SHEARMAN & STERLING

FINANCIAL REGULATORY DEVELOPMENTS FOCUS

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In this week's newsletter, we provide a snapshot of the principal U.S., European and global financial regulatory developments of interest to banks, investment firms, broker-dealers, market infrastructure providers, asset managers and corporates.

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Bank Prudential Regulation & Regulatory Capital

US Federal Reserve Board, OCC and FDIC Expand 18-Month Examination Cycle for Small Banks and Branches and Agencies of Foreign Banks

On August 23, 2018, the U.S. Board of Governors of the Federal Reserve System, U.S. Office of the Comptroller of the Currency and U.S. Federal Deposit Insurance Corporation jointly issued an interim final rule and request for comment to expand the number of insured depository institutions and U.S. branches and agencies of foreign banks eligible for an 18-month on-site examination cycle. The interim final rule implements Section 210 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, which amends Section 10(d) of the Federal Deposit Insurance Act. Under the interim final rule, the Federal Reserve Board, OCC and FDIC are permitted to examine qualifying insured depository institutions with less than $3 billion in total assets on an 18-month cycle. Consistent with Section 7(c)(1)(C) of the International Banking Act, which provides that a federal or state branch or agency of a foreign bank be subject to the same on-site examination frequency as a national or state bank, the interim final rule also makes parallel changes with respect to the regulations governing the on-site examination cycle for U.S. branches and agencies of foreign banks. In order to qualify for the extended examination cycle, the institution must (i) have less than $3 billion in total assets; (ii) be well capitalized; (iii) have been found at its most recent examination to be well managed, with a composite condition of "outstanding" or "good;" (iv) not be subject to a formal enforcement proceeding or order by the FDIC or the institution's respective federal banking regulatory agency; and (v) have not undergone a change in control during the previous 12-month period in which a full-scope, on-site examination otherwise would have been required. The interim final rule will take effect upon its publication in the Federal Register, with comments due within 60 days of publication.

The full text of the interim final rule is available at: https://www.occ.treas.gov/news-issuances/news-releases/2018/nr-ia-2018-82a.pdf.

US Federal Reserve Board, OCC and FDIC Issue Interim Final Rule With Respect to the Treatment of Certain Municipal Obligations as High-Quality Liquid Assets

On August 22, 2018, the U.S. Board of Governors of the Federal Reserve System, U.S. Office of the Comptroller of the Currency and U.S. Federal Deposit Insurance Corporation jointly issued an interim final rule and request for comment to treat "liquid and readily-marketable," investment grade municipal obligations as level 2B high-quality liquid assets (HQLAs) for purposes of the liquidity coverage ratio rule. The interim final rule implements Section 403 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, which amends Section 18 of the Federal Deposit Insurance Act and requires the Federal Reserve Board, OCC and FDIC to treat qualifying municipal obligations as high-quality liquid assets (i.e., level 2B liquid assets) for purposes of the LCR rule and any other regulation that incorporates the definition of "high-quality liquid asset" or similar term. For purposes of the LCR rule, the term "municipal obligation" is defined to mean "an obligation of a state or any political subdivision thereof or any agency or instrumentality of a state or any political subdivision thereof." In order for a municipal obligation to qualify as a HQLA, it must be liquid and readily-marketable and investment grade at the time of calculation. With respect to the definition of liquid and readily-marketable, the interim final rule harmonizes the definition across the three agencies and adopts the Federal Reserve Board's definition, which defines the term as a security that is traded in an active secondary market with: (i) more than two committed market makers; (ii) a large number of non-market maker participants on both the buying and selling sides of transactions; (iii) timely and observable market prices; and (iv) a high trading volume. Section 403 also provides that the term "investment grade" has the meaning given in 12 C.F.R. Part 1, which requires that the issuer of a security has adequate capacity to meet financial commitments (meaning that the risk of default is low and full and timely repayment is likely) under the security for the projected life of the asset or exposure. In addition, consistent with the EGRRCPA, the Federal Reserve Board is rescinding its 2016 amendments to the LCR rule, which treated a narrower range of municipal obligations as HQLAs. With respect to FDIC- and OCC-regulated financial institutions, municipal obligations were not previously permitted to be treated as HQLAs. The interim final rule will take effect upon its publication in the Federal Register, with comments due within 30 days of publication.

The full text of the interim final rule is available at: https://www.occ.treas.gov/news-issuances/news-releases/2018/nr-ia-2018-81a.pdf.

European Central Bank Issues Opinion on Proposed Prudential Framework for Investment Firms

On August 22, 2018, the European Central Bank published an Opinion on the legislative proposals adopted by the European Commission in December 2017 for a new framework for the prudential regulation of investment firms. The framework proposed by the European Commission comprises a proposal for a regulation on the prudential requirements of investment firms (including amendments to the Capital Requirements Regulation, the Markets in Financial Instruments Regulation and the European Banking Authority Regulation) along with a proposal for a directive on the prudential supervision of investment firms, which includes amendments to the CRD IV Directive and the revised Markets in Financial Instruments Directive. The ECB was asked by the European Parliament and the Council of the European Union to provide its opinion on the proposed framework in January 2018.

In the Opinion, the ECB states that it generally supports the objectives of the proposed framework, which are to create a prudential framework better suited to the risks and business models of different types of investment firms and to subject systemically important investment firms to the same prudential rules as credit institutions.

The ECB's Opinion sets out detailed comments on and proposed amendments to the text of the Commission's proposals on the following issues:

- classification of investment firms as credit institutions;
- authorization of certain investment firms as credit institutions;
- statistical implications of changing definitions;
- macro-prudential perspective on investment firms;
- provision of services by third-country firms; and
- alignment of the proposals with the CRD IV Directive, the CRR and MiFID II.

The ECB Opinion is available at: http://www.ecb.europa.eu/ecb/legal/pdf/en_con_2018_36_f_sign.pdf and details of the proposed prudential framework are available at: https://finreg.shearman.com/eu-proposals-for-an-amended-prudential-regime-for.

Brexit for Financial Services

UK Government Issues Brexit 'No-Deal' Guidance for Financial Services

On August 23, 2018, HM Treasury published a technical notice entitled "Banking, insurance and other financial services if there's no Brexit deal," to provide guidance about the impact of the U.K. leaving the EU without a ratified withdrawal agreement in place. The guidance is relevant to financial services firms, funds and financial market infrastructures and to their customers. The technical notice is one of the first 25 of a series of U.K. government technical notices setting out information that will enable businesses and citizens to make informed plans and preparations in the event of the U.K. exiting the EU on March 29, 2019 without a deal. These technical notices include a notice on the government's overarching approach to preparing for a "no deal" scenario.

On March 29, 2019, the European Union (Withdrawal) Act 2018 will adopt EU law into the U.K. statute book and also empowers U.K. government ministers to amend EU laws so as to ensure a fully functioning regulatory framework for financial services on exit day. In a no deal scenario, the U.K. will fall outside the EU's regulatory framework for financial services and, in particular, it will not be possible for U.K. firms or EEA firms to provide services or activities in the EEA or U.K. respectively on the basis of the current single market passports. U.K. firms' regulatory position in relation to the EU would be determined by the relevant member state rules and any applicable EU rules that apply to third countries (countries outside of the EEA) at that time.

The technical notice explains that the U.K. will also treat EEA firms as third-country firms by default, but that the U.K. will minimize disruption for firms passporting into the U.K. prior to exit day and their customers, by introducing a temporary permissions regime for firms and a temporary recognition regime for non-U.K. CCPs. The government also intends to introduce similar temporary regimes for EEA electronic money and payment institutions, registered account information service providers and EEA funds that are marketed into the U.K. Planned U.K. legislation will also establish transitional arrangements for central securities depositories, credit rating agencies, trade repositories, data reporting service providers, systems currently designated under the Settlement Finality Directive and depositaries for authorized funds.

The technical notice clarifies a number of areas:

- There will be no, or no significant, implications from a "no deal" scenario for U.K.-based customers of U.K.-based providers (including U.K. subsidiaries of EEA firms). However, there could be some costs increases due to loss of direct access to central payments infrastructure—such as TARGET2 and the Single Euro Payments Area (SEPA)—and from the fact that cross-border card payments between the U.K. and EU will no longer be covered by EU legislation banning surcharges.
- Disruption will be minimized for U.K.-based customers of U.K.-based providers due to the U.K. temporary permissions regimes.
- The position of EEA customers (including U.K. citizens living abroad) of U.K. firms operating in the EEA is less clear, as a matter in respect of which the U.K. cannot take unilateral action to fully remediate risks of access or other issues. Absent action from the EU or its member states to minimize disruption (perhaps by introducing measures similar to the U.K.'s temporary regimes) or reliance by firms on applicable third country regimes, the loss of the financial services passport could mean, for example, that the access of EEA clients to U.K.-based financial institutions will be constrained. The government proposes to take unilateral action, if necessary, to resolve this issue on the U.K. side, and will work with the EU to identify and fully address these risks.
- The U.K. authorities are ready to agree cooperation arrangements with their EU counterparts as soon as is possible, to bring the U.K. into line with other third countries. Once these arrangements are in place, for example, asset management firms should be able to continue to use the delegation model, whereby EU legislation permits fund managers to delegate portfolio management services to a third party in another country, including countries outside the EU.

- U.K.-based clearing members (and their clients) using U.K. CCPs will not need to take any action as a result of Brexit.
- The temporary regime for non-U.K. CCPs will enable non-U.K. CCPs to continue to provide services to the U.K. for a period of up to three years. This will minimize the impact of Brexit for U.K.-based users of non-U.K. CCPs (including EEA CCPs).
- The government will bring forward legislation to counteract the fact that the U.K. will no longer be a part of the EU Settlement Finality Directive framework, which allows designated Financial Market Infrastructures to benefit from protections from insolvency actions. This proposed U.K. legislation will allow designations of non-U.K. FMIs, give powers to the Bank of England to designate these FMIs and provide for a temporary regime that would enable certain non-U.K. FMIs to continue to benefit from U.K. protections currently provided for by the EU Settlement Finality Directive. The EU has not proposed similar measures to designate U.K. FMIs, with the result that EU settlement finality protection for U.K. FMIs may fall away.
- U.K. trading venues will cease to be EU trading venues on Brexit. Unless there is action from the EU, the impact of this could be reduced market liquidity, in that some EEA firms may not be able to be members of U.K. venues and U.K. venues will also not be eligible venues for EEA firms to execute certain equity and derivatives trades.
- In addition, U.K.-based market participants may no longer be able to undertake certain equity and derivatives trades on EEA trading venues and would have to use alternative U.K. and international venues instead. EU market operators wishing to continue to undertake regulated activities in the U.K. will need to seek recognition as a Recognised Overseas Investment Exchange. Notably, there does not appear to be any proposed temporary permissions regime for EU exchanges, meaning that these will need to become Recognised Overseas Investment Exchanges in the U.K. from the point of Brexit in order to maintain meaningful U.K. access.
- The Financial Conduct Authority will be empowered by new legislation to authorize and regulate both U.K. and non-U.K. Credit Rating Agencies and Trade Repositories after Brexit. The FCA will also be empowered to allow U.K. CRAs and TRs to convert their existing EU authorization into a U.K. authorization. However, if no action is taken by the EU, EEA firms will no longer be able to access these U.K. firms and, unless the EU acts by endorsing or finding U.K. CRAs equivalent, the ratings of U.K. CRAs will no longer be able to be used in the EU for regulatory purposes after Brexit.
- The government proposes to bring forward legislation in September 2018 to introduce a temporary regime to minimize the impact on U.K. customers of both EU CRAs and TRs.
- Transfer of personal data between the U.K. and the EU will be the subject of a separate technical notice to be published by HM Treasury.

The technical note is available to view at: https://www.gov.uk/government/publications/banking-insurance-and-other-financial-services-if-theres-no-brexit-deal/banking-insurance-and-other-financial-services-if-theres-no-brexit-deal#purpose.

Details of the European Union (Withdrawal) Act 2018 can be viewed at: https://finreg.shearman.com/uk-brexit-legislation-receives-royal-assent.

Our client note on recent Brexit developments can be viewed at: https://www.shearman.com/perspectives/2018/08/brexit-equivalence-model.

The technical notice on the government's overarching approach to "no deal" preparations can be viewed at: https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/uk-governments-preparations-for-a-no-deal-scenario#timetable-and-conclusion.

UK Releases Draft Legislation to Onshore EU Regulatory Capital Requirements Legislation Post-Brexit

On August 21, 2018, HM Treasury released another draft statutory instrument in preparation for Brexit, the Capital Requirements (Amendment) (EU Exit) Regulations 2018—the draft Capital Requirements Regulations. The EU regulatory capital requirements framework for banks, building societies and investment firms comprises the Capital Requirements Regulation, the Capital Requirements Directive and secondary legislation in the form of technical standards. The CRD is implemented into U.K. law through various sector-specific legislation, for example, the Regulated Covered Bonds Regulations 2008, the Capital Requirements Regulations 2013, the Capital Requirements (Country-by-Country Reporting) Regulations 2013, and the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014, as well as through PRA and FCA rules. The CRR and the technical standards are directly applicable across the EU.

This draft Capital Requirements Regulations will amend the CRR to ensure that it continues to operate effectively in the U.K. when the U.K. leaves the EU. The domestic legislation implementing CRD is also amended to ensure that it continues to function as intended. The Prudential Regulation Authority and the Financial Conduct Authority will be responsible for amendments to the technical standards and for updating their rulebooks. They are expected to consult in Autumn 2018 on these aspects.

The draft Capital Requirements Regulations will, among other things, operate as follows:

- Group consolidation

  CRR provides for consolidated liquidity requirements for EU banking groups on a cross-EU basis only (i.e., the requirements do not also apply at national level). The result is that U.K. sub-groups with an EU parent do not currently have a U.K. level of consolidated liquidity supervision. The draft Regulations will subject an EU bank sub-group operating in the U.K. to a new layer of U.K. consolidated liquidity supervision overseen by the PRA.

  Under CRR, consolidated capital requirements are already calculated on both a national and EU basis. Both U.K. and EU groups are already conducting capital consolidation under the U.K. parent and therefore the draft Regulations make no changes in this regard.

- EU27 exposures

  The CRR specifies the level of capital and liquidity that firms must hold against different types of exposures, for example, to CCPs or central banks. EU assets and those of third countries deemed equivalent by the European Commission, are given preferential (generally 0%) treatment and no capital needs to be held against such exposures. After Brexit, EU27 sovereign and CCP exposures which do not benefit from an equivalence decision will no longer receive preferential capital treatment under the U.K.'s capital framework.

- Equivalence

  The Commission's function of making equivalence decisions for third country regimes will be transferred to HM Treasury. The PRA will become responsible for providing HM Treasury with technical assessments of third country regimes.

  Existing EU equivalence decisions will be incorporated into U.K. law by the EU Withdrawal Act and will continue to apply to the U.K.'s regulatory and supervisory relationship with those third countries.

EU equivalence decisions under CRR for exposures to third-country banks, investment firms, exchanges, governments and "large financial sector entities" have been granted for several countries, including the U.S., Japan, Brazil, Singapore, Saudi Arabia and South Africa.

- Macroprudential measures

  The U.K. regulators will maintain their existing powers to address macroprudential or systemic risk and the Financial Policy Committee will undertake its role as the macroprudential authority for the U.K.

  In addition, the functions of the EU authorities will be adopted by U.K. bodies. Unilateral obligations on the U.K. to share information or cooperate with the EU under the CRR will be removed by the draft Capital Requirements Regulations. Furthermore, the draft Capital Requirements Regulations include grandfathering provisions for any decisions made under CRR on or before Exit Day by a body other than the PRA or FCA and those decisions will continue to stand post-Brexit. The PRA and FCA will assume powers for those decisions after the U.K. leaves the EU.

  Where cross-references are included in the CRR to other EU legislation for which the U.K. has not yet developed onshoring legislation, those cross-references will be dealt with in legislation to be published at a later date. In addition, the draft Capital Requirements Regulations do not onshore the changes to CRR as a result of the EU Securitization Regulation and references to the European Market Infrastructure Regulation will be dealt with in later legislation.

  HM Treasury intends to lay the draft Regulations before Parliament in Autumn 2018. The Regulations will come into force mostly on the day the U.K. withdraws from the EU, either on March 29, 2019 or, if the implementation period is ratified, on December 31, 2020.

  As discussed in our previous posts and client note, HM Treasury has also published draft secondary legislation and proposals in other areas, such as a temporary permissions regime for EEA firms, a temporary recognition regime for non-U.K. CCPs, short selling regulations and deposit guarantee arrangements. Information about the proposed new framework for U.K. settlement finality designation has also been published. Further draft financial services legislation is expected to be published in the lead up to Brexit.

The draft regulations and explanatory guidance can be viewed at: https://www.gov.uk/government/publications/draft-capital-requirements-amendment-eu-exit-regulations-2018.

Other developments relating to Brexit for financial services can be viewed at: https://finreg.shearman.com/focus?categoryID=1013&yearmonth.

The existing equivalence decisions under CRR can be viewed at: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1535016610158&uri=CELEX:32014D0908.

Our client note on recent Brexit developments, including the draft regulations published to date can be viewed at: https://www.shearman.com/perspectives/2018/08/brexit-equivalence-model.

Conduct & Culture

US Federal Deposit Insurance Corporation Announces Modifications to its Statement of Policy Regarding Section 19 of the Federal Deposit Insurance Act

On August 20, 2018, the U.S. Federal Deposit Insurance Corporation issued modifications to its Statement of Policy with respect to Section 19 of the Federal Deposit Insurance Act, which (among other things) prohibits persons with convictions for certain criminal offenses, or those who have entered into pretrial diversion or similar programs with respect to the same, from participating in the affairs of a FDIC-insured financial institution without prior approval of the FDIC. This prohibition extends to individuals who are or would become institution-affiliated parties, individuals who directly or indirectly control or own an insured depository institution or individuals who participate directly or indirectly in the conduct of the affairs of an insured depository institution. In order to obtain approval from the FDIC, the financial institution or, in certain instances, the affected individual must file an application with the FDIC. The modifications expand *the de minimis* exception, for which the FDIC's consent is considered automatically granted without the filing of an application, to include, subject to certain additional requirements and limitations, issuance of insufficient funds checks of moderate aggregate value (less than $1,000); small dollar, simple theft (less than $500); isolated minor offenses committed by young adults (defined as 21 years of age or younger); and certain drug-related offenses so long as other *de minimis* criteria are met. The modified Statement of Policy further provides that a FDIC-supervised financial institution may extend a conditional offer of employment to an individual, subject to completion of the relevant background checks, provided that the individual may not work or be employed by the institution until it is determined that the applicant in not barred under Section 19. The modifications also make certain clarifying and technical corrections to the Statement of Policy. The FDIC noted that these modifications are expected to result in fewer applications and reduced regulatory burden.

The full text of the updated Statement of Policy is available at:
https://www.fdic.gov/news/news/financial/2018/fil18042a.pdf.

Consumer Protection

European Securities and Markets Authority Intends to Extend Product Intervention Measures for Binary Options for a Further Three Months

On August 24, 2018, the European Securities and Markets Authority announced its intention to adopt a Decision to extend the prohibition on the marketing, distribution and sale of binary options to retail investors for a further three-month period from October 2, 2018. ESMA has previously adopted intervention measures for binary options, with the current Decision set to expire on October 1, 2018.

ESMA has power under the Markets in Financial Instruments Regulation to impose prohibitions or restrictions on certain financial instruments, financial activities or practices. This may be done when, among other conditions, the exercise of ESMA's power addresses a significant investor protection concern in the Union. Product intervention measures imposed by ESMA under MiFIR must be reviewed at appropriate intervals and at least every three months. If a measure is not renewed after three months, it will expire. In reviewing the current Decision, ESMA has agreed to exclude from the scope of product intervention certain types of binary option that are less likely to lead to a significant investor protection concern.

The types of binary options that will be excluded from the scope of the new Decision after October 2018 are:

- a binary option for which the lower of the two predetermined fixed amounts is at least equal to the total payment made by a retail client for the binary option, including any commissions, transaction fees and other related costs; and
- a binary option that meets cumulatively the following three conditions: (i) the term from issuance to maturity is at least ninety calendar days; (ii) a prospectus drawn up and approved in accordance with the Prospectus Directive is available to the public; and (iii) the binary option does not expose the provider to market risk throughout the term of the binary option and the provider or any of its group entities do not make a profit or

loss from the binary option, other than previously disclosed commissions, transaction fees or other related charges.

ESMA's Board of Supervisors agreed on the renewal of intervention measures on August 22, 2018. ESMA will publish an official notice on its website in the coming weeks. The new Decision will then be published in the Official Journal of the EU and will start to apply from October 2, 2018 for a period of three months.

The ESMA press release is available at: https://www.esma.europa.eu/sites/default/files/library/esma71-99-1026_-_esma_to_renew_prohibition_on_binary_options_for_a_further_three_months.pdf and the ESMA's Decision published in June 2018 is available at: https://finreg.shearman.com/european-securities-and-markets-authority-extend.

Securities

EU Final Draft Technical Standards on Reporting and Disclosure Requirements for Securitizations

On August 22, 2018, the European Securities and Markets Authority published a final report and technical standards on the disclosure and reporting requirements under the EU Securitization Regulation (or STS Regulation). The Securitization Regulation requires originators and sponsors to notify ESMA of any securitization that meets the "Simple, Transparent and Standardized" criteria. ESMA will maintain a list of all such securitizations on its website. Securitization special purpose entities, originators and sponsors of a securitization will be required to make certain information available via a securitization repository to holders of a securitization position, to the national regulators and, upon request, to potential investors. The Securitization Regulation will apply directly across the EU from January 1, 2019 to securities issued under securitizations on or after January 1, 2019. Securitizations issued before that date may be referred to as STS securitizations provided that they meet certain conditions.

ESMA's final report outlines the feedback to ESMA's consultation on proposed draft technical standards conducted earlier this year as well as ESMA's responses to the feedback. ESMA notes the majority of support for its proposed approach and highlights areas where there were significant concerns, in particular, relating to the scope of the requirements, the time needed to implement the reporting requirements and the transitional requirements. Respondents voiced concerns over a lack of certainty as to the scope of the disclosure and reporting obligations, in particular, whether these requirements apply to private and public securitizations. ESMA states that its view is that: (i) the disclosure requirements relating to underlying exposures and the requirement to provide investor reports apply to all securitizations; and (ii) the requirements to report information to a securitization repository apply only to public securitizations.

Regarding timing, ESMA received feedback arguing that market participants would need sufficient time to adapt to the reporting requirements and that the technical standards should be adopted as soon as possible to provide certainty as to the requirements. ESMA has therefore re-prioritized its work to publish the final draft technical standards sooner than required by the Securitization Regulation. ESMA also considers that these reporting requirements would potentially be gradually implemented over a 15 to 18-month period.

Finally, ESMA clarifies that the reporting entity designated with responsibility for satisfying the transparency obligations should also be responsible for creating unique identifiers so that information can be tracked across a securitization.

The report sets out the final draft Regulatory Technical Standards and Implementing Technical Standards. These have been submitted to the European Commission for endorsement. The XML schema for the reporting templates are yet to be made available.

The ESMA report and final draft technical standards are available at: https://www.esma.europa.eu/press-news/esma-news/esma-defines-disclosure-standards-under-securitisation-regulation.

The ESMA consultation on the draft technical on the draft technical standards is available at: https://finreg.shearman.com/european-securities-and-markets-authority-launch.

People

US Federal Reserve Board Division of Research and Statistics Director, David Wilcox, to Retire

On August 20, 2018, the U.S. Board of Governors of the Federal Reserve System Announced that David Wilcox, the director of the Federal Reserve Board's Division of Research and Statistics, would retire at the end of the year. Mr. Wilcox has served as the director of the division for 7 years, and in his 30 years of service has also held positions on the staff of the President's Council of Economic Advisers, as assistant secretary for economic policy at the Treasury Department and as deputy director of the Division of Research and Statistics.

The full text of the Federal Reserve Press release is available at: https://www.federalreserve.gov/newsevents/pressreleases/other20180820a.htm.

Upcoming Events

September 4, 2018: EBA public hearing on its consultation on draft RTS for calculation of KIRB for securitized exposures

September 4, 2018: EBA public hearing on its consultation on draft Guidelines on outsourcing arrangements

September 4-5, 2018: OECD blockchain conference: Unleashing the potential and facing the challenges of blockchain (registration closes August 30, 2018)

September 11, 2018: FCA annual public meeting at which the FCA's 2017/2018 Annual Report will be discussed

September 27-28, 2018: Annual ESRB conference

October 15, 2018: SRB Conference 2018 - 10 years after the crisis: are banks now resolvable?

November 28, 2018: EBA 7th Annual Research Workshop - Reaping the benefits of an integrated EU banking market

Upcoming Consultation Deadlines

August 30, 2018: ESMA consultation on extending the exemption from the clearing obligation for intragroup transactions with third country group entities

September 3, 2018: PSR discussion paper on use of data in the payments industry

September 4, 2018: CFTC's proposed amendments to SRO surveillance programs for FCMs

September 7, 2018: FMSB consultation on a draft statement of good practice on algorithmic trading

September 7, 2018: ESMA consultation on amendments to the MiFID II tick size regime

September 7, 2018: FSB, IOSCO, Basel Committee and CPMI consultation on incentives to centrally clear OTC derivatives

September 17, 2018: Comment deadline for Proposed Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (proposed changes to the Volcker Rule)

September 17, 2018: U.K. BEIS consultation on a draft Bill introducing a register of the beneficial owners for overseas legal entities that own U.K. property

September 19, 2018: EBA consultation on draft RTS for calculation of KIRB for securitized exposures

September 21, 2018: FCA interim report (MS 17/1.2) on its investment platform market study

September 21, 2018: FSB consultation on implementation of the LEI

September 24, 2018: EBA consultation on draft Guidelines on outsourcing arrangements

September 25, 2018: PRA consultation on reflecting the Systemic Risk Buffer framework within the Leverage Ratio framework for U.K. systemic ring-fenced bodies

September 26, 2018: ESMA consultation on revised Guidelines for periodic reporting by credit rating agencies

September 27, 2018: CPMI and IOSCO consultation on governance arrangements for OTC derivatives data elements

September 28, 2018: FCA call for input on the PRIIPs Regulation

September 30, 2018: BoE consultation on term SONIA reference rates

October 5, 2018: ESMA consultation on minimum information content of exempted documents under the Prospectus Regulation

October 5, 2018: ESMA consultation on draft guidelines on risk factors under the Prospectus Regulation

October 5, 2018: BoE/PRA/FCA Discussion Paper on operational resilience of firms and FMIs

October 5, 2018: FCA consultation on a new workers directory

October 5, 2018: Law Commission consultation on reform of the anti-money laundering regime for England and Wales

October 12, 2018: ISDA consultation on fall backs based on overnight risk-free rates for certain derivatives

October 14, 2018: Regulators (globally) consultation on a Global Financial Innovation Network

October 27, 2018: FCA consultation on proposed changes to the rules governing P2P platforms

November 2, 2018: FCA discussion paper on the potential introduction of a new duty of care for financial services firms

THIS NEWSLETTER IS INTENDED ONLY AS A GENERAL DISCUSSION OF THESE ISSUES. IT SHOULD NOT BE REGARDED AS LEGAL ADVICE. WE WOULD BE PLEASED TO PROVIDE ADDITIONAL DETAILS OR ADVICE ABOUT SPECIFIC SITUATIONS IF DESIRED. IF YOU WISH TO RECEIVE MORE INFORMATION ON THE TOPICS COVERED IN THIS PUBLICATION, YOU MAY CONTACT YOUR USUAL SHEARMAN & STERLING REPRESENTATIVE OR ANY OF THE FOLLOWING:

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