Edinburgh Reforms: HM Treasury published a detailed [response](#) (HC 723) to the House of Commons Treasury Committee's December 2023 report on the progress of the Edinburgh reforms.

FCA Handbook: The FCA published [Handbook Notice 118](#), which sets out changes to the FCA Handbook made by the FCA board on 28 March 2024 and 25 April 2024.

Public Investigations: The FCA published its [response](#) to the House of Lords Financial Services Regulation Committee's letter criticising the FCA's proposal to publicise the identity of firms under investigation.

25 April

MiFID II: The European Parliament formally adopted at first reading a [Regulation](#) of the European Parliament and of the Council amending the EU Prospectus Regulation, the EU Market Abuse Regulation and EU MiFIR and a Directive of the European Parliament and of the Council amending MiFID II and repealing the [Listing Directive](#). After lawyer-linguist review is completed and the new Parliament confirms the texts, the Council of the EU will adopt the finalised Regulation and Directive at a subsequent meeting in the Autumn.

Financial Crime: The FCA published a [consultation paper](#) (CP24/9) on proposed changes to its Financial Crime Guide: A firm's guide to countering financial crime risks in relation to sanctions, proliferation financing and transaction monitoring.

FCA Reg Round-up: The FCA published its [regulation round-up](#) for April 2024, which includes items on the consumer duty and changes to Form A and the SUP 15 notification form.

ESG: The European Parliament published a [press release](#) announcing that it had formally adopted the final text of the Corporate Sustainability Due Diligence Directive (“**CSDDD**”).

EMIR 3.0: The European Parliament published a [press release](#) announcing that it had voted in plenary to adopt the proposed Regulation amending EMIR (648/2012) intended to mitigate excessive exposures to third-country central counterparties and improve the efficiency of EU clearing markets (“**EMIR 3.0**”).

ESG: The European Parliament [adopted](#) the proposed Regulation on the transparency and integrity of environmental, social and governance rating activities (2023/0177(COD)).

CRD III / CRD VI: The European Parliament published a [press release](#) announcing that it had voted in plenary to adopt the proposed Regulation amending the Capital Requirements Regulation (575/2013) as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (“**CRR III Regulation**”), and the proposed Directive amending the CRD IV Directive (2013/36/EU) as regards supervisory powers, sanctions, third-country branches and ESG risks (“**CRD VI Directive**”).

23 April

ESG: The FCA published [finalised guidance](#) (FG24/3) on its new anti-greenwashing rule. Please refer to our dedicated article on this topic [here](#).

ESG: The FCA published its [consultation paper](#) (CP24/8) on the extension of its Sustainability Disclosure Requirements to portfolio managers. Please refer to our dedicated article on this topic [here](#).

Private Equity Financing: The Prudential Regulation Authority (“**PRA**”) published a [letter](#) sent to bank chief risk officers concerning the outcome of the PRA's thematic review of private equity-related financing activities. It has also published a speech by Rebecca Jackson, Executive Director, Authorisations, Regulatory Technology and International Supervision, on the thematic review.

Artificial Intelligence: The Bank of England and the PRA have sent a [joint letter](#) to Michelle Donelan, Secretary of State for Science, Innovation and Technology, and Bim Afolami, Economic Secretary to the Treasury and City Minister, on their strategic approach to artificial intelligence (“**AI**”).

22 April

Financial Stability / Private Equity: The Bank of England published a [speech](#) by Nathanaël Benjamin, Executive Director for Financial Stability Strategy and Risk, focusing on how the private equity market has grown in size, complexity and interconnectedness.

ELTIF 2.0: ESMA published an [opinion](#) on RTS under the Regulation on European Long-Term Investment Funds ((EU) 2015/760), as amended by Regulation (EU) 2023/606 (“**ELTIF 2.0**”). Please refer to our dedicated article on this topic [here](#).

Artificial Intelligence: The FCA [responded](#) to the government's February 2024 response to the results of its consultation on its AI white paper.

Cryptoassets: The FCA published a [speech](#) by Nikhil Rathi, FCA Chief Executive, on navigating the UK's digital regulation landscape.

18 April

Regulatory Cooperation: HM Treasury published an updated [memorandum of understanding](#) between the Bank of England (exercising its prudential functions) and the FCA.

17 April

ESG: The Network for Greening the Financial System published three reports ([here](#), [here](#) and [here](#)) on transition plans. The reports explore the role of transition plans in enabling the financial system to mobilise capital, manage climate-related financial risks and consider the relevance of transition plans to micro-prudential supervision.

16 April

FCA Authorisation: The FCA published a new [webpage](#) setting out common errors made by asset managers when applying for authorisation.

12 April

IOSCO Workplan: International Organization of Securities Commissions (“**IOSCO**”) published its updated [workplan](#) March 2024 to March 2025.

11 April

PRA Business Plan: PRA published its [Business Plan](#) for 2024/25, which sets out the workplan to support delivery of its strategic priorities for the coming year as well as an overview of its budget for 2024/25.

Investment Firms Regulation: The EBA published a [final report](#) (EBA/GL/2024/03) on guidelines on the application of the group capital test for investment firm groups under the Investment Firms Regulation ((EU) 2019/2033) (“**IFR**”).

10 April

Investment Research: The FCA published a [consultation paper](#) (CP24/7) on a new way of paying for investment research.

09 April

ESG: The UK Transition Plan Taskforce published [guidance](#) on seven sector deep dives, sector summary guidance and supporting resources.

FCA Market Watch: The FCA published [Issue 78](#) of Market Watch, which sets out some of its recent supervisory observations covering the completeness and accuracy of instrument reference data.

08 April

Ring-fencing: The Financial Markets Law Committee published a [report](#) on the proposed smarter ring-fencing regime.

04 April

ESG: The EU Platform on Sustainable Finance published an [intermediate report](#) on monitoring capital flows to sustainable investment.

Cryptoassets: ESMA published a [letter](#) (ESMA75-117376770-460) from Verena Ross, ESMA Chair, to Mairead McGuinness, European Commissioner for Financial Services, Financial Stability and Capital Markets Union, on the implementation of the Regulation on a pilot regime for market infrastructures based on distributed ledger technology ((EU) 2022/858).

03 April

Cryptoassets: The Bank of England and the FCA jointly published a [consultation paper](#) (CP24/5) on their proposed approach to implementing and operating the Digital Securities Sandbox.

Retail Investments: The European Parliament's Economic and Monetary Affairs Committee published the text of its [report](#) (A9-0162/2024) on the proposed directive on retail investment protection.

02 April

FCA Handbook: The FCA published [Handbook Notice 117](#), which sets out changes to the FCA Handbook made by the Executive Regulation and Policy Committee of the FCA on 4 March 2024 and the FCA board on 28 March 2024.

Related Professionals

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- **Andrew Wingfield**
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