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Global Financial Markets Regulatory Review

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Editorial note

Dentons is pleased to present the December 2021 edition of the Global Financial Markets Regulatory Review.

This regularly published report provides key financial markets regulatory developments as well as other legal developments related to financial markets around the world. Reported items include proposed legislation, rule changes, disciplinary actions, litigation, and other news. The report combines insights from Dentons lawyers with extensive financial markets experience located in major global financial centers.

Because of our international footprint of more than 20,000 people in 205 locations and 81 countries, Dentons can service most cross border legal issues faced by global companies, including financial markets litigation and regulatory matters in all major global financial market centers. We hope you will find this report useful, and we look forward to the opportunity to share our expertise with our clients around the world.

Contents

05 ... Key Regulatory Developments in Australia

11 ... Key Regulatory Developments in Europe

11 ... Regulatory Developments in the EU

25 ... Regulatory Developments in the Czech Republic

28 ... Regulatory Developments in Germany

32 ... Regulatory Developments in Italy

37 ... Regulatory Developments in Luxembourg

42 ... Regulatory Developments in the Netherlands

47 ... Regulatory Developments in Spain

52 ... Regulatory Developments in the UK

57 ... Key Regulatory Developments in Canada

62 ... Key Regulatory Developments in the United States

70 ... Key Regulatory Developments in Singapore

72 ... Key Regulatory Developments in Hong Kong

Key Regulatory Development in Australia

Source/Date	Brief description
Treasury October 21, 2021	<p>Government passes Better Advice Bill, introducing key reforms</p> <p>On October 21, 2021, the Australian Government passed the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021 (Better Advice Bill), which represented another step forward in implementing the recommendations from the Royal Commission. These new laws introduce important reforms to strengthen consumer protections while streamlining oversight in the financial advice sector.</p> <p>From January 1, 2022, the Financial Services and Credit Panel within the Australian Securities and Investments Commission (ASIC) becomes the single disciplinary body for financial advisers and will be able to hear complaints about an adviser’s compliance with the financial services laws and the Code of Ethics. The panel will be chaired and assisted by ASIC and made up of members of the industry appointed by the relevant minister. Peer review will therefore be the primary channel through which misconduct is assessed and sanctioned.</p> <p>Further information about this can be accessed here.</p>
Senate Select Committee October 20, 2021	<p>Senate Select Committee releases final report on Australia as a Technology and Financial Center</p> <p>Following the release in September 2020 and April 2021 of first two interim reports of the Senate Select Committee on Financial Technology and Regulatory Technology, the committee released its final report on October 20, 2021. The report addresses:</p> <ul style="list-style-type: none">• The regulation of cryptocurrencies and digital assets• Issues relating to “de-banking” of Australian FinTechs and other companies• The policy environment for neobanks (challenger banks) in Australia• Options to replace the Offshore Banking Unit. <p>This final report set out 12 key recommendations for positioning Australia as a leading hub for digital currency-related businesses, by offering greater clarity on how digital assets and adjacent services should be regulated.</p> <p>The final report together with those recommendations can be accessed here.</p>

<p>Australian Prudential Regulation Authority (APRA)</p> <p>October 18, 2021</p>	<p>APRA finalizes guidance for new prudential standards on remuneration</p> <p>APRA has published its guidance to assist banks, insurers and superannuation licensees in meeting the requirements of the new prudential standard, CPS 511 Remuneration (CPS 511), which comes into effect from January 1, 2023. CPS 511 is designed to strengthen remuneration practices across all APRA-regulated entities. It introduces heightened requirements on remuneration and accountability aimed at creating more balanced incentive structures, promoting financial resilience and supporting better outcomes for customers.</p> <p>Further information about this can be accessed here.</p>
<p>Australian Government</p> <p>October 13, 2021</p>	<p>Government releases strategy to tackle ransomware threat</p> <p>On October 13, 2021, the Minister for Home Affairs announced the Australian Government's Ransomware Action Plan. The Plan outlines the capabilities and powers that Australia will use to combat ransomware, and provides information on where victims can go for help. Key aspects of this Plan include a mandatory ransomware incident reporting scheme for businesses with +\$10 million in annual turnover.</p> <p>Further information about this can be accessed here.</p>
<p>Australian Government</p> <p>October 6, 2021</p>	<p>Amended CDR rules allow increased participation in open banking</p> <p>The government has amended the consumer data right (i.e. open banking regime in Australia) (CDR) to support increased participation in the regime. These changes follow a consultation in July 2021 and:</p> <ul style="list-style-type: none"> • Provide new pathways for industry participation by allowing CDR participants that were accredited by the Australian Competition and Consumer Commission (ACCC) to sponsor other parties to become accredited or allow them to operate as their representative • Empower consumers to share their data easily and securely with certain trusted professional advisers, including their accountant, tax agent, financial counsellor, financial adviser or mortgage broker • Enable consumers to disclose limited data insights outside the CDR for a specific purpose if they choose, such as to verify their identity or bank account balance • Simplify the data sharing process for consumers who use joint accounts by enabling each joint account holder to consent to share data on the account, while maintaining appropriate control and transparency for all account holders. The new joint account data sharing process would commence on July 1, 2022, to allow an appropriate implementation period for data holders. <p>Further information about these changes can be accessed here.</p>

<p>Australian Prudential Regulatory Authority (APRA)</p>	<p>APRA increases banks' loan serviceability expectations to counter rising risks in home lending</p>
<p>October 6, 2021</p>	<p>APRA has increased the minimum interest rate buffer it expects banks to use when assessing serviceability of home loan applications. New borrowers should now be assessed on their ability to meet loan repayments at an interest rate that is at least 3 percent higher than the loan product rate.</p> <p>Further information about this can be accessed here.</p>
<p>Treasury</p>	<p>New internal dispute resolution regime in effect from October 5, 2021</p>
<p>October 5, 2021</p>	<p>Under this regime, financial firms must have a dispute resolution system that consists of an internal dispute resolution (IDR) procedure that meets the standards/ requirements made or approved by ASIC and must have membership of the Australian Financial Complaints Authority (AFCA).</p> <p>Some of the key differences between this regime and the previous regime are that the new regime contains a wider definition of 'complaint', reduced time frames for responding to complaints, and guidance for systemic complaints and oversight by boards.</p> <p>Further information and guidance about this regime can be accessed here.</p>
<p>Treasury</p>	<p>New design and distribution obligations in effect from October 5, 2021</p>
<p>October 5, 2021</p>	<p>Under this regime, issuers and distributors of financial products must comply with the design and distribution obligations in Pt 7.8A of the Corporations Act 2001.</p> <p>The design and distribution obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric approach to the design and distribution of products. In particular:</p> <ul style="list-style-type: none"> • Issuers must design financial products that are likely to be consistent with the likely objectives, financial situation and needs of the consumers for whom they are intended. • Issuers and distributors must take "reasonable steps" that are reasonably likely to result in financial products reaching consumers in the target market defined by the issuer. • Issuers must monitor consumer outcomes and review products to ensure that consumers are receiving products that are likely to be consistent with their likely objectives, financial situation and needs. <p>The design and distribution obligations require issuers and distributors to develop and maintain effective product governance arrangements across the life cycle of financial products.</p> <p>Further information and guidance about this regime can be accessed here.</p>

Treasury October 5, 2021	<p>New deferred sales model for add-on insurance commenced on October 5, 2021</p> <p>The government introduced the deferred sales model following the Royal Commission’s recommendation for an industry-wide deferred sales model for add-on insurance to address poor-value products, risks of unfair sales practices and outcomes and worse claims outcomes than in other insurance markets.</p> <p>The deferred sales model is set out in Schedule 3 of the Financial Sector Reform (Hayne Royal Commission Response) Act 2020 and requires a clear four-day pause between the moment a customer enters a commitment to acquire a principal product or service, and when they are offered or sold an add-on insurance product (deferral period).</p> <p>Further information and guidance about this regime can be accessed here.</p>
Treasury October 5, 2021	<p>New anti-hawking regime commenced on October 5, 2021</p> <p>This new regime prohibits making unsolicited offers, requests and invitations to retail clients in relation to financial products. This means that while offers, requests and invitations for financial products (for example, deposit products) are covered by the anti-hawking, offers, requests and invitations for products that are not financial products (such as loan products) are not.</p> <p>The regime is set out in Schedule 5 of the Financial Sector Reform (Hayne Royal Commission Response) Act 2020.</p> <p>Further information and guidance about this regime can be accessed here.</p>
Treasury October 1, 2021	<p>New reference checking regime commenced on October 1, 2021</p> <p>Under this regime, businesses employing or appointing mortgage brokers and financial advisers must obtain references from any previous credit licensee or AFS licensee who employed or appointed that person in any capacity (irrespective of whether that licensee is involved in mortgage broking or financial advice).</p> <p>The regime itself is set out in Schedule 10 of the Financial Sector Reform (Hayne Royal Commission Response) Act 2020 and gives effect to a recommendation of the Royal Commission, which arose from concerns that financial services licensees were not communicating clearly enough in relation to the backgrounds of prospective employees. It is intended to promote better information sharing about the performance history of prospective financial advisers and mortgage brokers.</p> <p>Further information and guidance about the regime can be accessed here.</p>

Treasury

October 1, 2021

New breach reporting obligations address long-standing concerns in reporting

The new breach reporting regime commenced on October 1, 2021, having been introduced to implement Recommendations 1.6, 2.8, 2.9 and 7.2 of the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission).

The regime itself is set out in Schedule 11 of the Financial Sector Reform (Hayne Royal Commission Response) Act 2020 and obliges both Australian financial services and credit licensees to self-report certain breaches of the law to the Australian Securities and Investment Commission (ASIC).

Further information and guidance about the regime can be accessed [here](#).

Key Regulatory Developments in Europe

Key Regulatory Developments in the EU

Source/Date	Brief description
European Commission November 25, 2021	<p>European Commission proposes new measures to boost Europe's capital markets</p> <p>The European Commission has adopted a package of measures to improve the ability of companies to raise capital across the EU and ensure that Europeans get the best deals for their savings and investments. This is intended to aid Europe's economic recovery from the COVID-19 crisis, as well as to support the digital and green transitions. An outline of the measures to be taken by the Commission for 2022 to boost the market is set out in a communication.</p> <p>More information, including a link to the Capital Markets Union package, is available here.</p>
European Banking Authority (EBA) and European Securities and Markets Authority (ESMA) November 18, 2021	<p>EBA and ESMA consult on framework for SREP of investment firms</p> <p>The EBA and ESMA have launched a public consultation on their guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) of investment firms. The draft joint SREP Guidelines set out the process and criteria for the assessment of the main SREP elements.</p> <p>More information, including a link to the consultation paper, is available here.</p>
European Securities and Markets Authority (ESMA) November 18, 2021	<p>ESMA proposes changes to scope of clearing and derivative trading obligations for benchmark transition</p> <p>ESMA has published a final report on the clearing (CO) and derivative trading (DTO) obligations to accompany the benchmark transition. It proposes draft regulatory technical standards (RTS) to change the scope of the CO and DTO for OTC interest rate derivatives (IRD) denominated in EUR, GBP, JPY and USD, as part of the transition away from EONIA and LIBOR and onto alternative benchmarks, primarily Risk-Free Rates such as €STR.</p> <p>More information, including a link to the report, is available here.</p>

<p>European Banking Authority (EBA)</p> <p>November 12, 2021</p>	<p>EBA sets prudential supervisors examination program for 2022</p> <p>The EBA has published the European Supervisory Examination Program (ESEP) for 2022. It identifies key topics for supervisory attention across Europe. The program aims to inform supervisors' planning processes and to shape their supervisory practices.</p> <p>More information, including a link to the program, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>November 12, 2021</p>	<p>The EBA sets first examination program for resolution authorities</p> <p>The EBA has published a European Resolution Examination Program (EREP) for 2022, which identifies key topics for resolution authorities' attention across the European Union. The program mirrors the European Supervisory Examination Program (ESEP) that has applied to prudential supervision in recent years.</p> <p>The press release is available here.</p>
<p>Basel Committee on Banking Supervision (BCBS)</p> <p>November 11, 2021</p>	<p>BCBS finalizes revisions to market-risk disclosure requirements and voluntary disclosure of sovereign exposures</p> <p>The BCBS has issued its market risk disclosure requirements to reflect changes to the minimum capital requirements for market risk, which as published in January 2019. The BCBS also published its final standards for the voluntary disclosure of sovereign exposures. The final standards comprise three templates covering disclosure of sovereign exposures and risk-weighted assets by jurisdictional breakdown, currency breakdown, and according to the accounting classification of the exposures.</p> <p>The press release, including links to the revisions and standards, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>November 11, 2021</p>	<p>EBA consults on machine learning for internal ratings-based models</p> <p>The EBA has published a discussion paper on machine learning used in the context of internal ratings-based (IRB) models to calculate regulatory capital for credit risk. The paper sets supervisory expectations on how new sophisticated machine learning models can coexist with and adhere to the Capital Requirements Regulation when used in the context of IRB models. It is the first step to engage the industry and the supervisory community to investigate the possible use of machine learning in the context of IRB models.</p> <p>More information is available here.</p>

European Banking Authority (EBA)	EBA publishes guidance on authorization-granting process for credit institutions
November 11, 2021	<p>The EBA has published the final report on its guidelines on a common assessment methodology for granting authorization as a credit institution. The guidelines covers the authorization requirements set out in the Capital Requirements Directive and advocate for a risk-based approach.</p> <p>More information is available here.</p>
European Banking Authority (EBA)	EBA issues requirements on institution's Pillar 3 disclosure of interest rate risk exposures
November 10, 2021	<p>The EBA has published draft implementing technical standards on Pillar 3 disclosure of institutions' exposures to interest rate risk on positions not held in the trading book (IRRBB). The draft includes comparable disclosures that will help stakeholders to assess the IRRBB risk management framework of institutions and the sensitivity of institutions' economic value of equity and net interest income to change in interest rates.</p> <p>More information is available here.</p>
European Securities and Markets Authority (ESMA)	ESMA publishes technical standards on crowdfunding
November 10, 2021	<p>The ESMA has published its final report on regulatory and implementing technical standards under the European Crowdfunding Service Provider Regulation (ECSPR). As the ECSPR entered into force on November 10, 2021, ESMA decided to deliver on all 12 technical mandates simultaneously in order to provide guidance to competent authorities and stakeholders.</p> <p>More information, including a link to the report, is available here.</p>
European Banking Authority (EBA)	EBA publishes guidelines on recovery plan indicators
November 9, 2021	<p>The EBA has published guidelines on recovery plan indicators to establish a common EU approach for developing the framework of recovery plan indicators, providing additional guidance on indicators calibration, monitoring and breaches notifications. The main objective of recovery plan indicators is to help institutions monitor and respond to the emergence and evolution of stress. The guidelines also strengthen the quality of the recovery indicators framework, while contributing to effective crisis preparedness of institutions.</p> <p>More information is available here.</p>

European Central Bank (ECB)	ECB issues opinion on proposed European green bonds regulation
November 5, 2021	<p>The ECB has issued an opinion on the EU Commission's proposal for a regulation on European green bonds. The ECB welcomes the scope of the proposed regulation, which covers issuers that are financial and non-financial undertakings, sovereign issuers, and issuers of covered bonds and of securitizations.</p> <p>More information is available here.</p>
European Banking Authority (EBA)	EBA publishes final draft technical standards on assessing minimum LGD values for exposures secured by immovable property
November 5, 2021	<p>The EBA has published its final draft Regulatory Technical Standards, specifying the types of factors and conditions to be considered when assessing the appropriateness of risk weights and of minimum loss given default (LGD) values. It will support relevant authorities across the EU members states in carrying out their periodical assessments, by striking the right balance between ensuring coherence and harmonization of their assessments and preserving the necessary flexibility.</p> <p>More information is available here.</p>
European Banking Authority (EBA)	EBA consults on draft technical standards for initial margin model validation under EMIR
November 4, 2021	<p>The EBA has launched a public consultation on its draft regulatory technical standards for validation of initial margin models under the European Markets Infrastructure Regulation (EMIR). The consultation paper sets out the supervisory procedures for initial and ongoing validation of initial margin models. This ensures harmonized supervisory procedures and an appropriately prudent approach to the level of initial margins for EU derivatives counterparts.</p> <p>More information is available here.</p>
Financial Stability Board (FSB)	FSB highlights implementation progress and gaps on effective compensation practices in financial institutions
November 4, 2021	<p>The FSB has published a progress report on the implementation of its principles for sound compensation practices (Principles) and their implementation standards (Standards) in financial institutions. The report covers the practices of the largest financial institutions in the banking, insurance and asset management sectors. It highlights uneven progress toward implementing the Principles and Standards, with banks relatively more advanced than insurance and asset management firms. This may reflect the more pressing need for banks to align compensation with risk-taking following the 2008 global financial crisis.</p> <p>More information, including the progress report, is available here.</p>

<p>European Insurance and Occupational Pensions Authority (EIOPA)</p> <p>November 3, 2021</p>	<p>EIOPA updates representative portfolios to calculate volatility adjustments to Solvency II risk-free interest rate term structures for 2022</p> <p>EIOPA has published updated representative portfolios that will be used for calculating volatility adjustments (VA) to the relevant risk-free interest rate term structures for Solvency II. It will begin using the updated portfolios for calculating VA at the end of March 2022. The representative portfolios are being published now to allow (re)insurers sufficient preparation time.</p> <p>The press release is available here.</p>
<p>International organization of securities commissions (IOSCO)</p> <p>November 2, 2021</p>	<p>IOSCO publishes recommendations on sustainability-related regulatory and supervisory expectations in asset management industry</p> <p>The IOSCO has published its final report on recommendations for sustainability-related practices, policies, procedures and disclosure in the asset management industry. The report aims to improve these fields through five recommendations for securities regulators and policymakers. The recommendations should provide a list of potential areas for consideration as regulators and policymakers consider developing sustainability-related rules and regulations, consistent with their mandates and domestic regulatory framework.</p> <p>More information is available here.</p>
<p>Financial Stability Board (FSB)</p> <p>November 1, 2021</p>	<p>FSB reports on non-bank financial intermediation</p> <p>The FSB has published a report on its the progress over the past year and planned work to enhance the resilience of non-bank financial intermediation (NBFi). The report was delivered to G20 Leaders ahead of their October 2021 summit. The report provides an overview of the NBFi ecosystem and a framework for analyzing the availability of liquidity and its effective intermediation under stressed market conditions.</p> <p>More information, including the report, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>October 28, 2021</p>	<p>ESMA addresses investment recommendations made on social media platforms</p> <p>The ESMA has issued a public statement on investment recommendations made on social media. It sets out what comprises an investment recommendation, how to post them on social media platforms as well as the consequences of possible breaches of the EU Market Abuse Regulation. Due to a rise in investment recommendations on social media and a concern that retail investors are not aware of the risks associated with following such recommendations, ESMA considers that these recommendations must be made and disseminated in an objective and transparent way.</p> <p>More information, including the link to the statement, is available here.</p>

European Banking Authority (EBA)	EBA consults on amendments to its RTS for strong customer authentication and secure communication
October 28, 2021	<p>The EBA has launched a consultation on the amendment of its regulatory technical standards (RTS) for strong customer authentication and secure communication under the Payment Services Directive (PSD2) with regard to the 90-day exemption from strong customer authentication (SCA) for account access.</p> <p>The proposed amendment aims to address a number of issues that the EBA identified in the application of the exemption, particularly in cases where account servicing payment service providers across EU member states have not made use of the exemption and request SCA for each account access, or where they request SCA more frequently than every 90 days, as permitted by the RTS.</p> <p>More information is available here.</p>
European Commission	EU Commission adopts new EU banking rules package
October 27, 2021	<p>The European Commission has adopted a review of EU banking rules (Capital Requirements Regulation and Capital Requirements Directive). The new rules are aimed at assuring that EU banks become more resilient to potential future economic shocks and that they contribute to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality.</p> <p>More information is available here.</p>
International Organization of securities commissions (IOSCO)	IOSCO updates outsourcing principles to ensure operational resilience
October 27, 2021	<p>The IOSCO has published a set of updated outsourcing principles for regulated entities that outsource tasks to service providers. The updated Principles on Outsourcing are based on the earlier Outsourcing Principles for Market Intermediaries and for Markets, but their application has been expanded and now includes trading venues, intermediaries market participants acting on a proprietary basis and credit rating agencies.</p> <p>More information is available here.</p>

<p>Financial Stability Board (FSB)</p> <p>October 27, 2021</p>	<p>FSB publishes 2021 annual report</p> <p>The FSB has published its 2021 annual report, which was delivered to the G20 leaders ahead of their October 2021 summit. It describes the FSB's work to promote global financial stability. Among other things, the report notes that the outlook for financial stability continues to be dominated by the COVID-19 pandemic. In addition, it highlights financial vulnerabilities related to stretched asset valuations and high nonfinancial sector debt, stemming from a combination of pronounced economic uncertainty, easy financing conditions, and continued policy support.</p> <p>More information, including the link to the report, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>October 22, 2021</p>	<p>EBA publishes final draft RTS on alternative standardized approach for market risk as part of its FRTB roadmap</p> <p>The EBA has published its final draft regulatory technical standards (RTS) on gross jump-to-default (JTD) amounts and on residual risk add-on (RRAO). The final draft RTS provide technical specifications for implementing these two elements of the alternative standardized approach for market risk and form a part of the phase 3 deliverables of the EBA roadmap for the new market and counterparty credit risk approaches. The final draft RTS on gross JTD amounts specify the key details needed to compute the own funds requirements for default risk. The draft RTS on RRAO clarify the scope of the RRAO, i.e. which instruments require determination of the own funds requirements for residual risks.</p> <p>More information, including the link to the draft, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>October 19, 2021</p>	<p>EBA publishes final draft regulatory technical standards on disclosure of investment policy by investment firms</p> <p>The EBA has published new regulatory technical standards (RTS) on for investment firms disclosing their investment policy. The final draft RTS includes comparable disclosures to help stakeholders understand an investment firm's influence over the companies in which it holds voting rights. It also shows the impact of investment firm policies on aspects such as governance or management of those companies.</p> <p>The press release is available here.</p>
<p>European Central Bank–Single Supervisory Mechanism (ECB–SSM)</p> <p>October 18, 2021</p>	<p>ECB Climate risk stress test 2022</p> <p>The ECB has published its methodological requirements for the stress test on climate risk for 2022. The note outlines the main characteristics of the 2022 climate risk stress test exercise and provides banks with guidance on how to conduct the exercise.</p> <p>The full stress test is available here.</p>

<p>European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA)</p> <p>October 18, 2021</p>	<p>Supervisory independence of competent authorities assessed</p> <p>The EBA, EIOPA and ESMA have published their individual reports on the supervisory independence of competent authorities (CAs) in their sectors. The reports point out that the independence of CAs is multifaceted and dependent on a number of legal, institutional, operational and cultural factors. The reports describe the current situation for CA's independence along the most important aspects, namely, operational, financial and personal independence, as well as accountability and transparency.</p> <p>More information, including links to the individual reports, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>October 14, 2021</p>	<p>EBA repeals its guidelines on the security of Internet payments under the former Payments Services Directive (PSD1)</p> <p>EBA has repealed its guidelines on the security of internet payments. The guidelines were issued before the revised Payments Services Directive (PSD2) came into force in 2016 and have since then been superseded by the PSD2 and the related EBA instruments developed in support of PSD2. As the revised Directive and the related EBA instruments incorporate, and also go beyond, the requirements set out in these guidelines, the EBA has decided to repeal them, and asked national competency authorities to take the corresponding steps that may be necessary at a national level.</p> <p>More information is available here.</p>
<p>European Banking Authority (EBA)</p> <p>October 14, 2021</p>	<p>EBA points to still-elevated benchmark rate transition risks</p> <p>The EBA has published a thematic note on the transition risks of benchmark rates like LIBOR (the London Interbank Offered Rate) and EONIA (the Euro Overnight Index Average)—two major benchmark interest rates that are close to being phased out. The EBA thematic note identifies pockets of transition risks for EU/EEA banks due to their significant exposures linked to LIBOR and EONIA rates.</p> <p>The press release with a link to the full thematic note is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>October 12, 2021</p>	<p>ESMA publishes final report for STS synthetic securitization notifications</p> <p>ESMA has submitted its final report on technical standards specifying content and format of the STS notification for on-balance sheet securitizations (synthetic securitizations) to the European Commission. The report largely reflects the original proposals included in May's consultation paper, and it aims to ensure consistency between STS notification frameworks for traditional and synthetic securitizations.</p> <p>The press release is available here.</p>

<p>Financial Stability Board (FSB)/ International Monetary Fund (IMF)</p> <p>October 8, 2021</p>	<p>FSB and IMF publish 2021 progress report on G20 Data Gaps Initiative</p> <p>The FSB and IMF have published their 2021 progress report on the implementation of the second phase of the G20 data gaps initiative (DGI-2). It provides an overview of the work to implement the DGI-2 recommendations on addressing data gaps identified after the global financial crisis.</p> <p>The press release with a link to the full report is available here.</p>
<p>European Banking Authority (EBA)</p> <p>October 7, 2021</p>	<p>EBA updates risk assessment indicators</p> <p>EBA has published an updated list of indicators for risk assessment and risk analysis tools, together with an accompanying methodological guide. The guidance describes how risk indicators are computed in EBA publications and allows competent authorities and users of EBA data to interpret key bank figures unitary when conducting their risk assessments and analyses.</p> <p>More information, including links to key documents, are available here.</p>
<p>Financial Stability Board (FSB)</p> <p>October 7, 2021</p>	<p>FSB publishes progress report on regulation, supervision and oversight of global stablecoin arrangements</p> <p>The FSB has published a report on the progress made in implementing its high-level recommendations for the regulation, supervision and oversight of “global stablecoin” arrangements. The report incorporates the results of a comprehensive stocktaking of how the FSB’s high-level recommendations are being implemented in 48 jurisdictions in the FSB and its regional consultative groups, covering 21 advanced economies and 27 emerging market and developing economies. The report notes that implementation is still in the early stages and that there are a number of issues that may require further consideration to support adoption and prevent regulatory arbitrage.</p> <p>The press release with a link to the full report is available here.</p>
<p>International Organization of Securities Commissions (IOSCO)/ Committee on Payments and Market Infrastructures (CPMI)</p> <p>October 6, 2021</p>	<p>CMPI and IOSCO publish report on application of principles for financial market infrastructures to stablecoin arrangements</p> <p>IOSCO and CPMI have published a report to provide guidance on the application of the principles for financial market infrastructures to systemically important stablecoin arrangements, including the entities integral to such arrangements.</p> <p>The full report can be available here.</p>

<p>European Banking Authority (EBA)</p> <p>October 5, 2021</p>	<p>EBA publishes its work program for 2022</p> <p>The EBA has published its annual work program for 2022, describing the activities and tasks of the authority as well as its key strategic areas of work for the coming year.</p> <p>More information, including the full 2022 work program, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>October 1, 2021</p>	<p>ESMA seeks stakeholder input on shaping advice on retail investor protection</p> <p>ESMA has published a call for evidence on certain retail investor protection topics under MiFID II. These views will feed into ESMA's technical advice to the European Commission (EC) on the development of its strategy for retail investment. The call for evidence aims to gather views and qualitative/quantitative information stakeholders may have on the topics covered by the EC's request for advice of July 27, 2021.</p> <p>More information is available here.</p>
<p>Financial Stability Board (FSB)</p> <p>September 30, 2021</p>	<p>FSB launches new financial stability surveillance framework</p> <p>The FSB has published a new financial stability surveillance framework. It supports the FSB's comprehensive, methodical and disciplined review of vulnerabilities thereby helping to identify and address new and emerging risks to financial stability.</p> <p>The press release with a link to the framework is available here.</p>
<p>European Insurance and Occupational Pensions Authority (EIOPA)</p> <p>September 30, 2021</p>	<p>EIOPA publishes approach for Interbank Offered Rates transitions</p> <p>EIOPA has published a report on its approach on implementation of Interbank Offered Rates (IBOR) transitions, including with regards to timing and implementation. EIOPA will implement the updated methodology for calculating risk-free interest rates as of January 2022 for the British pound, Swiss franc and Japanese yen. The report includes the outcome of the information request on the potential impact of IBOR transitions and the feedback received through the consultation paper by stakeholders.</p> <p>More information, including a link to the full report is available here.</p>

<p>European Securities and Markets Authority (ESMA)</p> <p>September 30, 2021</p>	<p>ESMA calls for legislative changes to improve access to and use of credit ratings</p> <p>ESMA has published an opinion recommending improvements to the access and the use of credit ratings in the EU. It highlights the difficulties experienced by users of credit ratings and recommends that the legislators change the CRA Regulation (Credit Rating Agencies Regulation) to take alternative legislative action to address these.</p> <p>The opinion points out that the usability of credit ratings is severely limited, as they cannot be accessed in a machine-readable format or downloaded in sufficient numbers to be used for regulatory purposes.</p> <p>More information is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>September 29, 2021</p>	<p>ESMA publishes MIFID II review report on algorithmic trading</p> <p>ESMA has published the MiFID II/MiFIR review report on algorithmic trading. It concludes that no fundamental issues have emerged with respect to the MiFID II algorithmic trading regime, which overall has delivered on its objectives. ESMA nevertheless makes some recommendations which aim at both simplifying the regime and making it more efficient. The report therefore includes some proposals to the European Commission on targeted Level 1 amendments.</p> <p>More information, including a link to the report, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>September 29, 2021</p>	<p>EBA publishes regular monitoring report on Basel III's full implementation in EU</p> <p>The EBA has published its regular monitoring report on full implementation in the EU of the final Basel III reforms by 2028: The full implementation would result in an average increase of 13.7 percent on the current Tier 1 minimum required capital of EU banks. The overall impact reflects the economic impact of the COVID-19 pandemic on participating banks that materialized up to December 2020, the reference date of this report.</p> <p>More information including a link to the full report, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>September 28, 2021</p>	<p>ESMA to focus on supervision, sustainability, digitalization and capital markets union in 2022</p> <p>ESMA has published its 2022 Annual Work Program (AWP), setting out its priority work areas for the next 12 months to deliver on its mission to enhance investor protection and promote stable and orderly financial markets.</p> <p>More information, including a link to the 2022 AWP, is available here.</p>

<p>European Securities and Markets Authority (ESMA)</p> <p>September 24, 2021</p>	<p>ESMA publishes letter to EC recommending delay to buy-in rules</p> <p>ESMA has published a letter to the European Commission (EC) regarding implementation of the Central Securities Depositories Regulation (CSDR), urging it to consider a delay of the mandatory buy-in regime.</p> <p>More information, including a link to ESMA's letter to the EC, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>September 24, 2021</p>	<p>ESMA consults on short-selling regulation review</p> <p>ESMA has launched a consultation paper (CP) on the review of the Short Selling Regulation. The CP sets out suggestions for operational improvements and policy clarifications and also contains an empirical analysis of the impact of the short selling bans adopted after COVID-19 outbreak.</p> <p>More information, including a link to the CP, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>September 24, 2021</p>	<p>ESMA consults on proposals for review of MiFID II best-execution reporting regime</p> <p>ESMA has launched a consultation paper (CP) on proposals for improvements to the MiFID II framework on best execution reports. These proposals aim at ensuring effective and consistent regulation and supervision and enhancing investor protection. ESMA's proposals include technical changes to the reporting obligations for execution venues and to the reporting requirements for firms. In addition, it proposes amendments to the relevant provisions of the MiFID II legislative framework to enable these technical changes to come into effect in the future.</p> <p>More information, including a link to the CP, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>September 21, 2021</p>	<p>EBA publishes report on digital platform use across EU banking and payment sector</p> <p>EBA has published a report on the platformization of the EU banking and payments sector. It identifies a rapid growth in the use of digital platforms as a bridge between customers and financial institutions—a trend expected to accelerate in line with the wider trend toward the digitization of the financial sector. The platformization presents opportunities for both EU customers and financial institutions, while new forms of financial, operational and reputational interdependencies are emerging as well. The EBA sets out steps to strengthen supervisory capacity to monitor market developments.</p> <p>More information, including a link to the full report, is available here.</p>

<p>Basel Committee on Banking Supervision (BCBS)</p> <p>September 20, 2021</p>	<p>BCBS publishes newsletter on cyber security</p> <p>The Basel Committee on Banking Supervision has published a newsletter calling for increased efforts to improve banks’ resilience to cyber threats. The committee also discussed climate-related financial risks and the impact of the ongoing digitalization of finance on the banking system.</p> <p>For more information, click here.</p>
<p>European Banking Authority (EBA)</p> <p>September 15, 2021</p>	<p>EBA publishes revised guidelines on stress tests of deposit guarantee schemes (DGSs)</p> <p>The EBA has published its revised guidelines on the stress tests conducted by national DGSs under the Deposit Guarantee Schemes Directive (DGSD). The revised guidelines extend the scope of the DGS stress testing, by requiring more tests in comparison with the past guidelines and by covering all the legal missions entrusted to the DGSs. The revisions aim to consolidate depositors’ confidence about the ability of their national DGS(s) to promptly repay their funds in the event of a banking failure, and it intends to lead to greater harmonization and comparability of stress test results, which will enable the EBA to carry out a robust peer review of national DGS stress tests in 2025.</p> <p>More information, including a link to the guidelines, is available here.</p>
<p>European Banking Authority (EBA)</p> <p>September 15, 2021</p>	<p>EBA publishes final guidance to assess breaches in large exposure limits</p> <p>The EBA has published its final guidelines to define the criteria to assess the exceptional cases when institutions exceed the large exposure limits. It also specifies the time and measures to return to compliance. The guidelines are intended to support competent authorities in their assessment of the breaches of the large exposure limits set in the Capital Requirements Regulation (CRR). Furthermore, it aims to ensure the CRR is applied in a prudent and harmonized manner—while keeping the approach simple—which ultimately, leads to a level playing field across the single market.</p> <p>More information, including links to key documents, are available here.</p>
<p>European Insurance and Occupational Pensions Authority (EIOPA)</p> <p>September 13, 2021</p>	<p>EIOPA publishes criteria for independence of supervisory authorities</p> <p>EIOPA has published its criteria for assessing the independence of supervisory authorities. The criteria provide clarity for supervisory authorities on EIOPA’s expectations. Taking on board the relevant articles in the Solvency II and IORP II Directive, international standards and supervisory experiences, they specify further the principles of operational, financial and personal independence as well as transparency and accountability.</p> <p>More information, including a link to the paper is available here.</p>

<p>European Securities and Markets Authority (ESMA), European Insurance and Occupational Pensions Authority (EIOPA), European Banking Association (EBA)</p> <p>September 8, 2021</p>	<p>EU Financial supervisory bodies highlight risks in phasing out crisis measures, call on financial institutions to adapt to increasing cyber risks</p> <p>The EBA, EIOPA and ESMA have issued their second joint risk assessment report for 2021. The report highlights the increasing vulnerabilities across the financial sector, the rise seen in terms of cyber risk and the materialization of event-driven risks. In light of these risks and uncertainties, they advise national competent authorities, financial institutions and market participants to take policy actions which are the described in the report.</p> <p>More information, including a link to the report, can be found here.</p>
<p>European Banking Authority (EBA)</p> <p>September 6, 2021</p>	<p>EBA publishes annual update on EU banks funding plans</p> <p>The EBA published its annual update on EU banks' funding plans, which helps EU supervisors assess the sustainability of banks' main sources of funding. The report shows the impact the COVID-19 pandemic has had on EU banks' funding composition. The funding plans point to a gradual normalization of banks' sources of funding over the next three years. This implies, in particular, a partial replacement of central-bank funding with market-based funding.</p> <p>More information, including a link to the update, is available here.</p>
<p>European Securities and Markets Authority (ESMA)</p> <p>September 1, 2021</p>	<p>ESMA sees risks of market corrections in uneven recovery</p> <p>ESMA has published its second Trends, Risks and Vulnerabilities (TRV) Report of 2021. It highlights the continued rise in valuations across asset classes in an environment of economic recovery and low interest rates, the increased risk taking of investors and the materialization of event risks such as GameStop, Archegos and Greensill.</p> <p>More information, including a link to the report, can be found here.</p>

Key Regulatory Developments in the Czech Republic

Source/Date	Brief description
Czech National Bank (CNB) November 10, 2021	<p>October 2021 inflation slightly above CNB forecast—well above tolerance band upper boundary</p> <p>According to figures released on November 10, 2021, the price level increased by 5.8 percent year on year in October 2021. Inflation thus accelerated further, significantly exceeding the upper boundary of the tolerance band around the CNB's target. Consumer prices, adjusted for the first-round effects of changes to indirect taxes, rose by 5.6 percent year on year in October.</p> <p>Annual consumer price inflation in October was 0.3 percent higher than the CNB's autumn forecast. This deviation is due to a bigger rise in core inflation—the change in cost of goods and services, excluding food and energy sectors. Growth in imputed rent recorded an unexpectedly strong acceleration within core inflation. The CNB's autumn forecast had flagged this as one of its inflationary risks. In addition, administered prices increased markedly faster, reflecting a forced migration of some households to electricity and gas suppliers of last resort. The CNB's autumn forecast had not expected the Czech Statistical Office to capture this extraordinary and temporary effect in inflation. By contrast, growth in food prices did not pick up any further in October, so their contribution to inflation was thus lower than forecasted. The forecast for fuel prices materialized. Indirect taxes were unchanged in October.</p> <p>Full press release available here.</p>

Chamber of Deputies,
Parliament of the
Czech Republic

2021

October elections delay passage of EU crowdfunding and Capital Markets Union legislation

As a result of the October 2021 parliamentary elections, changes to existing financial market laws related to crowdfunding and reflecting applicable EU regulations are delayed.

The European Parliament approved Regulation (EU) 2020/1503 of the European Parliament and of the Council of October 7, 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the Regulation). The Regulation became applicable on November 10, 2021 and it is therefore directly applicable in the Czech Republic.

The Government of the Czech Republic submitted a bill to the Chamber of Deputies on December 28, 2020 amending certain financial market laws, in particular, in connection with implementing European Union regulations relating to the Capital Markets Union, including the Regulation. However, this bill failed to pass through the legislative process before the October 2021 elections.

The legislative process of the bill was terminated at the end of the parliamentary term. It will now have to be re-submitted to the Parliament.

Full overview (in Czech) available [here](#).

Ministry of Finance of
the Czech Republic

October 5, 2021

Czech Republic supports draft declaration by France for common European approach to addressing jump in energy prices

At the regular Ecofin Council in Luxembourg, the French Minister of Finance presented a call for joint action to address the rapid rise in energy prices. The Czech Republic, together with other countries, supported the call. The joint declaration calls for a gradual reduction in the EU's dependence on energy imports and for greater efforts to achieve Union-wide energy self-sufficiency through investment in the diversification of local energy sources. The document also calls for greater regulation of the market for emission allowances in order to reduce energy-price volatility and ensure the predictability in the price development of allowances.

The full press release is available [here](#) (in Czech).

Chamber of Deputies
of the Czech Republic

October 1, 2021

Amendment to Act on Banks implementing CRD V Directive is published—aims to reduce risk and strengthen banking sector

On September 30, 2021, Act No. 353/2021 Coll—which changes certain provisions to the Act on Banks—was published in the Collection of Laws (the Amendment). With effect from October 1, 2021, the Amendment has as a primary objective to reduce risks and improve the resilience of the banking sector. Of key importance, the amendment:

- Modifies the rules for calculating the capital requirement at the Pillar 2 level
- Adjusts capital reserves
- Newly obliges large groups outside the EU with at least two subsidiaries in the EU to establish an “intermediate controlling entity”
- Changes the regulation of financial holding companies and mixed financial holding companies—certain prudential requirements must now be transferred on a consolidated basis
- Imposes a new remuneration regulation aimed primarily at taking into account the principle of proportionality.

To reflect the Amendment’s changes in secondary legislation, the Czech National Bank issued Decree no. 354/2021 Coll., on the performance of the activity of banks, credit unions and investment firms.

Full text of Act No. 298/2021 Coll. available [here](#) (in Czech).

Full text of Decree no. 354/2021 Coll. available [here](#) (in Czech).

Key Regulatory Developments in Germany

Source/Date	Brief description
Federal Financial Supervisory Authority (BaFin) November 15, 2021	<p>BaFin publishes insurance statistics for 2020</p> <p>BaFin has published the 2020 primary insurance statistics in tabular form. The tables contain statistics on the status and development of German primary insurers and pension funds as well as the branches of insurance companies domiciled outside the member states of the European Economic Area that require a license to operate in Germany.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin) November 10, 2021	<p>BaFin fully implements revised EBA guidelines on money laundering and terrorist financing</p> <p>The BaFin fully implements the revised guidelines of the European Banking Authority (EBA) on risk factors for money laundering and terrorist financing (GW/TF, Risk Factors Guidelines). The guidelines are intended for the financial industry and supervisory authorities. In the revised guidelines, the EBA sets out the risk factors that firms should consider when assessing money laundering and terrorist financing. It also sets out to what extent firms should adapt their customer due diligence procedures to match the identified AML/CFT risk.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin) November 10, 2021	<p>BaFin publishes circular on high-risk third countries.</p> <p>The BaFin has published its circular 15/2021 (GW), which provides information about high-risk countries, i.e. those countries with strategic deficiencies in their systems related to the fight against money laundering and terrorist financing. These deficiencies pose significant risks to the international financial system.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin) November 4, 2021	<p>BaFin repeals circular on minimum requirements for security of internet payments</p> <p>The BaFin has repealed the circular on the minimum requirements for Internet payment security, since these requirements have been entirely replaced by the revised German Payment Services Supervision Act (Zahlungsdienstaufsichtsgesetz (ZAG)) and by additional, more specific, regulations.</p> <p>More information (in German) is available here.</p>

<p>Federal Financial Supervisory Authority (BaFin)</p> <p>October 28, 2021</p>	<p>BaFin updates interpretation and application guidance in relation to German Money Laundering Act</p> <p>The BaFin has updated its interpretation and application guidance for the German Money Laundering Act in light of the statutory amendments to the Money Laundering Act that entered into force on August 1, 2021. An additional reason for the update is the publication of interpretation and application guidance—the special section for credit institutions—in June 2021.</p> <p>The press release (in German) is available here.</p>
<p>Federal Financial Supervisory Authority (BaFin)</p> <p>October 26, 2021</p>	<p>BaFin consults on audit regulation</p> <p>The BaFin has issued a draft regulation for consultation on the more detailed structuring of audits in accordance with sec. 32f of the German Securities Trading Act (Wertpapierhandelsgesetz (WpHG)) for crowdfunding service providers within the meaning of Regulation (EU) 2020/1503. With the planned regulation, BaFin, in coordination with the Federal Ministry of Finance, intends to further specify key aspects of the audit procedures provided by Sec. 32f WpHG.</p> <p>More information (in German) is available here.</p>
<p>Federal Financial Supervisory Authority (BaFin)</p> <p>October 21, 2021</p>	<p>BaFin publishes a new FAQ on prospectuses for asset investments and asset investment information sheets (VIB)</p> <p>The revised FAQ is intended to answer questions from market participants that have arisen as a result of the amended German Investment Schemes Act (<i>VermAnlG</i>). The amendments came into force on August 17, 2021 and aim to further improve investor protection (<i>Anlegerschutzstärkungsgesetz, AnlSchStG</i>).</p> <p>More information (in German) is available here.</p>
<p>Federal Financial Supervisory Authority (BaFin)</p> <p>October 2021</p>	<p>BaFin publishes monthly journal</p> <p>Topics in this issue include:</p> <ul style="list-style-type: none"> • A press conference of State Secretary Dr. Jörg Kukies and BaFin President Mark Branson on the BaFin modernization project • Sustainable Finance Survey • IT supervision at banks • Second amendment to MaBail-in <p>The full BaFin journal (in German) is available here.</p>

Federal Financial Supervisory Authority (BaFin)	BaFin publishes extended circular on minimum requirements for implementing bail-in
October 5, 2021	<p>BaFin has published an extended circular on the minimum requirements for information systems for the feasibility of a bail-in (MaBail-In). The MaBail-in now basically also include institutes and group companies for which the resolution plan does not provide for any resolution measures. The requirement is that they are part of a resolution group or relevant subsidiaries from third countries.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin)	BaFin issues statement on entry into force of amended Solvency Regulation
October 4, 2021	<p>BaFin has issued a statement that as of September 25, 2021 a new version of the Solvency Regulation (<i>Solvabilitätsverordnung, SolvV</i>) has come into force. Among other things, it creates the legal basis for calculating the capital buffer for systemic risks. Background is the requirements of the fifth European capital adequacy directive (CRD V), which was implemented into German law by the risk reduction act (RIG) at the end of 2020.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin)	BaFin applies ESMA guidelines on marketing communications for funds distribution
September 27, 2021	<p>BaFin has announced that it will apply the ESMA guidelines on marketing communications under the Regulation on cross-border distribution on funds in its supervisory practice. These are intended to ensure that marketing communications are recognizable as such and, among other things, fair, clear and not misleading.</p> <p>More information (in German) is available here.</p>
Federal Financial Supervisory Authority (BaFin)	BaFin publishes guidance notice on suspension of trading on systems not operated by a stock-exchange in resolution
September 20, 2021	<p>BaFin has published a guidance notice on the suspension and cessation of trading of securities of a financial institution in resolution by a systematic internalizer and by multilateral and organized trading systems that are not operated by a stock exchange.</p> <p>More information (in German) is available here.</p>

Federal Financial
Supervisory Authority
(BaFin)

September 9, 2021

BaFin publishes new reporting requirements on investments for pension funds and small insurance companies

BaFin has announced two collective rulings on reporting requirements at the end of July. The “collective ruling of July 28, 2021 regarding the reporting requirements of insurance companies on their investments” is aimed at pension funds and small insurance companies and replaces the collective ruling of June 21, 2011. It contains instructions on the mandatory reports on capital investments, book and current values as well as hidden reserves and hidden charges.

More information, including the collective rulings, (in German) is available [here](#).

Federal Financial
Supervisory Authority
(BaFin)

September 2021

Publication of monthly journal from BaFin

Topics (selection): digitization and processing planning / change in the BaFin board of directors / BaFin Consumer Protection Officer/ Consumer protection in prospectus law.

The full journal (in German) is available [here](#).

Key Regulatory Developments in Italy

Source/Date	Brief description
Bank of Italy November 11, 2021	Bank of Italy publishes communication on securitizations Safeguard measures that should be adopted when carrying out servicing activities have been set out in “Servicers in securitization transactions. Profiles of risk and supervisory guidelines,” a communication published by the Bank of Italy. For further information (in Italian) click here .
Bank of Italy November 10, 2021	FinTech Regulatory Sandbox opens The first window for submitting applications for admission to the FinTech Regulatory Sandbox opened on November 15, 2021 and will close on January 15, 2022. In the first window there are no limitations in terms of maximum number and thematic area for projects. The Bank of Italy published the implementing regulation on November 10, 2021, the “Regulation governing the administrative procedures and procedural steps falling within competence of the Bank of Italy, pursuant to article 36, paragraph 2-bis et seq. of Decree-Law no. 34 of April 30, 2019, converted, with amendments, by Law No. 58 of June 28, 2019.” For further information (in Italian) click here .
Consob November 8, 2021	Consob publishes regulation on FinTech Regulatory Sandbox The Italian companies and exchange commission (Consob) has published the regulation governing the procedures for adopting the measures provided for by Ministerial Decree no. 100/2021 establishing the FinTech Regulatory Sandbox. The first window for submitting applications for admission to the FinTech Regulatory Sandbox starts on November 15, 2021 and will close on January 15, 2022. For further information click here .

<p>Institute for the Supervision of Insurance (IVASS)</p> <p>November 5, 2021</p>	<p>IVASS publishes regulation on FinTech Regulatory Sandbox</p> <p>IVASS has published Regulation no. 49/2021 governing the procedures for adopting the measures provided for by Ministerial Decree no. 100/2021 establishing the FinTech Regulatory Sandbox.</p> <p>The first window for submitting applications for admission to the FinTech Regulatory Sandbox starts on November 15, 2021 and will close on January 15, 2022.</p> <p>For further information click here.</p>
<p>Bank of Italy</p> <p>November 4, 2021</p>	<p>Update to Circular on minimum reserve requirements published</p> <p>The Bank of Italy has published the first update to Circular no. 314 on minimum reserve requirements—provisions for subject intermediaries. It concerns, in particular, provisions relating to (i) the application of minimum reserve requirements, (ii) non-compliance with the minimum reserve requirements and sanctions, and (iii) administrative measures.</p> <p>For further information (in Italian) click here.</p>
<p>Bank of Italy</p> <p>November 2, 2021</p>	<p>Update to instructions on financial statements of IFRS intermediaries published</p> <p>The Bank of Italy has updated the instructions relating to financial statements of IFRS intermediaries other than banking intermediaries.</p> <p>The instructions apply to financial statements for the year ended or in progress as at December 31, 2021 regarding the financial statements of IFRS intermediaries that are other than banking intermediaries.</p> <p>For further information (in Italian) click here.</p>
<p>Bank of Italy</p> <p>October 29, 2021</p>	<p>Update to Circular on banks' financial statements published</p> <p>The Bank of Italy has published the seventh update to Circular no. 262 <i>"Banks' financial statements: layouts and preparation."</i> It aligns financial statement disclosures with the consolidated supervisory financial reports harmonized at the EU level (FINREP).</p> <p>These amendments apply to financial statements closed or in progress as at December 31, 2021.</p> <p>For further information (in Italian) click here.</p>

Bank of Italy	Communication on major incidents reporting under PSD2 published
October 29, 2021	<p>The Bank of Italy has published a communication concerning the implementation for payment service providers of the EBA's Guidelines on major incident reporting under Directive (EU) 2015/2366 (PSD2).</p> <p>For further information (in Italian) click here.</p>
Bank of Italy	Application form for FinTech Regulatory Sandbox published
October 29, 2021	<p>The Bank of Italy has published the application form for admission to the FinTech Regulatory Sandbox. It also provides a few examples of the criteria for admissions as well as FAQs.</p> <p>For further information (in Italian) click here.</p>
Bank of Italy	Communication on collection of granular credit and credit risk data published
October 29, 2021	<p>The Bank of Italy has published a notice listing the deadlines by which intermediaries must submit granular credit data (known as <i>Anacredit</i>) for 2022.</p> <p>For further information (in Italian) click here.</p>
Bank of Italy	Instructions for authorization to acquire a qualifying holding published
October 28, 2021	<p>The Bank of Italy has published "Instructions on the information and documents to be provided to the Bank of Italy in the request for authorization to acquire a qualifying holding."</p> <p>The instructions become effective on April 1, 2022 and apply to requests for authorization submitted to the Bank of Italy on or after that date.</p> <p>For further information (in Italian) click here.</p>
Consob IVASS	IVASS and Consob sign framework agreement to strengthen mutual collaboration and coordination of activities
October 22, 2021	<p>Consob and IVASS signed a framework agreement for collaboration and coordination in their respective supervising activities.</p> <p>The agreement strengthens, in concert with constantly evolving European legislation, cooperation to improve effectiveness and efficiency of the two authorities in guaranteeing investor protection and adequate protection of policyholders as well as stability of the financial and insurance system.</p> <p>Specific measures to be taken under this agreement are detailed in the press release of Consob (in English), available here.</p>

Bank of Italy	Bank of Italy publishes update to Central Credit Register instructions
October 14, 2021	<p>The Bank of Italy published the 20th update to its Circular of February 11, 1991, no. 139—"Central Credit Register: Instructions for credit intermediaries."</p> <p>For further information (in Italian), click here.</p>
Bank of Italy	COVID-19—consultation launched on amendments to IAS/IFRS
October 14, 2021	<p>The Bank of Italy launched a consultation with the market in connection with the following documents relating to the effect of COVID-19 on the economy and related support measures and amendments to IAS/IFRS:</p> <ul style="list-style-type: none"> • Communication dated December 15, 2020 "Supplements to the provisions of Circular no. 262—Banking Financial Statements: formats and compilation rules" • Communication dated January 27, 2021 "Supplements to provisions of the provision—Financial statements of IFRS intermediaries other than banking intermediaries". <p>For further information (in Italian), click here.</p>
Consob	Guidance published on prospectus approval process
October 8, 2021	<p>Consob published a guidance on the scrutiny and approval process for prospectuses. The guidance is intended to facilitate efficient and timely approval of prospectuses as well as to provide support to external parties throughout the necessary formalities of filing.</p> <p>For further information, click here.</p>
Consob	Market consult begins for prospectus regulation
October 8, 2021	<p>Consob launched a consultation with the market in connection with changes to be made to the Issuers' Regulation (Consob Regulation no. 11971/1999). The changes are to implement European prospectus regulations that were recently amended by certain provisions of Regulation (EU) 2017/1129, relating to the publishing of prospectuses for a public offer or for the admission to trading of securities on a regulated market.</p> <p>For further information, click here.</p>
IVASS	IVASS publishes measure on supervisory fee
October 6, 2021	<p>IVASS published measure no. 113 concerning the methods and terms for payment of a supervisory fee to be paid by EEA insurance undertakings operating in Italy under the right of establishment or the freedom to provide services.</p> <p>For further information (in Italian), click here.</p>

Bank of Italy	FinTech Sandbox first window for submission announced
Consob	<p>Following the entry into force of the decree of the Ministry of Economy and Finance of April 30, 2021, no. 100, which governs the procedures for carrying out in Italy experimentation with techno-finance activities (FinTech), the Bank of Italy, Consob and IVASS established that the first-time window for the submission of applications for admission to the regulatory sandbox will be open from November 15, 2021 to January 15, 2022.</p> <p>For further information, click here.</p>
IVASS	
September 30, 2021	
IVASS	IVASS publishes letter to market on Infostat OTP postponement
September 29, 2021	<p>IVASS published a letter to the market on postponing the introduction of the Infostat One-Time Password (OTP), specifying that it had become necessary to extend until November 9, 2021 the period of use of the simplified procedure for verifying and procedure for checking and updating mobile phone numbers.</p> <p>For further information (in Italian) click here.</p>
Consob	Consob to comply with ESMA guidelines—financial reporting
September 23, 2021	<p>Consob announced its intention to comply with ESMA's <i>"Guidelines for the implementation of financial reporting rules"</i> and to integrate them into its supervisory practices.</p> <p>For further information (in Italian), click here.</p>
IVASS	IVASS clarifies self-assessment and AML risk mitigation procedures
September 23, 2021	<p>IVASS provided clarification on the application of the Order of July 13, 2021, no. 111, laying down provisions on self-assessment and on anti-money laundering risk mitigation procedures.</p> <p>For further information (in Italian), click here.</p>

Key Regulatory Developments in Luxembourg

Source/Date	Brief description
CSSF ¹ November 19, 2021	<p>New registration form issued for meetings with the CSSF's department in charge of undertakings for collective investment (UCIs)</p> <p>As part of the meeting preparation, applicants will need to send the new form to the dedicated email address: meetings@cssf.lu.</p> <p>To access the new form, please click here.</p>
CSSF November 19, 2021	<p>Press release issued for UCIs and IFMs on imminent cessation of EONIA² and LIBOR³ benchmarks</p> <p>The CSSF expects undertakings for collective investments (UCIs) and investment fund managers (IFMs) to ensure that they have taken all necessary action toward a smooth transition to alternative rates, including implementing robust fallback provisions.</p> <p>To access the text of the press release, please click here.</p>
CSSF / BcL ⁴ November 3, 2021	<p>CSSF and BcL implement TIBER-EU framework in Luxembourg</p> <p>Threat intelligence-based ethical red teaming (TIBER) enables European and national authorities to work with financial institutions to put in place a program to test and improve their resilience against sophisticated cyber-attacks.</p> <p>To access the text of the TIBER-LU implementation guide, please click here.</p> <p>To access the text of the press release, please click here.</p>

¹ Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority.

² Euro OverNight Index Average.

³ London InterBank Offered Rate.

⁴ Banque centrale du Luxembourg, Luxembourg Central Bank.

<p>CSSF</p> <p>November 3, 2021</p>	<p>FAQs updated on Luxembourg law of December 17, 2010 relating to undertakings for collective investment (UCI Law) and on Regulation (EU) 2017/1131 on money market funds</p> <p>The FAQs clarify the new regulatory approach regarding the circumstances and extent to which Luxembourg UCITS¹ and money market funds (MMFs) can hold ancillary liquid assets, including certain aspects of the applicable diversification rules.</p> <p>UCITS and MMFs are expected to comply with these new requirements by 31 December 2022 at the latest.</p> <p>To access the text of the updated FAQs for UCITS, please click here.</p> <p>To access the text of the updated FAQs for MMFs, please click here</p>
<p>Government / Parliament</p> <p>October 28, 2021</p>	<p>Draft law n°7905 published on granting state guarantees to support credit lines obtained by Luxembourg Deposit Guarantee Fund (Fonds de garantie des dépôts Luxembourg (FGDL))</p> <p>The guarantees would support the FGDL in obtaining financing in cases of short-term needs to meet its obligations toward depositors in the event of a bank's bankruptcy. The draft law caps the aggregate amount of such guarantees to €1 billion.</p> <p>To access the text of the draft law (in French), please click here.</p>
<p>CSSF</p> <p>October 21, 2021</p>	<p>Working paper analyzes COVID-19's impact on large net redemptions (LNR) in Luxembourg investment fund market</p> <p>The working paper has produced the following notable results:</p> <ul style="list-style-type: none"> • Small leveraged funds with a concentrated investor basis and with poor past performance are more likely than others to have LNRs. • Most liquidity management tools are used as exceptional instruments. <p>To access the text of the working paper (in English), please click here.</p>

¹ Undertakings for Collective Investments in Transferable Securities.

<p>CSSF</p> <p>October 18, 2021</p>	<p>Conclusions published on agreed-upon procedures performed by external auditors in credit institutions on key IFRS 9¹ and credit risk-related requirements</p> <p>The credit institutions concerned have significant credit activity and publish their annual accounts in accordance with Lux GAAP². The CSSF recommended improvements be made in the following areas:</p> <ul style="list-style-type: none"> • Governance • Risk classification • Collateral valuations • Staging and provisioning. <p>The CSSF expects such credit institutions to review compliance of their policies and procedures in the light of these conclusions.</p> <p>To access the press release (in English), please click here.</p>
<p>CSSF</p> <p>October 20, 2021</p>	<p>Circular 21/785—prior approval of material IT outsourcing is replaced with obligation of prior notification</p> <p>In response of continuing outsourcing of material IT functions in the financial sector, supervised entities no longer require the prior approval of the CSSF for such outsourcing. The notification needs to be done three months in advance of outsourcing taking effect, reduced to one month when relying on a Support PFS³. During this period, the CSSF can raise objections and extend the deadline.</p> <p>Circular 21/785 amends circulars 12/552, 17/656, 20/758 and 17/654.</p> <p>To access the text of the circular (in French), please click here.</p>

1 International Financial Reporting Standard 9 addresses the accounting for financial instruments, in particular regarding classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

2 Generally Accepted Accounting Principles.

3 Support Professional of the Financial Sector licensed under articles 29-3, 29-5 and 29-6 of the Luxembourg law of 5 April 1993 on the financial sector (the “**1993 Law**”), i.e. IT systems and communication networks operators, dematerialization service providers and conservation service providers.

<p>CSSF</p> <p>October 1, 2021</p>	<p>Circular 21/784—new reporting requirements apply to investment firms</p> <p>This circular introduces the “Reporting Handbook for Investment Firms,” the purpose of which is to combine, in one document, the details regarding the content of the periodic prudential reporting of investment firms, consisting of the new IFR¹ reporting and the national reporting, as well as the relevant technical specifications. This handbook will be regularly updated.</p> <p>To access the text of the press release (in English), please click here.</p> <p>To access the text of the reporting handbook (in English), please click here.</p> <p>To access the text of the circular (in English), please click here.</p>
<p>CSSF</p> <p>September 23, 2021</p>	<p>Circular 21/781—mandatory use of IMAS Portal² for banking qualifying holding and passporting notifications is extended</p> <p>The IMAS Portal will be extended to the processing of passporting notifications from significant and less significant banks/groups and applications for the acquisition or increase of a qualifying holding in a significant or less significant banks/groups. Applications or notifications sent by mail or e-mail will no longer be accepted by the CSSF.</p> <p>To access the text of the circular (in English), please click here.</p>
<p>CSSF</p> <p>September 22, 2021</p>	<p>Investment fund managers (IFMs) invited to make performance fee model disclosures via eDesk³</p> <p>Following the adoption of ESMA’s⁴ guidelines on performance fees applicable to UCITS and certain types of AIFs^{5,6}, the CSSF requests IFMs to complete a questionnaire on performance fees via the eDesk application for their Luxembourg-based UCITS or AIFs.</p> <p>To access the text of the press release (in English), please click here.</p>

1 Regulation (EU) 2019/2033 of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014.

2 The IMAS Portal is a platform created by the European Central Bank (the “ECB”) with the support of national competent authorities for the submission of applications and the exchange of information with the supervised entities in relation to procedures under the responsibility of the ECB.

3 An online gateway for submission of certain dematerialized requests to the CSSF.

4 European Securities and Markets Authority.

5 Alternative investment funds.

6 ESMA34-39-968.

Government/ Parliament	Draft law n°7885 establishing national screening mechanism for foreign direct investment submitted to Parliament
September 15, 2021	<p>Should the draft law be adopted, with respect to the financial sector, it would only apply to central bank activities, as well as to the trading and post-trading infrastructure and payment services.</p> <p>To access the text of the draft law (in French), please click here.</p>
CSSF	User's guide to completing AML/CFT¹ market entry form published
September 14, 2021	<p>The market entry form serves to collect standardized key information in relation to money laundering and terrorist financing risks to which investment funds supervised by the CSSF are exposed to.</p> <p>To access the user guide (in English), please click here.</p>

¹ Anti-money laundering and countering the financing of terrorism.

Key Regulatory Developments in the Netherlands

Source/Date	Brief description
Dutch National Bank (DNB) November 22, 2021	<p>DNB calls on pension funds and PPIs to complete risk assessment</p> <p>Pension funds and premium pension institutions (PPIs) have been obliged to periodically carry out their own risk assessment and to share the results with DNB since January 13, 2019. The deadline for conducting the first such assessment is January 13, 2022, after which the results must be shared with DNB within two weeks. DNB has prepared a fact sheet and a Q&A for this purpose.</p> <p>For further information (in Dutch), click here.</p>
Dutch National Bank (DNB) November 19, 2021	<p>Draft Q&A on compliance with Sanctions Act submitted for consultation</p> <p>DNB submitted for consultation a Q&A on compliance with the Dutch Sanctions Act for the screening of relationships by crypto service providers. In this draft Q&A, DNB further explains the meaning of the term “relationship” and the measures that institutions must take to check whether individuals or legal entities are subject to sanctions.</p> <p>Market members have until December 17, 2021 to respond to the draft Q&A via consultatie@dnb.nl. After the consultation phase, DNB will publish a feedback statement explaining any further adjustments.</p> <p>For further information, click here.</p>
Ministry of Finance November 19, 2021	<p>Finance ministry consults on reduction of maximum interest rate for Dutch consumer credit</p> <p>A maximum interest rate applies to Dutch consumer credit. The maximum interest rate consists of statutory interest (2 percent) plus a surcharge. In connection with the COVID-19 crisis, the surcharge was temporarily reduced from 12 percent to 8 percent, as a result of which the maximum interest rate was reduced from 14 percent to 10 percent.</p> <p>The Ministry of Finance is now consulting with the market on its policy document, which serves as preparation for a structural reduction of the maximum surcharge to 8 percent.</p> <p>The consultation closes December 17, 2021.</p> <p>For further information (in Dutch), click here.</p>

<p>Senate</p> <p>November 5, 2021</p>	<p>Cross-border distribution of AIFs and UCITS Directive Implementation Act enters into force</p> <p>The Cross-Border Distribution of AIFs and UCITS Directive Implementation Act entered into force on November 6, 2021.</p> <p>This implementation act provides for, among other things, rules on pre-marketing and requires fund managers to be licensed and that pre-marketing notifications must be sent to the AFM.</p> <p>For further information (in Dutch), click here and here.</p>
<p>Dutch National Bank (DNB)</p> <p>October 28, 2021</p>	<p>New European rules for crowdfunding service providers introduced</p> <p>On November 10, 2021, the European Crowdfunding Service Providers Regulation (Regulation EU 2020/1503, ECSPR) entered into force. The ECSPR introduces a European regime for crowdfunding service providers (CSPs) that operate an online platform.</p> <p>Existing CSPs in the Netherlands operate under a license or an exemption from the Authority for the Financial Markets (AFM). A transitional arrangement applies to this group if they fall within the scope of the ECSPR. In that case, they can continue activities on the basis of national law until November 10, 2022. In order to continue their activities thereafter, they must be a licensed under the ECSPR by November 11, 2022. New CSPs must obtain a license as of now, in order to start their activities.</p> <p>For further information (in Dutch), click here.</p>
<p>Dutch National Bank (DNB)</p> <p>October 28, 2021</p>	<p>DNB announces changes to FINREP/COREP reporting for electronic money and payment institutions</p> <p>With effect from December 31, 2021, the FINREP/COREP reporting of electronic money and payment institutions to DNB will change in a number of respects. This includes the addition of a number of additional mandatory field with respect to professional liability insurance or similar assurance in connection with certain payment services.</p> <p>For further information (in Dutch), click here.</p>
<p>The Dutch Authority for the Financial Markets (AFM)</p> <p>October 26, 2021</p>	<p>Guidelines for advertising funds to go into effect from February 2022</p> <p>Beginning from February 2, 2022, advertisements for funds will have to comply with specific European guidelines, which are intended to promote investor protection with regard to accurate, clear and not misleading advertising statements (marketing communications). The guidelines also cover the online aspects of advertising. The AFM applies the guidelines in its supervision of advertisements that target (potential) investors.</p> <p>For further information (in Dutch), click here.</p>

Ministry of Finance	Draft Financial Markets (Amendment) Act 2022 published
October 25, 2021	<p>On October 25, 2021 the Ministry of Finance published a bill to amend the Financial Supervision Act, the Financial Supervision (Financing) Act 2019 and a number of other laws related to financial markets (Financial Markets (Amendment) Act 2022).</p> <p>This bill implements changes which will allow certain financial undertakings to hold separate accounts, increase the stability of charges levied by the AFM and the DNB on supervised persons, and makes other changes and improvements to financial markets legislation.</p> <p>For further information (in Dutch), click here.</p>
Ministry of Finance	Ministry launches consultations on amendments to Market Conduct Supervision of Financial Companies Decree
October 20, 2021	<p>On 20 October 2021, the Ministry of Finance opened consultations on the Decree to amend the Market Conduct Supervision of Financial Companies Decree, in connection with cancelling the so-called EVC procedure for the recognition of acquired skills.</p> <p>If the amendments come into effect as proposed, the possibility for financial advisors to demonstrate their professional competence by means of the EVC procedure will lapse.</p> <p>The consultation ends on 17 November 2021.</p> <p>For further information (in Dutch), click here.</p>
The Senate (<i>Eerste Kamer</i>) of the Dutch Parliament (the States General)	IFD Implementation Act enters into force
October 19, 2021	<p>The act for the implementation of the Investment Firm Directive (IFD) and the execution (<i>uitvoering</i>) of the Investment Firm Regulation, known as the IFD Implementation Act, came into force in the Netherlands on 19 October, 2021.</p> <p>For further information (in Dutch), click here.</p>

Ministry of Finance October 18, 2021	<p>Consultations begin on amendment to Act on Reference Portal for Bank Information</p> <p>On 18 October, 2021, the Ministry of Finance opened consultations on the amendment to the Act on the Reference Portal for Bank Information.</p> <p>The consultation relates to a legislative proposal to expand the banking data portal. Through that portal, competent authorities can access account and transaction data from banks with more than 2.5 million account holders, in order to combat money laundering and underlying crime. The amendment expand the scope of data that these competent authorities can access through the portal (among other things).</p> <p>The consultation ends on 29 November, 2021.</p> <p>For further information (in Dutch), click here.</p>
The Dutch National Bank (DNB) October 6/18, 2021	<p>End of ESRB recommendation on capital and dividend plans for insurers</p> <p>On 23 September, 2021, the European Systemic Risk Board (ESRB) decided not to extend its recommendations on capital and dividend plans during the COVID-19 pandemic beyond September 2021.</p> <p>After expiry of the recommendation, regulators will return to the usual assessment of capital and dividend plans of financial institutions.</p> <p>For further information (in Dutch), click here.</p> <p>In response, DNB requested investment firms and investment institutions to reconsider the strict necessity of dividend payments, share buy-backs and the payment of variable remuneration during the COVID-19 pandemic.</p> <p>For further information (in Dutch), click here.</p>
Ministry of Finance October 5, 2021	<p>Consultation Implementation Act Recovery Package for Investment Firms Directive</p> <p>On 5 October, 2021, the Ministry of Finance opened the consultation on the implementation act for Directive (EU) 2021/338.</p> <p>The Directive is intended to mitigate the consequences of the COVID-19 pandemic on investment firms by removing unnecessarily burdensome disclosure requirements for investment firms and reviewing the current regime for position limits and position management controls for commodity derivatives.</p> <p>The consultation ends on 16 November 2021.</p> <p>For further information (in Dutch), click here.</p>

The Dutch National Bank (DNB) and the Dutch Authority for the Financial Markets (AFM)

October 1, 2021

Regulation on Sound Remuneration Policies Financial Supervision Act 2021 (Rbb 2021) enters into force

On 15 April 2021, the AFM and DNB consulted the market on the joint Rbb 2021. The result of this consultation was published on the websites of the AFM and DNB on 2 August 2021. The joint Rbb 2021 was published in the Dutch Government Gazette on behalf of the AFM and DNB on 1 October 2021. It has entered into force on 19 October 2021, together with the Investment Firms Directive Implementation Act.

For further information, click [here](#).

AFM

September 16, 2021

Trusted Persons AFM and DNB for board members during suitability and appropriateness testing

Every year hundreds of directors and supervisory directors are tested by DNB and AFM for suitability and appropriateness. This is an intensive process. Sometimes dissatisfaction arises among those who are being tested. They can now turn to a so called 'Trusted Person'.

For further information (in Dutch), click [here](#).

Key Regulatory Developments in Spain

Source/Date	Brief description
Bank of Spain November 22, 2021	<p>10th financial education program and competition for schools launched under Financial Education Plan</p> <p>The Financial Education Plan, promoted by the Bank of Spain and the National Securities Market Commission (CNMV), launched its financial education program and financial knowledge competition. These two initiatives are intended to promote the learning of basic financial concepts among secondary, high school and vocational training students.</p> <p>Complete reference to the press release (in Spanish) is available here.</p>
Bank of Spain November 19, 2021	<p>Research Update for fall 2021 published</p> <p>The Research Update briefly summarizes in English the activities carried out by the Bank of Spain and includes a variety of topics related to financial, sociological, and socio-economic research, as well as links to the most recent research.</p> <p>Complete reference to document can be found here.</p>
Ministry of Economic Affairs and Digital Transformation November 17, 2021	<p>COVID-19 recovery plan progress made available</p> <p>The Ministry of Economic Affairs and Digital Transformation has released information on tenders, grants and subsidies charged to NextGenerationEU funds announced in the week of November 6–12 by the different administrations, from both the General State Administration, distributed by the ministries, as well as the Autonomous Communities. These funds are for programs intended to remedy the economic and social harm caused by the COVID-19 pandemic.</p> <p>More information on the recovery plan program (in Spanish) is available here.</p>
State Official Gazette November 15, 2021	<p>Agreement of October 27, 2021, of the Council of the National Securities Commission, on delegation of powers</p> <p>Complete reference to the State Official Gazette (in Spanish) is available here.</p>
National Securities Market Commission (CNMV) November 15, 2021	<p>CNMV publishes interpretative criteria on reporting regime for related-party transactions</p> <p>2021 Annual Convention of the Financial Markets Association</p> <p>Complete reference to the press release is available in full here.</p>

State Official Gazette November 5, 2021	<p>Resolution of November 4, 2021 of the General Secretariat of Finance and International Financing</p> <p>Complete reference to the State Official Gazette (in Spanish) is available here.</p>
Bank of Spain November 4, 2021	<p>The Spanish economy—outlook and pending challenges</p> <p>Reference to the presentation of Bank of Spain Governor Pablo Hernández de Cos at the Galician Economic Forum is available here (in Spanish).</p>
Bank of Spain November 3, 2021	<p>National Research Council (CSIC) collaborates with Bank of Spain to develop technology for potential use in banknotes</p> <p>New euro banknotes could benefit from nanotechnology to be more secure, durable, sustainable and of higher quality.</p> <p>Complete reference to the press release (in Spanish) is available here.</p>
National Securities Market Commission (CNMV) November 2, 2021	<p>CNMV publishes quarterly bulletin for Q3 2021</p> <p>Complete reference to the bulletin is available here.</p>
State Official Gazette November 2, 2021	<p>Royal Decree-Law 24/2021, of November 2, 2021 published</p> <p>This law transposes European Union directives in matters of covered bonds, cross-border distribution of collective investment organizations, open data and reuse of public sector information, exercise of copyright rights and related rights applicable to certain online transmissions and retransmissions of radio and television programs, temporary exemptions to certain imports and supplies, of consumers and for the promotion of clean and energy efficient road transport vehicles.</p> <p>Complete reference to the State Official Gazette is available (in Spanish) here.</p>
Bank of Spain October 25, 2021	<p>CNMV and Bank of Spain sign cooperation agreement with US SEC</p> <p>The Bank of Spain and the National Securities Market Commission (CNMV) signed a cooperation agreement with the US Securities and Exchange Commission (SEC) to allow credit institutions and investment service companies that register as security-based swap dealers and major security-based swap participants (SBS Entities) benefit from a substitute compliance regime.</p> <p>The full press release (in English) is available here.</p>

Bank of Spain	Bank of Spain publishes Corporate Sustainability Policy
October 25, 2021	<p>As part of the International Day against Climate Change on October 24, the Bank of Spain published the agreement on Corporate Sustainability Policy, recently approved by its executive commission. This policy presumes a firm public commitment of the institution toward a reduction of the environmental impact of its activities and with the ongoing improvement of sustainability.</p> <p>The full press release (in Spanish) is available here.</p>
Bank of Spain	Bank of Spain governor speaks before Congress of Deputies budget committee regarding draft 2022 General State Budgets
October 25, 2021	<p>Description of recent Spanish economic evolution and its prospects. Mentions of the challenges in the medium term of fiscal policy in Spain.</p> <p>The full comments of the intervention of the governor of the Bank of Spain in relation to the indicators of the Spanish economy (in Spanish) is available here.</p>
Bank of Spain	Bank of Spain opens registry for crypto-service providers
October 21, 2021	<p>The Bank of Spain has launched registration of providers of virtual currency exchange services for fiduciary currency and custody of electronic wallets. The procedure is available at the Electronic Headquarters of the Bank of Spain, together with the instructions and forms necessary to request registration in the Registry of virtual currency exchange service providers for fiduciary currency and custody of electronic purses, provided for in the provision Second additional law of Law 10/2010, of April 28, on the prevention of money laundering and terrorist financing.</p> <p>The full press release (in Spanish) is available here.</p>
Bank of Spain	Paper discusses measures to support credit and financial sector in banking systems with material relevance for Spain
October 21, 2021	<p>This paper summarizes measures implemented by countries outside the European Union and the euro area that are considered material for the Spanish banking system (the United Kingdom, the United States, Mexico, Brazil, Turkey, Chile, Peru and Colombia). It focuses particularly on the measures that remain in force and those intended to encourage lending and to support the financial system.</p> <p>Complete reference to the economic bulletin 4/2021 of the Bank of Spain (in English) is available here.</p>

State official Gazette October 21, 2021	<p>Bank of Spain approves general clauses on opening and operating payment module account for T2S platform</p> <p>In its resolution of October 13, 2021, the Executive Commission of the Bank of Spain modified the general clauses relating to the uniform conditions for the opening and operation of a payment module account, of a dedicated T2S cash account and a dedicated TIPS cash account at TARGET2-Banco de España.</p> <p>Complete reference to the modifications made (in Spanish) can be found here.</p>
Ministry of economics affairs and digital transformation October 15, 2021	<p>Government launches national green algorithms program</p> <p>The program will make it possible to continue making progress in the investments in the recovery, transformation and resilience plan, as well as in the projects on the digital Spain 2025 agenda and the National Artificial Intelligence Strategy.</p> <p>More information on the green algorithms program (in Spanish) is available here.</p>
Bank of Spain October 15, 2021	<p>Spanish Sandbox launched</p> <p>The Governor of the Bank of Spain, Pablo Hernández de Cos, gave a presentation on the launching of Spain's sandbox—the testing ground for financial innovation.</p> <p>The full presentation (in Spanish) is available here.</p>
Bank of Spain October 14, 2021	<p>An empirical analysis of the factors that can enhance the effectiveness of the Next Generation EU program</p> <p>This article analyzes the economic impact that the European Regional Development Fund has had during the last 20 years, due to the similarity of the objectives of these funds and the NGEU and the availability of information.</p> <p>Economic bulletin 4/2021 (in Spanish) is available in full here.</p>
National Securities Market Commission (CNMV) October 13, 2021	<p>CNMV clarifies temporary prohibition to operate applicable to persons with management responsibilities in an issuer in relation to quarterly financial information</p> <p>Complete reference to the statement (in English) is available here.</p>
National Securities Market Commission (CNMV) October 9, 2021	<p>New circular modifying the annual corporate governance and director compensation models for listed companies</p> <p>Press release (in English) is available here.</p>

<p>State official Gazette</p> <p>October 8, 2021</p>	<p>Circular 2/2021, of September 28, of the National Securities Market Commission, on statistical information requirements for money market funds in the European Union</p> <p>The European Central Bank requires the central banks of the countries whose currencies were included in the euro to periodically submit certain statistical information, necessary for the performance of their functions. The information requested refers to monetary financial institutions, among which are certain collective investment institutions, whose supervision in Spain is attributed to the National Securities Market Commission (CNMV), as provided in article 70 of the Law 35/2003, of November 4, of Collective Investment Institutions</p> <p>The full circular 2/2021 (in Spanish) is available here.</p>
<p>State official Gazette</p> <p>October 7, 2021</p>	<p>Resolution updates principle of financial prudence in derivatives and indebtedness operations</p> <p>In its resolution of October 5, 2021 the General Secretariat of the Treasury and International Financing have updated Annex 1 included in the Resolution of July 4, 2017, of the General Secretariat of the Treasury and Financial Policy, which defines the principle of financial prudence applicable to the operations of indebtedness and derivatives of the autonomous communities and local entities.</p> <p>The resolution is available (in Spanish) here.</p>
<p>Bank of Spain</p> <p>October 5, 2021</p>	<p>Bank of Spain reviews its analytical and research priorities and updates its lines of work to 2024</p> <p>Complete reference to the 2024 strategic plan (in English) is available here.</p>

Key Regulatory Developments in the UK

Source/Date	Brief description
Financial Conduct Authority (FCA) November 11, 2021	FCA publishes Primary Market Bulletin No. 36 and Primary Market Technical Note The FCA has published Primary Market Bulletin No 36, which sets out the FCA's disclosure expectations and supervisory strategy in relation to the TCFD-aligned climate-related disclosure requirements in the Listing Rules. The supervisory strategy covers the Financial Reporting Council's routine reviews of annual financial reports and FCA thematic work, among other things. The technical note sets out the FCA's requirements where a listed company has not included climate-related financial disclosures consistent with all of the TCFD recommendations and recommended disclosures in either its annual financial report or in another document. For further information, click here .
Bank of England (BoE) November 9, 2021	BoE and HMT announce next steps on Central Banking Digital Currency (CBDC) The BoE and HM Treasury (HMT) have announced the next steps in the exploration of a CBDC, which would be a digital currency existing alongside cash and bank deposits and would be used for households' and businesses' everyday expenses. In 2022, the BoE and HMT will commence a consultation to assess merits of and issues related to a CBDC, and this will inform a decision on whether the authorities are content to move into a development phase, spanning several years. If the case for a CBDC is made successfully, it will be launched in the latter half of the decade at the earliest. For further information, click here .
HM Treasury (HMT) November 9, 2021	HMT publishes second consultation paper relating to Phase II of its FRF Review The Future Regulatory Framework (FRF) Review was established to determine how the UK financial services regulatory framework should adapt to the UK's new position outside of the European Union, and how to ensure the framework is fit for the future. HMT's second consultation paper summarizes the responses of the October 2020 consultation, its responses to the feedback received and a series of proposals for how it plans to take forward changes to the regulators' statutory objectives and principles, proposals for accountability, scrutiny and engagement and the proposed approach to transferring responsibility to regulators for requirements currently derived from retained EU law. For further information, click here .

<p>Financial Conduct Authority (FCA)</p> <p>October 22, 2021</p>	<p>FCA finalizes rules on Investment Firms Prudential Regime</p> <p>The FCA have finalized its rules proposed in the first two policy statements for the Investment Firms Prudential Regime (IFPR). The IFPR is intended to streamline and simplify the prudential requirements for solo-regulated UK firms authorized under the Markets in Financial Instruments Directive (MiFID). It will refocus the requirements and expectations away from the risks that firms face, and will instead consider and manage the potential harm that firms can pose to consumers and markets. Although it largely follows the EU IFR/IFD framework, there are significant differences.</p> <p>For more information, click here.</p>
<p>HM Government</p> <p>October 18, 2021</p>	<p>HM Treasury publishes policy paper on greening finance</p> <p>Building on the government’s 2019 Green Finance Strategy, HMT’s 2021 policy paper, Greening Finance: A Roadmap to Sustainable Investing, sets out the government’s ambition to green the financial system and align it with the UK’s net-zero commitment. It sets out:</p> <ul style="list-style-type: none"> • A roadmap for the government’s strategy to deliver the first phase of the plan to change the financial system • New Sustainability Disclosure Requirements (SDR) • Expectations for the pensions and investment sectors—that the government will use SDR-generated information to start moving financial flows to align with a net-zero economy. <p>The paper also explains the increase in importance of ESG ratings and details the UK green taxonomy to establish a shared understanding as to which activities count as “green.”</p> <p>For more information, click here.</p>
<p>Bank of England</p> <p>October 14, 2021</p>	<p>Final rules implementing Basel III standards published</p> <p>This policy statement of the Prudential Regulation Authority (PRA) provides the final PRA rulebook instruments, statements of policy, supervisory statements and reporting templates and instructions, which were published as near-final in the previous policy statement (Implementation of Basel Standards (PS17/21)). The policy statement also includes an analysis supporting the PRA’s final policy material.</p> <p>For more information, click here.</p>

<p>Bank of England (BoE)</p> <p>October 13, 2021</p>	<p>Deputy governor for financial stability discusses crypto assets’ impact on UK financial system stability</p> <p>The speech, published by the BoE, sets out the currently limited and uncertain—but potentially growing—risks from a financial stability perspective surrounding crypto assets, notably unbacked crypto assets used primarily as speculative investments (e.g. Bitcoin) and backed crypto assets intended for use as means of payment (i.e. stablecoins). It notes the relevant areas requiring regulation, including the activity of the technology used (regardless of the type of technology), among others, and emphasizes the importance of ensuring that the approach to risks and the current standards applicable are both consistent.</p> <p>For more information, click here.</p>
<p>Financial Conduct Authority (FCA)</p> <p>October 11, 2021</p>	<p>FCA sets out its remote or hybrid working expectations for firms</p> <p>The FCA sets out its expectations on firms where staff either work fully remotely, or on a hybrid basis between the home and office. These cover a relatively wide area of topics, but focus is given to oversight by senior management and control functions, robust IT and cyber-security systems, and protecting against consumer harm or market misconduct. The FCA may evaluate firms on a case-by-case basis on whether they are abiding by the FCA’s regulations while working remotely/in a hybrid setting. Firms will have to meet the FCA’s expectations in order to be able to allow staff to work in this way.</p> <p>For more information, click here.</p>
<p>Financial Conduct Authority (FCA)</p> <p>September 29, 2021</p>	<p>FCA announces further arrangements for orderly wind-down after consulting on proposed decisions on use of LIBOR</p> <p>The sterling, Japanese yen, Swiss franc and euro LIBOR panels will cease on December 31, 2021. The FCA has confirmed that, to avoid disruption to legacy contracts that reference the one-, three- and six-month sterling and Japanese yen LIBOR settings, it now requires the LIBOR benchmark administrator to publish these settings under a “synthetic” methodology, based on term risk-free rates, for the duration of 2022. These six LIBOR settings will be available only for use in some legacy contracts, not for use in new business. The consultation sets out the FCA’s proposed decision to prohibit most new use of US dollar LIBOR after end-2021, in line with US guidance and existing FCA and PRA supervisory expectations.</p> <p>For more information, click here.</p>

Financial Conduct
Authority (FCA)

September 6, 2021

FCA and PCR chair speaks on risks of token regulation

Charles Randell, chair of the FCA and Payments Systems Regulator, set out the benefits of digital tokens but warned of the importance of careful thought when creating an effective regulatory regime. He suggests that legislators should consider the following:

- How to make it harder for digital tokens to be used for financial crime
- How to support useful innovation
- The extent to which customers should be able to buy unregulated, purely speculative tokens.

His speech, delivered to the Cambridge International Symposium on Economic Crime and published by the FCA, also gave two examples of scenarios where it is believed that regulators should be empowered to take action to reduce the potential harm to customers from speculative tokens—in cases where the customer is being misled, and in cases where the regulated business of authorized firms is infected by unregulated activities in digital tokens and subsequently suffers losses not covered by the Financial Services Compensation Scheme.

For more information, click [here](#).

Key Regulatory Developments in Canada

Source/Date	Brief Description
Canadian Securities Administrators (CSA) October 7, 2021	<p>Canadian securities regulators implement eight initiatives to reduce regulatory burden for investment funds</p> <p>These amendments complete the first stage of the CSA's initiative to reduce the regulatory burden on investment fund issuers and include:</p> <ul style="list-style-type: none">• Investment funds in continuous distribution will only need to file a single streamlined document annually instead of the simplified prospectus and annual information form.• Investment funds will be required to identify a website where their regulatory disclosures will be posted.• Investment funds will not be required to file personal information forms with securities regulators as frequently.• Investment funds will no longer be required to apply to securities regulators for exemptive relief to use the notice-and-access system— from certain conflict of interest rules and from the requirement to deliver fund-facts documents and ETF-facts documents for model portfolio products, portfolio rebalancing services and automatic switch programs.• Investment funds will no longer be required to seek regulatory approval for a change of manager or change of control of manager and will experience fewer instances where regulatory approval to engage in a merger is required. <p>For further information, click here.</p>
Canadian Securities Administrators (CSA) September 23, 2021	<p>Canadian securities regulators outline expectations for advertising and marketing by crypto-trading platforms</p> <p>The guidance is intended for registered crypto-trading platforms, platforms that have or will be applying for registration and other registrants that may be considering establishing a platform as a new business line. The publication includes examples of misleading statements in advertising and marketing materials and outlines the concerns of CSA and IIROC staff over the use of improper gambling-style contests, promotions and schemes. Additionally, the guidance outlines regulators' compliance and supervisory expectations for firms using social media.</p> <p>For further information, click here.</p>

<p>Bank of Canada (the Bank)</p> <p>September 1, 2021</p>	<p>Bank of Canada designates Lynx as a systemically important payment system</p> <p>The Bank designated Lynx, which is owned and operated by Payments Canada, as a systemically important payment system under the Payment Clearing and Settlement Act.</p> <p>As part of Canada’s payments modernization efforts, Lynx is the new RTGSS that replaces the Large Value Transfer System (LVTS). It inherits the operational functions to:</p> <ul style="list-style-type: none"> • Reinforce the Bank’s policy interest rate • Provide a means for settling obligations from other financial market infrastructures (FMI)s • Channel liquidity from the Bank to financial institutions in times of crisis. <p>Payment systems under Bank oversight must comply with the CPMI-IOSCO Principles for Financial Market Infrastructures issued by the Bank for the International Settlements’ Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions.</p> <p>For further information, click here.</p>
<p>Canadian Securities Administrators (CSA)</p> <p>August 31, 2021</p>	<p>Alberta and Saskatchewan securities regulators adopt new small business financing prospectus exemption</p> <p>The new small business financing prospectus exemption allows Alberta and Saskatchewan businesses to raise up to CA\$5 million from the public using a simple, streamlined offering document.</p> <p>The exemption is being implemented on a three-year pilot basis. Details of the new exemption are set out in CSA Multilateral Notice of Implementation 45-539 Small Business Financing, available here.</p> <p>For further information, click here.</p>
<p>Office of the Privacy Commissioner (OPC)</p> <p>August 13, 2021</p>	<p>OPC updates guidance regarding sensitive information</p> <p>The updated guidance includes considerations for businesses evaluating what types of information are “sensitive.” Under the Personal Information Protection and Electronic Documents Act (PIPEDA), organizations must protect personal information with appropriate safeguarding measures commensurate with the sensitivity of the information and seek express consent when the information is likely to be considered sensitive.</p> <p>These updates help to reflect how the OPC has interpreted sensitive information in the context of PIPEDA.</p> <p>For further information, click here.</p>

Office of the
Superintendent of
Financial Institutions
(OSFI)

August 13, 2021

OSFI issues updated requirements for technology and cyber incident reporting and new cyber self-assessment

Under the updated Advisory, federally regulated financial institutions (FRFIs) must report a technology or cyber-security incident to OSFI's Technology Risk Division as well as to their lead supervisor at OSFI within 24 hours, or sooner if possible. Other changes in the Advisory include a new "failure to report" section: if an FRFI fails to report a cyber incident, they could be subject to increased supervisory oversight by OSFI, placed on a watch list or assigned one of the stages in OSFI's supervisory intervention approach, among other measures.

OSFI also released an updated Cyber Security Self-Assessment that helps FRFIs gauge and improve their current state of readiness in the face of emerging and expanding cyber threats. The self-assessment examines an FRFI's capability to respond to a cyber incident in areas ranging from organization and resources, to how it manages threats, risks and incidents, and it also allows FRFIs to rate each element on a scale from non-existent to continuous improvement.

For further information, click [here](#).

Office of the
Superintendent of
Financial Institutions
(OSFI)

August 13, 2021

Revisions to public disclosure requirement related to the identification of Global Systemically Important Banks (G-SIBs)

OSFI released the final revisions to its Advisory published in 2015 that addresses changes to the disclosure requirements included in the updated assessment methodology, specifically the new trading volume indicator and the inclusion of insurance activities for certain existing G-SIB indicators. The revised Advisory also provides additional guidance on the availability of publicly disclosed G-SIB indicators and the nature of qualitative information to accompany the disclosure requirements.

For further information, click [here](#).

Office of the
Superintendent of
Financial Institutions
(OSFI)

August 8, 2021

OSFI adjusts temporary exclusions from leverage ratio exposure measures, to take effect from end of 2021

SFI confirmed that the exclusion of sovereign-issued securities from the [leverage ratio](#) exposure measure for deposit-taking institutions (DTIs), introduced at the outset of the COVID-19 pandemic, will not be extended past December 31, 2021. Central bank reserves will continue to be excluded from the leverage ratio exposure measure for DTIs.

For further information, click [here](#).

Canadian Securities
Administrators (CSA)

July 15, 2021

Canadian securities regulators publish final amendments to enhance protection of elderly and vulnerable clients

The amendments strengthen protection of elderly and vulnerable clients through two main components:

1. Trusted contact person (TCP)—registrants will be required to take reasonable steps to obtain the name and contact information of a TCP from individual clients, and written consent for the TCP to be contacted in specified circumstances. While clients are not required to identify a TCP in order to open an account, registrants will be required to take reasonable steps to obtain and update TCP information as part of the Know Your Client process.
2. Temporary Holds—the amendments create a regulatory framework for registrants who place a temporary hold on transactions, withdrawals or transfers in circumstances where the registrant has a reasonable belief that there is financial exploitation of a vulnerable client or where there are concerns about a client's mental capacity to make decisions involving financial matters.

For further information, click [here](#).

Canada Deposit
Insurance Corporation
(CDIC)

June 30, 2021

Changes to the CDIC Act resulting from the Budget Implementation Act 2021, No. 1

These new measures promote financial stability by strengthening Canada's deposit protection and bank resolution regime. Key changes to the CDIC Act include:

- Strengthening the cross-border enforceability of the stay provisions that apply to eligible financial contracts. This will improve CDIC's ability to resolve a member institution with cross-border operations.
- Providing legislative clarity to ensure that beneficiaries of trust deposits continue to be protected once the new requirements related to trust deposits come into force.
- Extending the time limit for retaining control of a failing bank to 18 months from six months to allow CDIC time to complete its sale or restructuring.

For further information, click [here](#).

June 1, 2021

Regulatory amendments in force as of June 1, 2021

Changes to the regulations made under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act announced in the Canada Gazette in July 2019 and June 2020 are in force as of June 1, 2021.

At a high level, the changes include, but are not limited to, the following:

- Obligations for transactions involving virtual currencies, including to report the receipt of a large amount of virtual currency and to follow associated know-your-client obligations
- A requirement for certain businesses that initiate or finally receive electronic fund transfers to report, instead of the businesses that are intermediaries in these transfers; however the intermediaries must keep records of the transactions
- A requirement for new information fields to be reported (e.g., online identifiers, email addresses, etc.)
- An expansion to all reporting entity sectors of the requirement to obtain and take reasonable measures to confirm the accuracy of information obtained on the beneficial owners of a corporation, trust or other entity that is a client
- A requirement to aggregate on the beneficiary when applying the 24-hour rule to certain transactions
- A requirement for financial entities to treat prepaid payment products and related accounts similarly to bank accounts
- An expansion to all reporting entity sectors of the requirement to determine whether a client is a politically exposed person or the head of an international organization in certain circumstances
- A requirement for the life insurance sector to keep records and verify the identity of a beneficiary before a payout
- New methods that reporting entities can use to verify the identity of person and entities.

For further information, click [here](#).

Key Regulatory Developments in the United States

Source/Date	Brief description
Securities and Exchange Commission (SEC) November 18, 2021	<p>SEC proposes rule to provide transparency in securities lending market</p> <p>The SEC today published proposed Exchange Act Rule 10c-1, which would require lenders of securities to provide the material terms of securities lending transactions to a registered national securities association, such as the Financial Industry Regulatory Authority. The registered national securities association would then make the material terms of the securities lending transaction available to the public.</p> <p>The proposed rule is consistent with Congress’s mandate in the Dodd-Frank Act that the Commission increase transparency regarding the loan or borrowing of securities for brokers, dealers, and investors by ensuring that market participants, the public, and regulators have access to timely and comprehensive information about the market for securities lending.</p> <p>The public comment period will remain open for 30 days following publication of the proposal in the Federal Register.</p> <p>Further information can be found here.</p>

Securities and
Exchange Commission
(SEC)

November 18, 2021

SEC announces enforcement results for FY 2021

The Securities and Exchange Commission announced that it filed 434 new enforcement actions in fiscal year 2021, representing a 7 percent increase over the prior year. Seventy percent of these new or “stand-alone” actions involved at least one individual defendant or respondent. The new actions spanned the entire securities waterfront, including against emerging threats in the crypto and SPAC spaces.

The agency filed 697 total enforcement actions in fiscal year 2021, including the 434 new actions, 120 actions against issuers who were delinquent in making required filings with the SEC, and 143 “follow-on” administrative proceedings seeking bars against individuals based on criminal convictions, civil injunctions or other orders. This represented a 3 percent decrease over the total actions filed in fiscal year 2020.

In fiscal year 2021, which ended on September 30, the SEC also obtained judgments and orders for nearly US\$2.4 billion in disgorgement and more than US\$1.4 billion in penalties, which represented a respective 33 percent decrease and 33 percent increase over amounts ordered in the prior fiscal year in these categories.

Fiscal year 2021 also was a record year for whistleblower awards, with the SEC awarding a total of US\$564 million to 108 whistleblowers. The whistleblower program also surpassed US\$1 billion in awards over the life of the program.

Further information can be found [here](#).

November 17, 2021

CFTC issues request for information and comment on swap clearing requirements to address IBOR transition

The CFTC issued a request for information and comment related to the swap-clearing requirement under Part 50 of its regulations. The comment period will be open for 60 days after publication in the Federal Register.

This request for information and comment invites public feedback regarding changes to the swap clearing requirement in order to address the forthcoming cessation or non-representativeness of the London Interbank Offered Rate and other interbank offered rates (IBORs), as well as the market adoption of alternative reference rates, such as the Secured Overnight Financing Rate.

The request for information and comment seeks input from market participants and interested members of the public on all aspects of the swap clearing requirement that may be affected by the transition from IBORs to alternative reference rates. It also includes enumerated requests for data and other information related to IBOR and alternative reference rate swaps and enumerated requests for comment related to the CFTC's current swap clearing requirement, alternative reference rate swaps, new swap product documentation and swap-clearing requirement specifications.

Further information can be found [here](#).

November 4, 2021

SEC approves PCAOB rule to establish a framework for determinations under Holding Foreign Companies Accountable Act

The Securities and Exchange Commission announced that it has approved the Public Company Accounting Oversight Board's (PCAOB) Rule 6100—Board Determinations Under the Holding Foreign Companies Accountable Act. Rule 6100 will establish a framework for the PCAOB's determinations under the Holding Foreign Companies Accountable Act (HFCAA) that the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by an authority in that jurisdiction.

The Sarbanes-Oxley Act of 2002, as amended, mandates that the PCAOB inspect registered public accounting firms in both the United States and in foreign jurisdictions and investigate potential statutory, rule, and professional standards violations committed by registered public accounting firms and their associated persons. The HFCAA requires that the PCAOB determine whether it is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by an authority in that jurisdiction. PCAOB Rule 6100 establishes:

- The process for the PCAOB's determinations under the HFCAA;
- The factors the PCAOB will evaluate and the documents and information the PCAOB will consider when assessing whether a determination is warranted;
- The form, public availability, effective date and duration of such determinations; and
- The process by which the Board will reaffirm, modify or vacate any such determinations.

The Commission's order approving PCAOB Rule 6100 will be published in the Federal Register. PCAOB Rule 6100 is effective immediately.

Further information can be found [here](#).

Securities and
Exchange Commission
(SEC)

October 18, 2021

SEC staff releases report on equity and options market structure conditions in early 2021

The SEC published a Staff Report on Equity and Options Market Structure Conditions in Early 2021, which focuses on the January 2021 trading activity of GameStop Corp (GME), the most famous of the “meme stocks.” Because the meme stock episode raised several questions about market structure, the staff report also provides an overview of the equity and options market structure for individual investors.

The meme stocks experienced a dramatic increase in their share price in January 2021 as bullish sentiments of individual investors filled social media. As the companies’ share prices skyrocketed to new highs, increased attention followed, and their shares became known as “meme stocks.” Then, as the end of January approached, several retail broker-dealers temporarily prohibited certain activity in some of these stocks and options. GME experienced a confluence of all of the factors that impacted the meme stocks: (1) large price moves, (2) large volume changes, (3) large short interest, (4) frequent Reddit mentions, and (5) significant coverage in the mainstream media.

The Report concludes with the staff identifying areas of market structure and SEC regulatory framework for potential study and additional consideration. These include:

1. Forces that may cause a brokerage to restrict trading;
2. Digital engagement practices and payment for order flow;
3. Trading in dark pools and wholesalers; and
4. The market dynamics of short selling.

Further information can be found [here](#).

October 18, 2021

SEC signals tougher approach to investigations, enforcement remedies

At this year's Practising Law Institute's SEC Speaks, top officials in the Division of Enforcement (the Division) indicated that the staff will be taking a harder line in its approach to investigations and remedies sought. In addition to placing some restrictions on the Wells process such as the submission of whitepapers, the staff will also be seeking admissions in settlements for some of the more egregious cases, a policy which fell out of favor under the last chairman.

New era for remedies. Enforcement Director Gurbir S. Grewal, the former New Jersey Attorney General who was appointed to the position in June, outlined a series of changes that the Division is implementing for the better protection of investors. One of the most significant changes is embracing the policy of requiring admissions from respondents in the most egregious cases, a policy which had fallen by the wayside under SEC Chair Gary Gensler's predecessor, Jay Clayton.

Wells meetings. Grewal said that defendants can also expect some changes to the Wells process, with a view towards making it more streamlined. For example, the deputy director will be present for Wells meetings that involve novel cases; however, more routine cases will involve the presence of front-line staff such as unit chiefs, he explained. While he and Deputy Director of Enforcement Sanjay Wadhwa will still sit in on some Wells meetings, it should not be expected of every Wells meeting.

Further information can be found [here](#).

September 29, 2021

SEC proposes to enhance proxy voting disclosures by investment funds and require disclosure of "say-on-pay" votes for institutional investment managers

The Securities and Exchange Commission proposed amendments to Form N-PX to enhance the information mutual funds, exchange-traded funds, and certain other funds report about their proxy votes. The proposed rulemaking would require funds to tie the description of each voting matter to the issuer's form of proxy and to categorize each matter by type to help investors identify votes of interest and compare voting records. The proposal also would prescribe how funds organize their reports and require them to use a structured data language to make the filings easier to analyze. Funds would also be required to disclose how their securities lending activity impacted their voting.

Further, the rulemaking would require institutional investment managers to disclose how they voted on executive compensation, or so-called "say-on-pay" matters, which would fulfill one of the remaining rulemaking mandates under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Managers generally would be subject to the same Form N-PX reporting requirements as funds with respect to their say-on-pay votes.

Further information can be found [here](#).

September 29, 2021

CFTC staff issues advisory to clarify activities that may trigger SEF registration requirement

The CFTC's Division of Market Oversight issued a staff advisory clarifying certain trading activities may trigger compliance with the swap execution facility (SEF) registration requirement in the Commodity Exchange Act (CEA) and CFTC regulations.

This advisory states an entity may need to register as a SEF when:

1. Facilitating trading or execution of swaps through one-to-many or bilateral communications;
2. Facilitating trading or execution of swaps not subject to the trade execution requirement in CEA section 2(h)(8);
3. Providing non-electronic means for the execution of swaps; or
4. Currently registered with the CFTC in some other capacity, such as a commodity trading advisor or an introducing broker, if its facility falls within the SEF definition.

A determination whether a particular facility is required to register depends on all of the relevant facts and circumstances of the facility's operations.

Further information can be found [here](#).

Securities and
Exchange Commission
(SEC)

September 27, 2021

SEC delivers report to Congress with recommendations from 40th Annual Small Business Forum

On September 27, 2021 the Office of the Advocate for Small Business Capital Formation delivered a report to Congress on the Securities and Exchange Commission's 40th Annual Small Business Forum. The 2021 Forum took place virtually on May 24–27, 2021, with each session featuring panelists with in-depth knowledge of the issues facing small businesses across the country, spotlighting the following topics:

- Finding Your First Dollars: Navigating Your Way to Raise Early Rounds
- Doing Your Diligence: How Savvy Early-Stage Investors Build Diversified Portfolios
- Diversifying Capital Allocators: Tools for Emerging and Smaller Funds and Their Managers
- Small Cap Insights: Perspectives on Smaller Public Companies

The report provides a summary of the Forum proceedings, including the recommendations developed by participants for changes needed to the capital raising framework and the Commission's responses to the recommendations. The report seeks to incorporate the passion conveyed by the talented and thoughtful speakers and participants who spoke openly and candidly about their successes and challenges in capital formation, as well as ways to enable a more inclusive capital formation ecosystem. Video archives of the discussions, including remarks from all five Commissioners, are available online.

Further information can be found [here](#).

Key Regulatory Developments Singapore

Source/Date	Brief description
Monetary Authority of Singapore (MAS) November 3, 2021	MAS proposes changes to classification of investment products for retail investors The MAS issued a consultation paper that proposes classifying certain investment products as complex in order for enhanced safeguards to apply when they are distributed to retail investors. The consultation seeks to enhance the existing complex products regime, which was first introduced in 2012, by maintaining a balance between providing retail investors convenient access to a range of investment products, while ensuring that sufficient safeguards are in place to enable them to make informed investment decisions. For further information click here .
Monetary Authority of Singapore (MAS) October 1, 2021	MAS and financial industry to use new digital platform to fight money laundering The MAS announced that it will introduce Collaborative Sharing of ML/TF Information & Cases (COSMIC)—a digital platform and enabling regulatory framework. COSMIC will allow financial institutions to share with each other information on customers or transactions, when they cross material risk thresholds, in order to prevent money laundering (ML), terrorism financing (TF) and proliferation financing (PF). MAS will stipulate in the legislation that this information sharing by financial institutions is permitted only for the purpose of combating ML, TF and PF. COSMIC, which MAS plans to launch in the first half of 2023, will be the first centralized platform where information is shared in a structured format that allows for seamless integration with data analytics tools. For further information click here .

Public Events & Conferences

Source/Date	Brief description
FIA December 7-8, 2021	Asia Derivatives Conference FIA will be hosting this two-day virtual event for the cleared derivatives community to build an understanding of how global trends along with regional issues combine to shape the Asia-Pacific markets. For further information click here .

Monetary Authority
of Singapore (MAS)

November

8-12, 2021

Singapore FinTech Festival (SFF) 2021

MAS, in partnership with the Association of Banks in Singapore (ABS) and in collaboration with Constellar Exhibitions, a subsidiary of Constellar Holdings (formerly known as SingEx-Sphere Holdings), hosted this five-day hybrid physical and digital event for the global fintech community to engage and connect on how Web 3.0 and key technological advances will power the future of financial services. A new entity, Elevandi, a non-profit organization set up by the MAS, will be tasked to foster an open dialogue between the public and private sectors, to harness FinTech for growth and development in the new digital economy and to create more opportunities for collaboration among the global Fintech community beyond the SFF.

For further information click [here](#).

Clients Alerts & Briefings

Source/Date	Brief description
Dentons Rodyk (Singapore)	The long and short of taking longer to pay—buy now, pay later schemes
Monetary Authority of Singapore (MAS)	With an increase in the number merchants partnering with start-ups and fintech companies offering a new method of payment known as the Buy Now, Pay Later (BNPL) scheme, which allows consumers, to pay for an item over a short period of time, in monthly instalments, without the need to incur interest charges or fees, the MAS is assessing whether a regulatory framework is necessary to guide the evolution of BNPL schemes as they become more widely used in Singapore.
October 11, 2021	In the future BNPL schemes may be required to adopt fair dealing practices and provide clear disclosure of the late fees chargeable at the point of account opening, to ensure that consumers are fully aware of the consequences of not paying on time.
	To read the full article, click here .
Dentons Rodyk (Singapore)	SPAC—Singapore's Placing Another Choice
Singapore Exchange Securities Trading Limited (SGX-ST)	SGX-ST is the first bourse in Asia to allow special-purpose acquisition companies (SPAC) to be listed. A SPAC listing on the SGX-ST will be on the Mainboard of the SGX-ST. The Mainboard rules regarding SPACs cover listing criteria, pre-business combination (de-SPAC) and de-SPAC conditions.
September 6, 2021	To read the full article, click here .

Key Regulatory Developments in Hong Kong

Source and Date	Brief Description
Securities and Futures Commission (SFC) November 5, 2021	<p>Green and Sustainable Finance Cross-Agency Steering Group reaffirms commitment to develop Hong Kong as green finance hub</p> <p>The Green and Sustainable Finance Cross-Agency Steering Group in Hong Kong (the Group), established in May 2020 and co-chaired by the Hong Kong Monetary Authority (HKMA) and the SFC, has issued a statement in support of the 2021 United Nations Climate Change Conference. The Group's membership includes the Environment Bureau, Financial Services and the Treasury Bureau, HKEX, the Insurance Authority and the Mandatory Provident Fund Schemes Authority. The Group reaffirms its commitment to strengthening Hong Kong's financial ecosystem for a greener and more sustainable future and reiterates its support for Hong Kong's Climate Action Plan 2050 of the Government.</p> <p>For more information, click here.</p>
Securities and Futures Commission (SFC) October 29, 2021	<p>SFC concludes consultation on conduct requirements for bookbuilding and placing activities</p> <p>The SFC released consultation conclusions on conduct requirements for capital market transactions in Hong Kong which clarified the roles of intermediaries and set out the expected standards in bookbuilding, pricing, allocation and placing activities.</p> <p>For more information, click here.</p>
Securities and Futures Commission (SFC) October 28, 2021	<p>SFC concludes consultation on amendments to Code on Pooled Retirement Funds</p> <p>The SFC released consultation conclusions on proposed amendments to the Code on Pooled Retirement Funds (PRF). The SFC will implement the proposals set out in the consultation paper with clarifications on specific requirements, such as the obligations of PRFs' key operators and to allow flexibility for certain operational and disclosure requirements.</p> <p>For more information, click here.</p>

Hong Kong Monetary
Authority (HKMA)

October 21, 2021

PBoC and HKMA sign MoU on supervisory cooperation for fintech innovation in Guangdong-Hong Kong-Macao Greater Bay Area

The People's Bank of China (PBoC) and the HKMA have recently signed the Memorandum of Understanding (MoU) on Fintech Innovation Supervisory Cooperation in the Guangdong-Hong Kong-Macao Greater Bay Area, which aims to fully implement the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area issued by the Central Committee of the Communist Party and the State Council.

Under the MoU, the two authorities have agreed to link up the PBoC's Fintech Innovation Regulatory Facility with the HKMA's Fintech Supervisory Sandbox in the form of a network. Under the premise of compliance with laws and regulations, the "network link-up" will promote financial technology innovation cooperation, enhance the quality and efficiency of financial services in the GBA, and strengthen financial support for the development of the GBA in an orderly fashion.

For more information, click [here](#).

Hong Kong Monetary
Authority (HKMA)

October 18, 2021

HKMA announces a list of eligible banks in Hong Kong for launching the Cross-boundary Wealth Management Connect Pilot Scheme

The HKMA announced the names of 19 eligible banks in Hong Kong that can launch cross-boundary wealth management connect (WMC) services (Southbound participating banks, Northbound participating banks). These banks, together with their respective Mainland partner banks whose eligibility for providing pilot Cross-boundary WMC services has been confirmed by the relevant Mainland regulatory authorities, can start providing cross-boundary WMC services together.

For more information, click [here](#).

Securities and Futures
Commission (SFC)

October 7, 2021

First joint SFC-HKMA survey indicates active investment products market

The SFC and the Hong Kong Monetary Authority (HKMA) released the findings of their first joint survey on the sale of non-exchange traded investment products by licensed corporations (LCs) and registered institutions (RIs).

A total of 308 LCs and 64 RIs reported selling investment products with an aggregate transaction amount of HK\$5.7 trillion during 2020, with the participation of more than 700,000 investors. Structured products (HK\$2.764 trillion) accounted for the largest share of the aggregate transaction amount, followed by collective investment schemes (CIS) (HK\$1.425 trillion) and debt securities (HK\$1.058 trillion).

For more information, click [here](#).

Securities and Futures
Commission (SFC)

October 6, 2021

SFC supports Chief Executive's initiatives

The SFC welcomes and fully supports the initiatives in the Chief Executive's Policy Address to enhance Hong Kong's status as an international financial center.

To enhance Hong Kong's role as a key offshore RMB center, the SFC is setting up a working group—comprising the HKMA and the Stock Exchange of Hong Kong Limited—to conduct a feasibility study on promoting trading of RMB-denominated securities in Hong Kong.

For more information, click [here](#).

Securities and Futures
Commission (SFC)

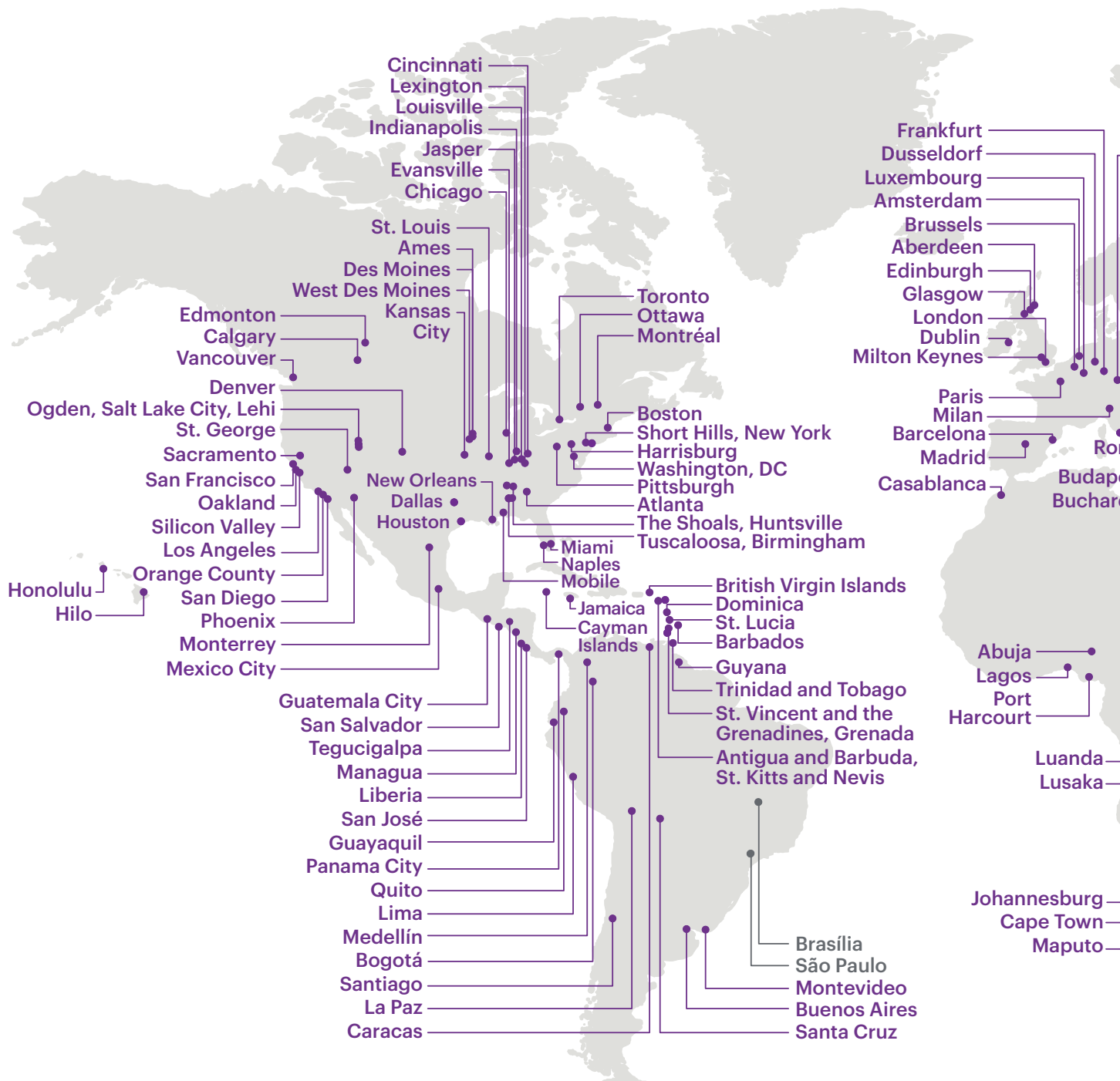
October 4, 2021

SFC sets out standards for operational resilience and remote working arrangements

The SFC has published a report setting out regulatory standards in order to promote the operational resilience of intermediaries. The report also discusses measures to manage major possible risks of remote working arrangements, including working from home.

For more information, click [here](#).

Global presence

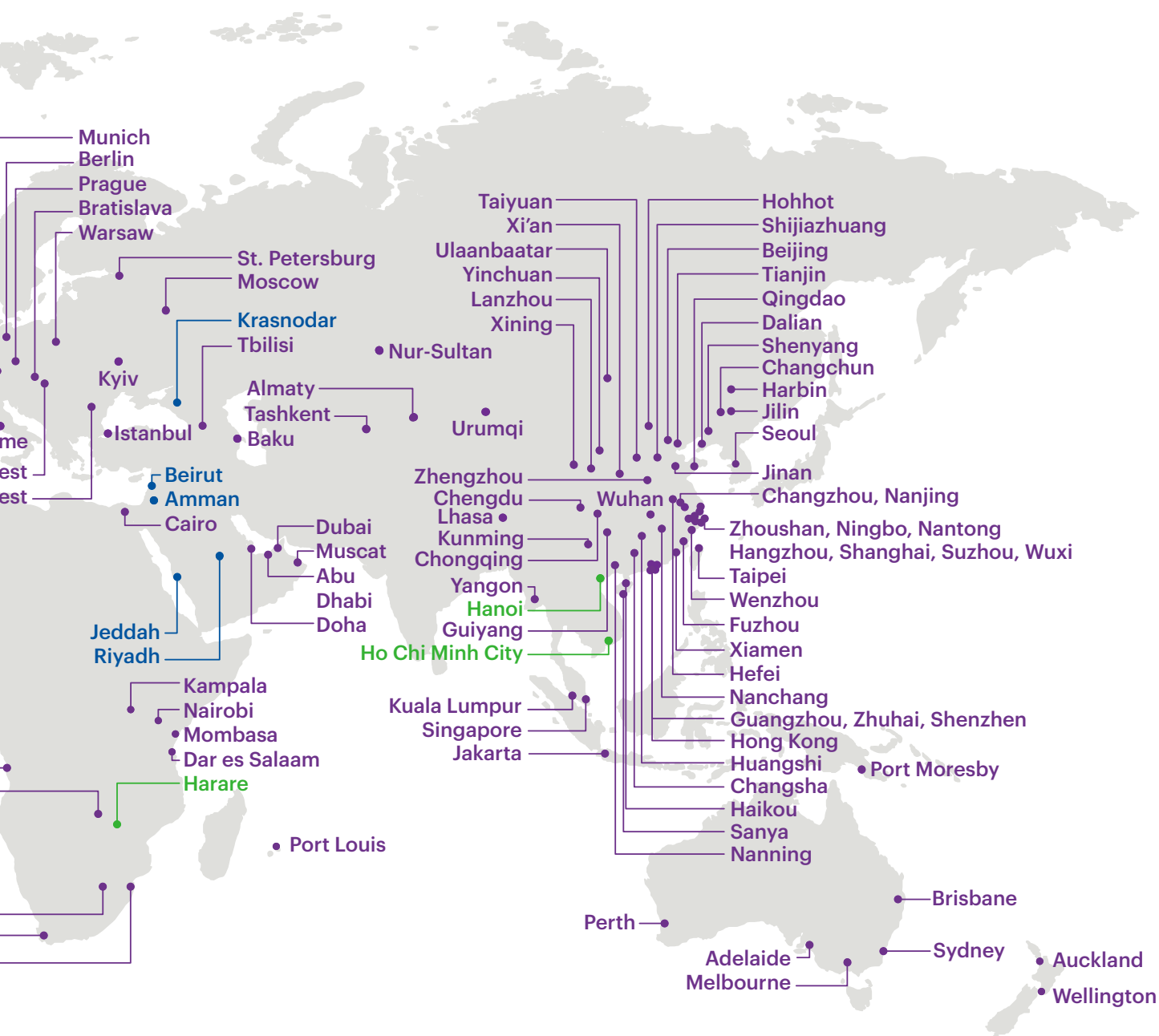


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