

FINANCIAL REGULATORY DEVELOPMENTS FOCUS

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 Office of the Comptroller of the Currency Publishes Updated Business Combinations Booklet

On July 31, 2018, the U.S. Office of the Comptroller of the Currency released an updated version of the Comptroller's Licensing Manual Business Combinations booklet. The booklet, which was updated in November of 2017, has been revised to make certain technical corrections and process updates with respect to clarifications regarding the public notice and comment period and a change in the public comment calculation period.

The full text of the revised booklet is available at: <https://www.occ.gov/publications/publications-by-type/licensing-manuals/bizcombo.pdf>.

Final Draft EU Technical Standards on Homogeneity Conditions for STS Securitizations

On July 31, 2018, the European Banking Authority published a final report and final draft Regulatory Technical Standards under the EU Securitization Regulation on the conditions for a securitization to be considered homogenous. Homogeneity is one of the requirements for a securitization to be classed as a simple, transparent and standardized securitization or STS securitization. Exposures related to STS securitizations will attract lower risk weightings for firms subject to the Capital Requirements Regulation. The new EU securitization framework will apply across the EU from January 1, 2019.

The final draft RTS, which will apply to both asset-backed commercial paper and non-ABCP securitizations, establish four conditions for the underlying exposures to be considered homogeneous: (i) they have been underwritten according to similar underwriting standards; (ii) they are serviced according to similar servicing procedures; (iii) they fall within the same asset category; and (iv) for a majority of asset categories, they are homogeneous with reference to at least one homogeneity factor, such as type of obligor, ranking of security rights, jurisdiction or type of immovable property. The final draft RTS contain a non-exhaustive list of asset categories which reflect the most common types of underlying exposures securitized, including residential and commercial mortgages, credit facilities to individuals and corporates, auto loans and leases, credit card receivables and trade receivables. In addition, the underlying exposures of these asset categories, except for trade receivables and credit facilities for individuals, must be homogeneous with reference to at least one of the homogeneity factors.

The final draft RTS have been submitted to the European Commission for endorsement. The final RTS will apply directly across the EU 20 days after publication in the Official Journal of the European Union.

The final draft RTS is available at:

<http://www.eba.europa.eu/documents/10180/2298183/Draft+RTS+on+homogeneity+of+underlying+exposures+in+securitisation+%28EBA-RTS-2018-02+%29.pdf> and details of the EBA's consultation on the draft RTS are available at: <https://finreg.shearman.com/european-banking-authority-consults-on-draft-te>.

Final Draft EU Technical Standards on Securitization Risk Retention Requirements

On July 31, 2018, the EBA published a final report and final draft RTS under the EU Securitization Regulation (or STS Regulation) on the risk retention requirements for originators, sponsors and original lenders. The Securitization Regulation requires, among other things, originators, sponsors or original lenders of a securitization to retain on an ongoing basis a material net economic interest in the securitization of at least 5 %. The final draft RTS specify in greater detail the risk retention requirement, including the modalities of retaining risk, the measurement of the level of retention, the prohibition of hedging or selling the retained interest and the conditions for retention on a consolidated basis.

The final draft RTS have been submitted to the European Commission for endorsement. The final RTS will apply directly across the EU 20 days after publication in the Official Journal of the European Union.

The Securitization Regulation, which will apply from January 1, 2019, has replaced the risk retention requirements in the CRR. Once the final RTS enter into force, the existing Commission Delegated Regulation ((EU) No 625/2014) on risk retention requirements, made under the CRR, will be repealed.

The final draft RTS is available at:

<http://www.eba.europa.eu/documents/10180/2298183/Draft+RTS+on+risk+retention+%28EBA-RTS-2018-01%29.pdf>, the existing Delegated Regulation on risk retention requirements are available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_174_R_0006&rid=1 and details of the EBA's consultation on the draft RTS are available at: <https://finreg.shearman.com/european-banking-authority-consults-on-draft-tec>.

Consumer Protection

UK Conduct Regulator Reminds Firms of Obligations on Selling High-Risk Products to Retail Clients

On August 1, 2018, the U.K. Financial Conduct Authority issued a statement on selling high-risk speculative investments to retail clients following the European Securities and Markets Authority's product intervention on contracts for difference products.

ESMA issued decisions in March and June 2018 to temporarily prohibit the marketing, distribution or sale of binary options and to impose restrictions on the marketing, distribution or sale of CFDs to retail clients. In the CFD decision, ESMA had clarified that turbo certificates were outside the scope of the CFD restrictions. However, in its recently updated Q&A on its product intervention, ESMA acknowledges that turbo certificates have comparable features to CFDs, such as leverage.

The FCA fully supports ESMA's approach and, like ESMA, is concerned that firms may try to circumvent the CFD restrictions by offering to retail clients products that are differently named but that possess similar features to CFDs and that may raise similar investor protection concerns. The FCA reminds firms considering marketing, selling or distributing such products to retail clients to bear in mind their conduct of business obligations, in particular around clients' best interests, communications with clients and financial promotions, suitability and appropriateness and product governance.

The FCA Statement is available at: <https://www.fca.org.uk/news/statements/fca-statement-selling-high-risk-speculative-investments-retail-clients-following-esmas-action-cfd>, ESMA's updated product intervention Q&A are available at: https://www.esma.europa.eu/sites/default/files/library/esma35-36-1262_technical_qas_product_intervention.pdf and details of ESMA's product intervention measures for CFDs are available at: <https://finreg.shearman.com/european-securities-and-markets-authority-extend>.

UK Conduct Regulator Chair Supports New Standards for Data Ethics

On July 11, 2018, Charles Randell, Chair of the FCA and Payment Systems Regulator, delivered a speech on big data, regulation and data protection entitled "How can we ensure that big data does not make us prisoners of technology?"

Discussing the risks associated with big data and artificial intelligence, Mr. Randell highlighted that in order to innovate ethically, thought needs to be given to the questions posed by big data, AI and behavioral science. In particular, the FCA Chair is concerned that technical innovation could increase social exclusion

and reduce access to financial services if it was used, for example, to identify the most profitable or most risky customers.

The FCA Chair argues that the U.K.'s global leadership in both technological innovation and financial services could be strengthened through fair standards and public trust. He supports the development of new standards for data ethics and believes that the U.K. has an important role to play in establishing those standards. He suggests that three elements are necessary to achieve sustainable financial innovation – purpose, people and trust. The purpose of a firm, which is linked to its culture and values, would be important. In principle, data usages which serve the purpose of relevant financial activities with customers can be distinguished from those which serve only to deliver increased profits and which may not be expected by consumers. Mr. Randell believes that regardless of the degree of innovation achieved, people must remain involved and be accountable for the outcomes reached by their innovation. Mr. Randell posits that trust is the most important element for any financial services business. Firms need to create and maintain trust within their community and need to understand their community's views of the fair use of data. In addition, he suggests that trust requires good communication by a firm so that consumers can understand a firm's approach to using their data.

Finally, Mr. Randell states that the FCA and the PSR fully support the government's proposals to establish a Centre for Data Ethics and Innovation. The government announced the intention to establish the Centre in June, proposing that it would assist the government to identify what would be required to strengthen and improve the way data and AI are used and regulated. The Centre would issue recommendations, across sectors, for best practice and provide advice on plugging any potential gaps in regulation. The consultation on the Centre for Data Ethics and Innovation closes on September 5, 2018.

The speech is available at: <https://www.fca.org.uk/news/speeches/how-can-we-ensure-big-data-does-not-make-us-prisoners-technology> and the consultation on the proposed Centre for Data Ethics and Innovation is available at: <https://www.gov.uk/government/consultations/consultation-on-the-centre-for-data-ethics-and-innovation/centre-for-data-ethics-and-innovation-consultation>.

Enforcement

Bank of England Establishes Enforcement Decision Making Committee and Appoints Members

On August 3, 2018, following a consultation that ran between November 2017 and February 2018, the Bank of England published a policy statement on the procedure and necessary revisions to existing policies and procedures required for the establishment of an Enforcement Decision Making Committee.

The EDMC has been established as a response to a recommendation from HM Treasury arising from its review of enforcement decision-making at the U.K. financial regulators. HM Treasury had recommended the establishment of a functionally-independent decision-making committee composed of independent members with expertise suited to the Prudential Regulation Authority's regulatory focus. The BoE has gone beyond HM Treasury's original recommendation and, going forward, the EDMC will be the BoE's decision-making body in contested enforcement cases that relate to all areas in which the BoE has enforcement powers (that is, prudential regulation, financial market infrastructure, resolution and note issuances). It will ensure the necessary functional separation between the BoE's investigation teams and decision-makers.

Alongside the Policy Statement, the BoE has published revised statements of policy and procedures reflecting the EDMC's establishment. These cover the EDMC's remit and operation and the selection, appointment, remuneration and governance of EDMC members. The BoE has also issued a press release

announcing its appointment of six EMDC members. Members are appointed for renewable, fixed, three-year periods and cannot serve more than two consecutive terms.

The initial six EDMC members are:

- I. Sir William Blair (Chair)
- II. Philip Marsden (Deputy Chair)
- III. Baroness Kishwer Falkner
- IV. Anne Heal
- V. Mark Hoban
- VI. Edward Sparrow

The Policy Statement is available at: <https://www.bankofengland.co.uk/-/media/boe/files/paper/2018/enforcement-decision-making-committee-policy-statement.pdf>, the updated statement of policy, “The Prudential Regulation Authority’s approach to enforcement: statutory statements of policy and procedure” is available at: <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/statement-of-policy/2018/the-pras-approach-to-enforcement-statutory-statements-of-policy-and-procedure-update.pdf>, the document, “Procedures – the Enforcement Decision Making Committee” is available at: <https://www.bankofengland.co.uk/-/media/boe/files/paper/2018/procedures-the-enforcement-decision-making-committee.pdf>, the updated policy statement, “Statutory statements of procedure in respect of the Bank of England’s supervision of financial market infrastructures” is available at: <https://www.bankofengland.co.uk/-/media/boe/files/statement/2018/statutory-statements-of-procedure-in-respect-of-the-boe-supervision-of-fmi-policy-statement-update.pdf> and the Press Release on appointment of EDMC members is available at: <https://www.bankofengland.co.uk/-/media/boe/files/news/2018/august/appointment-of-members-of-the-enforcement-decision-making-committee.pdf?la=en&hash=9EBA236B1D9833AF3017A453B3D8FB002009E08B>.

Financial Market Infrastructure

Global Recommendations for Trading Venues to Manage Extreme Volatility

On August 1, 2018, the International Organization of Securities Commissions published a report on mechanisms used by trading venues to manage extreme volatility and preserve orderly trading. Following its consultation earlier this year, IOSCO is making eight recommendations for trading venues and their regulators to consider when implementing, operating and monitoring volatility control mechanisms to preserve orderly trading. The recommendations are:

- I. Trading venues should establish and maintain appropriate volatility control mechanisms during trading hours to manage extreme volatility and preserve orderly trading in a financial instrument on the market.
- II. Trading venues should regularly monitor volatility control mechanisms to ensure that they are working as designed and to identify circumstances that would require the mechanisms to be re-calibrated.
- III. Trading venues should ensure that volatility control mechanisms are appropriately calibrated by considering the following non-exhaustive list of elements: (a) the nature of the financial instrument or underlying asset; (b) the liquidity or trading profile of the financial instrument; (c) the volatility profile of the financial instrument or underlying product; (d) volatility control mechanisms in place for related financial instruments and/or markets; and (e) price of the financial instrument.
- IV. Trading venues should make available upon request by their regulatory authority information about the execution of any volatility control mechanism.

- V. Trading venues should communicate sufficient information to market participants and, if appropriate, the public, for them to understand the nature and operation of the volatility control mechanisms used.
- VI. Trading venues should promptly make available to market participants, and if appropriate the public, information regarding the triggering of a volatility control mechanism.
- VII. Where the same or related instruments are traded on multiple trading venues in the same jurisdiction, trading venues should communicate as appropriate when volatility control mechanisms are triggered. Where the same or related instruments are traded in different jurisdictions and the mechanism is triggered, communication may be appropriate.
- VIII. Regulatory authorities should consider what information is required for them to effectively monitor the overall volatility control mechanism framework in their jurisdiction and should ensure that trading venues maintain relevant records.

The report is available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD607.pdf> and details of IOSCO's consultation are available at: <https://finreg.shearman.com/international-standards-body-proposes-recommendat>.

FinTech

US Treasury Publishes Report on Nonbank Financials, Fintech and Innovation

On July 31, 2018, the U.S. Department of the Treasury released its report on Nonbank Financials, Fintech and Innovation. The FinTech report is the fourth in a series mandated by U.S. President Donald Trump's Executive Order 13772 on Core Principles for Regulating the United States Financial System. The report groups Treasury's recommendations into four principal categories: (i) adapting regulatory approaches to changes in the aggregation, sharing and use of consumer financial data, and to support the development of key competitive technologies; (ii) aligning the regulatory framework to combat unnecessary regulatory fragmentation, and account for new business models enabled by financial technologies; (iii) updating activity-specific regulations across a range of products and services offered by nonbank financial institutions; and (iv) advocating an approach to regulation that enables responsible experimentation in the financial sector, improves regulatory agility and advances American interests abroad.

For the first of these categories, Treasury recommends revisions to the Telephone Consumer Protection Act and Fair Debt Collection Practices Act; increased transparency and consumer access and control over consumer financial account and transaction data—including the enactment of a federal data security and breach notification law; and considerations with respect to the use of cloud technologies, big data and machine learning in financial services. With regard to the alignment of the regulatory framework to promote innovation, Treasury makes a number of recommendations to improve the clarity, transparency and efficiency of the regulatory framework applicable to financial institutions, including recommending that the OCC move forward with its FinTech charter program and that the U.S. Board of Governors of the Federal Reserve System consider redefining the concept of bank holding company control to provide a streamlined and more efficient standard. With respect to the update of activity-specific regulations, the report makes a number of recommendations in the areas of lending and servicing (including recommendations related to mortgage lending and servicing, student lenders and servicers, debt collection and short-term, small-dollar lending), payments and wealth management and digital financial planning. With respect to establishing a policy environment that promotes and encourages innovation, the report recommends creating a regulatory sandbox to promote experimentation and innovation, agile and effective regulation of the financial system, addressing and accounting for cybersecurity and other infrastructure considerations, and international engagement to promote U.S. interests abroad and align U.S. regulatory standards with those of other countries and international organizations. The report notes that many of these recommendations can be

facilitated through the federal agency rulemaking process, although some may require congressional action to implement.

The full report is available at: <https://home.treasury.gov/sites/default/files/2018-08/A-Financial-System-that-Creates-Economic-Opportunities---Nonbank-Financials-Fintech-and-Innovation.pdf>.

An abbreviated fact sheet regarding the report is available at: <https://home.treasury.gov/sites/default/files/2018-07/Nonbank%20Financials%20EO%20-%20Fact-Sheet%20FINAL.PDF>.

US Office of the Comptroller of the Currency Begins Accepting National Bank Charters from FinTech Companies

On July 31, 2018, the OCC announced that it would begin accepting national bank charter applications from non-depository FinTech companies that seek to engage in the business of banking. In connection with the announcement, the OCC released a policy statement that outlines the OCC's chartering authority with respect to non-depository FinTech companies, the OCC's stated support for reasonable innovation and the chartering standards and supervisory expectations applicable to such institutions. Consistent with standard national bank applications, the OCC noted that it will consider whether the applicant has a reasonable chance of success, will be operated in a safe and sound manner, will provide fair access to financial services, will treat customers fairly and will comply with applicable laws and regulations as well as whether the institution can reasonably be expected to maintain profitability and whether the approval of the charter will foster healthy competition. FinTech companies that receive the charter would be subject to the same safety and soundness and fairness standards that are applicable to all federally chartered banks, and would be supervised in a manner consistent with similarly situated national banks with respect to capital, liquidity and risk management. Chartered FinTech companies would also be required to develop contingency plans to account for significant financial stress, and plans outlining the institution's resolution strategy. The OCC also released a supplement to its Comptroller's Licensing Manual that outlines the application process for FinTech companies and the considerations the OCC will use in evaluating these applications and the supervision of these institutions once a charter has been granted.

The full text of the OCC's policy statement is available at: <https://www.occ.treas.gov/publications/publications-by-type/other-publications-reports/pub-other-occ-policy-statement-fintech.pdf>.

The full text of the OCC Licensing Manual supplement regarding FinTech companies is available at: <https://www.occ.treas.gov/publications/publications-by-type/licensing-manuals/file-pub-lm-considering-charter-applications-fintech.pdf>.

Payment Services

UK Financial Conduct Regulator Proposes to Apply Principles and Conduct Rules to Payment Service Providers and Electronic Money Firms

On August 1, 2018, the U.K. FCA launched a consultation on general standards and communication rules for the payment services and e-money sectors.

Payment Service Providers and e-money firms are authorized or registered under the Payment Services Regulations 2017 and Electronic Money Regulations 2011, respectively. The Payment Services Regulations 2017 brought certain of these firms within the scope of the FCA's rulemaking powers.

Currently, the FCA's overarching requirements on firms—the Principles for Businesses—apply to the issuance of e money by credit institutions, which are authorized and regulated under the Financial Services and Markets Act 2000. However, because provision of payment services is not a regulated activity under FSMA, the Principles only apply to payment services when such services are carried on as ancillary to a regulated activity. The FCA proposes to amend its rules to ensure that all entities that provide payment services and issue e money are subject to the Principles in respect of such activities. This change therefore affects Payment Institutions, Electronic Money Institutions and Registered Account Information Service Providers as well as credit institutions.

The FCA also proposes to clarify its expectations around firms advertising their services to customers by: (i) applying its rules and guidance on communications (including marketing communications) to communications with payment service and e money customers; and (ii) extending their application to EMIs, PIs and RAISPs.

The FCA considers that the proposals in the consultation paper will set consistent expectations for all regulated actors in the sector and reinforce the effectiveness of its enforcement approach across the markets for payment services and electronic money. The rule changes should also ensure that consumers are confident that the information they receive from PSPs and e money issuers is fair, clear and not misleading and that they are not misled about the rates they can achieve or alternative providers' services.

Comments on the consultation are invited by November 1, 2018. The FCA intends to publish a policy statement and final rules by the end of January 2019.

The consultation paper (FCA CP 18/21) is available at: <https://www.fca.org.uk/publication/consultation/cp18-21.pdf>.

Final Draft EU Technical Standards on Home-Host Regulatory Cooperation Under the Revised Payment Services Directive

On July 31, 2018, the EBA published a final report and final draft RTS under the revised Payment Services Directive on cooperation between national regulators in home and host states of a payment institution that operates cross-border in the EU. PSD2 took effect on January 13, 2018. The final report summarizes the feedback the EBA received to the proposed draft RTS and sets out the EBA's responses. The EBA confirms that it has made a number of the changes to the text of the final draft RTS as a result of the feedback.

The final draft RTS specify the framework for cooperation between supervisors of payment institutions operating on a cross-border basis, including the method for cooperation and details of information that should be provided between regulators. The final draft RTS also specify the means, details and frequency of reporting that a host national regulator may request from payment institutions concerning activities carried out in its territory through agents or branches. The final draft RTS will further apply to the framework for cooperation, and for the exchange of information, between national regulators for electronic money institutions providing services cross-border in the EU.

The EBA has submitted the final draft RTS to the European Commission for endorsement. The final RTS will apply across the EU 20 days after publication in the Official Journal of the European Union.

The final report and final draft RTS are available at: <http://www.eba.europa.eu/documents/10180/2298183/Draft+RTS+on+home-host+cooperation+under+PSD2+%28EBA-RTS-2018-03%29.pdf>.

UK Payment Systems Regulator Reports on the UK Contactless Mobile Payment Sector

On July 31, 2018, the U.K. Payment Systems Regulator published a Report setting out its understanding of the Contactless Mobile Payments sector, following information-gathering during 2016 and 2017. CMPs are in-store payments made by consumers, using apps installed on their mobile devices, usually using Near Field Technology for communication between the mobile device and the retailer's point-of-sale terminal and with payment security enabled via a "tokenization" process.

The PSR conducted two calls for information in 2016 and 2017 to increase its understanding of:

- I. whether the way CMPs operate and the way they are being offered in the U.K. potentially affects competition, innovation and the interests of people and organizations that use payment systems (and, if so, how); and
- II. whether there were any restrictions affecting the provision of tokenization services.

The Report explains how CMPs work from a functional and technical perspective, outlines the main participants and their respective roles, summarizes the PSR's consideration of particular issues and proposes next steps.

The PSR concludes that, while only a small percentage of transactions currently use CMPs compared with other methods, usage is rapidly rising and CMPs could represent a sizeable part of all U.K. payments sector in the near future. This will potentially impact all three of the PSR's statutory objectives. In the PSR's view, CMP is an alternative payment method that can potentially benefit both participants and end-users. The PSR does not propose any specific actions at this stage, but it will continue to keep the CMP sector under observation as the same develops further. The PSR has stated its readiness to take any necessary action to address any emerging issues that may hamper efficient competition and innovation in the markets concerned.

The Report is available at:

https://www.psr.org.uk/sites/default/files/media/PDF/Contactless_mobile_payments_July_2018.pdf.

Securities

UK Conduct Regulator Consults on Rule Alignments for EU Securitization Framework

On August 1, 2018, the U.K. FCA launched a consultation on proposed changes to its rules to ensure consistency with the provisions of the directly applicable EU Securitization Regulation (also known as the STS Regulation) and related amendments to the CRR, which take effect across the EU on January 1, 2019. This forthcoming EU legislation will introduce a new framework for simple, transparent and standardized securitizations, intended to make the EU securitization market function more effectively.

The Securitization Regulation creates a new category of entity, the Third Party Verification agent, or TPV. A TPV can be voluntarily appointed by a sponsor, originator or securitization special purpose entity to verify that a securitization complies with the STS criteria, so as to attain classification as Simple, Transparent and Standardized. TPVs will be authorized and supervised by national regulators. The FCA proposes to open an application gateway for prospective TPVs from September 2018 and is seeking feedback on the fees it proposes to charge for new applications and variations of permission.

The FCA also seeks feedback on other, consequential, changes to various parts of its Handbook to align them with the EU measures and to delete or replace any provisions that the EU measures supersede. These consequential amendments affect the FCA glossary and certain parts of the Handbook that relate to collective investment schemes and alternative investment funds.

Comments on the consultation are invited by October 1, 2018. The FCA plans to publish a policy statement in December 2018.

The consultation (FCA CP 18/22) is available at: <https://www.fca.org.uk/publication/consultation/cp18-22.pdf>.

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

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 13, 2018: EBA consultation on draft Guidelines on the conditions to be met to benefit from an exemption from contingency measures under the RTS on strong customer authentication and common and secure communication

August 17, 2018: ECB consultation on a draft Regulation proposing the materiality threshold for credit obligations past due under the CRR

August 17, 2018: FATF consultation on draft Risk-Based Approach Guidance for the securities sector

August 20, 2018: FSB call for feedback on the technical implementation of the TLAC Standard

August 20, 2018: FSB consultation on a draft cyber lexicon

August 22, 2018: PRA consultation on Securitization: the new EU framework and significant risk transfer

August 24, 2018: U.K. CMA consultation on proposed remedies to adverse competition in the investment consultancy and fiduciary management markets

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 17, 2018: 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 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 28, 2018: FCA call for input on the PRIIPs Regulation
- September 30, 2018: BoE consultation on term SONIA reference rates
- October 1, 2018: FCA consultation on rule changes to align with EU Securitization Regulation and related CRR amendments
- 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 27, 2018: FCA consultation on proposed changes to the rules governing P2P platforms
- November 1, 2018: FCA consultation on applying Principles and conduct rules to firms in payment services and e-money sector
- 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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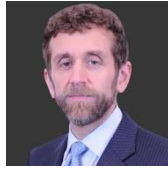
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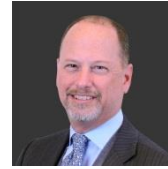
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