

# International Regulatory Update

10 – 14 November 2014

## IN THIS WEEK'S NEWS

- PRIIPS: EU Council adopts transparency rules for investment products
- Multilateral interchange fees regulation: EU Council agrees general approach
- EU Council publishes conclusions on European System of Financial Supervision
- Money Market Funds: EU Council Presidency publishes compromise proposal
- EBA consults on methods for calculating contributions to deposit guarantee schemes
- EBA consults on valuation in recovery and resolution
- EBA consults on product oversight and governance arrangements for retail banking products
- CRR: EBA consults on draft RTS on assessment methodology for IRB approach
- EMIR: ESMA consults on revised standards on reporting to trade repositories
- AIFMD: ESMA consults on EU passport and marketing of non-EU AIFs by EU AIFMs in the EU
- FSB consults on total loss-absorbing capacity for G-SIBs and reports on progress in reforming resolution regimes and planning
- Shadow Banking: FSB publishes progress report and roadmap for further work
- Basel Committee reports to G20 on implementation of Basel III and reducing variability in RWA calculations
- Basel Committee reports on use of national discretions
- ISDA publishes 2014 Resolution Stay Protocol
- New Payment Services Regulator consults on regulatory framework
- FCA consults on changes to financial crime guide
- German Federal Government proposes draft law to protect retail investors
- Polish President signs Act on Reverse Mortgages
- FINMA to publish revised circular on credit rating agencies
- RQFII programme expanded to Canada
- Hong Kong and United States sign FATCA IGA

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- HKMA announces removal of RMB conversion limit for Hong Kong residents
- CFTC further implements trade execution requirement
- Recent Clifford Chance Briefings: EU Directive on antitrust damages; ASEAN 2015; and more. [Follow this link to the briefings section.](#)

### **PRIIPS: EU Council adopts transparency rules for investment products**

The EU Council has [adopted](#) the regulation on key information documents for packaged retail and insurance-based investment products (PRIIPS). The regulation, part of a package of measures to enhance consumer trust in financial markets, sets out to ensure that retail investors always receive the information they need to take informed decisions. In particular, key information documents should indicate:

- the nature and features of the product;
- whether it is possible to lose capital;
- the costs and risk profile of the product; and
- relevant performance information.

The new requirements will be applicable two years after entry into force of the regulation.

A review will be carried out after four years to take account of market developments, such as the development of new types of PRIIPs. Undertakings for collective investment in transferable securities (UCITS) will not be subject to the regulation for five years as they are already subject to key information requirements under other EU rules (Directive 2009/65/EC). As part of the review of the regulation, the Commission will assess whether the five-year transition for UCITS should be prolonged.

The regulation was adopted without discussion following an agreement reached with the EU Parliament at first reading.

### **Multilateral interchange fees regulation: EU Council agrees general approach**

The Permanent Representatives Committee (COREPER) has [agreed](#) the EU Council's general approach with regard to the proposed regulation on interchange fees for card-based payment transactions (MIF Regulation). In a joint declaration, the Council Presidency and the EU Commission acknowledge concerns related to domestic universal cards, which currently do not allow a distinction between debit and deferred debit cards. As such, the Council and Commission will approach trilogue discussions

with the EU Parliament with a view to negotiating a transitional period to allow such card schemes to adapt to the obligations set out in the regulation.

### **EU Council publishes conclusions on European System of Financial Supervision**

The EU Council has published its [conclusions](#) on the EU Commission's review of the European System of Financial Supervision (ESFS) published on 8 August 2014. The EU Council agrees with the Commission that overall the European Supervisory Authorities (ESAs), comprising the European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA), and the European Systemic Risk Board (ESRB) have performed well and that there is no need for a major overhaul of the ESFS.

The conclusions set out areas where the Council welcomes the Commission's suggestions for short-term improvements to both the ESAs and ESRB within the existing ESFS framework. The Council also stresses the need for further reflection on medium to long-term changes but notes that any further change would need to take into account the impact of the Single Supervisory Mechanism (SSM), Single Resolution Mechanism (SRM) and Banking Union.

The next review of the ESFS will be in 2016.

### **Money Market Funds: EU Council Presidency publishes compromise proposal**

The EU Council Presidency has published a [compromise text](#) on the proposal for a regulation on money market funds (MMFs).

### **EBA consults on methods for calculating contributions to deposit guarantee schemes**

The European Banking Authority (EBA) has launched a [consultation](#) on its draft guidelines on methods for calculating contributions to deposit guarantee schemes (DGSs).

The proposed guidelines put forward methods for calculating ex-ante contributions to DGSs, and particularly the methods for adjusting contributions to banks' risk profiles in order to incentivise sound risk behaviours. The proposed methods are intended to ensure that DGSs are properly financed by credit institutions and meet the target funding level foreseen by the DGS Directive (in principle 0.8% of covered deposits by 2024), so as to protect tax payers from an underfinanced deposit insurance scheme.

The consultation closes on 11 February 2015.

### **EBA consults on valuation in recovery and resolution**

The EBA has published a [consultation paper](#) on draft Regulatory Technical Standards (RTS) on valuation in recovery and resolution.

Under the Bank Recovery and Resolution Directive (BRRD) valuations are to take place:

- prior to resolution in order to:
  - inform the determination whether the conditions for resolution or the write-down or conversion of capital instruments are met (Valuation 1);
  - inform the choice resolution action to be adopted, the extent of any eventual write-down or conversion of capital instruments, and other decisions on the implementation of resolution tools (Valuation 2); and
- after resolution, in order to determine whether an entity's shareholders and/or creditors would have received better treatment if the entity had entered into normal insolvency proceedings (Valuation 3).

The draft RTS are intended to promote the consistent application of methodologies for these valuations and specify the principles upon which independent valuers must apply their own expertise.

The EBA has also launched two related consultations on draft guidelines relating to bail-in, in particular the rate of conversion of debt to equity and treatment of shareholders.

The [draft guidelines on the rate of conversion of debt to equity](#) in bail-in set out when and how different conversion rates from debt to equity should be set for different types of liabilities. In particular, the guidelines clarify how affected creditors may be appropriately compensated by means of the conversion rate, and the relative conversion rates that might be appropriate to reflect the priority of senior liabilities under applicable insolvency law. The principle that no shareholder or creditor should be worse off under bail-in than under normal insolvency procedures underpins the guidance in line with the No Creditor Worse Off principle in the BRRD. The draft guidelines specify that differential conversion rates should only be set in order to respect the BRRD resolution principles, including No Creditor Worse Off.

The [draft guidelines on the treatment of shareholders](#) relate to the use of the bail-in tool and the write down or

conversion of capital instruments and set out principles to guide resolution authorities in deciding whether:

- existing shares or other ownership instruments should be cancelled or transferred to bailed-in creditors; or
- existing shareholders or holders of other ownership instruments should be diluted through conversion of capital instruments or eligible liabilities into equity.

The guidelines underline that resolution authorities should not seek to impose losses on other creditors until shareholders have absorbed losses to the maximum possible extent.

Comments on the draft RTS and both sets of draft guidelines are due by 6 February 2015.

### **EBA consults on product oversight and governance arrangements for retail banking products**

The EBA has launched a [consultation](#) on draft guidelines for the product oversight and governance (POG) of retail banking products and services to ensure that consumers are taken into account during product development and distribution. The guidelines for retail banking products constitute the second phase of the review of causal drivers of conduct failure, which began with work carried out by the Joint Committee of the three European Supervisory Authorities in 2013.

The EBA consultation includes guidelines for products such as mortgages, loans, deposits and savings, credit and debit cards, payment services, payment accounts and electronic money. The guidelines are intended to provide a robust framework for establishing internal arrangements for the design, marketing and life cycle of products to ensure that products meet the needs of the target market. Consequently the guidelines are addressed at both manufacturers of retail banking products and distributors.

The consultation will close on 10 February 2015 and the EBA intends to publish final guidelines in the second quarter of 2015 to apply from 1 April 2016.

### **CRR: EBA consults on draft RTS on assessment methodology for IRB approach**

The EBA has launched a [consultation](#) on draft RTS setting out the assessment methodology for the internal ratings based (IRB) approach under its mandate in the Capital Requirements Regulation (CRR).

The draft RTS set out standards to assist competent authorities in assessing whether an institution complies with minimum IRB requirements both when an institution initially applies to use the IRB approach and on an ongoing basis, as well as when an institution applies to:

- use the IRB approach for certain types of exposures in accordance with the sequential implementation plan;
- intends to implement material changes to the IRB approach; or
- seeks to resume less sophisticated approaches.

The RTS are intended to ensure harmonisation between EU Member States in the way that competent authorities apply the supervisory assessment methodology and also clarify certain aspects related to the IRB, including:

- the independence of the validation function from the credit risk control unit;
- calculation of own-loss given default (LGD) estimates; and
- calculating the difference between expected loss amounts and credit risk adjustments, additional value adjustments and other own funds reductions.

Once finalised these RTS will replace guidance published in 2006 by the Committee of European Banking Supervisors (CEBS) on internal ratings based (IRB) approaches.

Comments on the consultation are due by 12 March 2015.

#### **EMIR: ESMA consults on revised standards on reporting to trade repositories**

The European Securities and Markets Authority (ESMA) has published a [consultation paper](#) on the revision of the RTS and implementing technical standards (ITS) in relation to the European Market Infrastructure Regulation (EMIR).

The RTS and ITS deal with the obligation of counterparties and CCPs to report to trade repositories. ESMA's revised standards are intended to clarify the interpretation of the data fields needed for the reporting to trade repositories and the most appropriate way of populating them.

The consultation closes on 13 February 2015.

#### **AIFMD: ESMA consults on EU passport and marketing of non-EU AIFs by EU AIFMs in the EU**

ESMA has opened a [call for evidence](#) to gather input for the opinion it must submit to the EU Commission on the Alternative Investment Fund Managers Directive (AIFMD).

ESMA must submit an opinion by 22 July 2015 on:

- the functioning of the EU passport under the AIFMD; and
- the functioning of the marketing of non-EU alternative investment funds (AIFs) by EU alternative investment fund managers (AIFMs) in the EU and the management and/or marketing of AIFs by non-EU AIFMs in the EU.

ESMA must also issue advice on whether the passporting regime should be extended to the management and/or marketing of AIFs by non-EU AIFMs and to the marketing of non-EU AIFs by EU AIFMs.

Comments are due by 8 January 2015. ESMA will consider the feedback it receives to this call for evidence in Q1 2015 and expects to deliver the opinion and advice to the EU Commission by 22 July 2015.

#### **FSB consults on total loss-absorbing capacity for G-SIBs and reports on progress in reforming resolution regimes and planning**

The FSB has launched a [consultation](#) on proposals for a common international standard on total loss-absorbing capacity (TLAC) for global systemically important banks (G-SIBs). TLAC is intended to ensure that G-SIBs have sufficient capacity to absorb losses, both before and during resolution, and enable resolution authorities to implement a resolution strategy that minimises any impact on financial stability and ensures the continuity of critical economic functions.

The FSB has released for consultation:

- a set of principles on the adequacy of loss-absorbing and recapitalisation capacity of G-SIBs, which build on proposals for ending too big to fail (TBTf) set out in an FSB report in September 2013; and
- a detailed term sheet providing concrete proposals for implementing the principles.

The principles set out details of a common Pillar 1 minimum requirement for all G-SIBs and guidance for national authorities on how to determine firm-specific Pillar 2 requirements to take into account individual circumstances, which would be calibrated in consultation with Crisis Management Groups and subject to review in the FSB's Resolvability Assessment Process (RAP). Following the consultation, the FSB will collaborate with the Basel Committee on Banking Supervision (BCBS) and the Bank for International Settlements (BIS) to undertake a comprehensive impact assessment on the proposals to inform the calibration of the Pillar 1 element of the TLAC requirements.

Comments on the consultation are due by 2 February 2015. Following consultation and the impact assessments, final proposals will be submitted to the G20 by the 2015 Summit.

The FSB has also published a [report](#) to the G20 on progress in the reform of resolution regimes and resolution planning for globally systemically important financial institutions (G-SIFIs). The progress report reviews what has been achieved so far and sets out further actions to implement the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions fully in substance and in scope and ensure that all G-SIFIs are resolvable. In addition to finalising the common international standard on TLAC for G-SIBs, the report identifies the following priorities for 2015 to help further advance progress:

- achieving the broad adoption of contractual recognition of temporary stays on early termination and cross-default rights in financial contracts and finalise FSB guidance on effective cross-border recognition;
- developing further guidance to support resolution planning by home and host authorities, in particular in regard to funding arrangements and operational continuity of core critical services; and
- promoting the full implementation of the FSB's requirements for resolution regimes and resolution planning beyond the banking sector.

It also reports on the initial results from the launch of the Resolvability Assessment Process (RAP). The RAP assesses the resolvability of each G-SIFI at the level of senior officials of the firm's home and key host authorities.

#### **Shadow Banking: FSB publishes progress report and roadmap for further work**

The FSB has published a [progress report](#) for the G20 summit in Brisbane providing an overview of the FSB's work to transform shadow banking into resilient market-based financing. The transformation of shadow banking has been one of the core elements of the FSB's regulatory reform agenda to build safer, more sustainable sources of financing for the real economy.

The report provides an overview of the FSB's two-pronged approach to deal with these issues to date:

- a system-wide monitoring system with a view to identifying the build-up of systemic risks and initiating corrective action where necessary; and
- the development of policy measures where oversight and regulation needs to be strengthened to reduce

excessive build-up of leverage, as well as maturity and liquidity mismatching in the system.

The report also includes an updated roadmap towards strengthened oversight and regulation of shadow banking in 2015.

In addition, the FSB has published for public consultation its [report](#) on standards and processes for global securities financing data collection and aggregation. The proposed standards and processes define the data elements for repos, securities lending and margin lending that national and regional authorities will be asked to report as aggregates to the FSB for financial stability purposes.

The document also describes data architecture issues related to the data collection and transmission from the reporting entity to the national/regional authority and then from the national/regional authority to the global level. The FSB has based its proposed standards on the policy recommendations in its Policy Framework for Addressing Shadow Banking Risks in Securities Lending and Repos published in August 2013.

Comments are due by 12 February 2015. The FSB plans to conclude its work on developing standards and processes by the end of 2015 based on the consultation findings and further discussion with market participants.

#### **Basel Committee reports to G20 on implementation of Basel III and reducing variability in RWA calculations**

The Basel Committee on Banking Supervision (BCBS) has published two reports prepared for the G20 Leader's Summit in Brisbane on 15-16 November.

The [first report](#), entitled 'reducing excessive variability in banks' regulatory capital ratios', sets out measures designed by the Basel Committee to reduce excessive variability in risk weighted assets calculations by banks with the objective of improving consistency and restoring confidence in risk-weighted capital ratios. The report discusses the policy responses already adopted by the Committee and policy work in progress to reduce such excessive variability.

The [second report](#) is the Basel Committee's fifth report to the G20 on progress in implementing the Basel III reforms by the 27 Basel Committee member jurisdictions. The report discusses the Regulatory Consistency Assessment Programme (RCAP), which consists of:

- monitoring progress in adopting Basel III standards;

- assessing the consistency of national or regional banking regulations with the Basel III standards; and
- analysing the prudential outcomes that are produced by those regulations.

The report discusses outcomes from the RCAP, consistency in implementing Basel III and considers the implications of the Basel III standards for banks.

#### Basel Committee reports on use of national discretions

The BCBS has published a [report](#) summarising the use of national discretions under the Basel capital framework, including Basel II, Basel 2.5 and Basel III. The frameworks contain a number of national discretions to enable differing implementation of the standards to take into account variations in financial systems. The report sets out in tabular form whether discretions are used by each member jurisdiction and provides accompanying statistics on the overall use of national discretions.

BCBS is concerned that the use of national discretions may impair the comparability of implementation across jurisdictions and will analyse the data in the report to establish whether any discretions contribute to unwarranted variations in capital standards. BCBS will consider whether certain discretions should be removed in 2015 with the intention of enhancing comparability of implementation across jurisdictions.

#### ISDA publishes 2014 Resolution Stay Protocol

The International Swaps and Derivatives Association (ISDA) has [published](#) the ISDA 2014 Resolution Stay Protocol, which enables parties to amend the terms of their Protocol Covered Agreement to contractually recognise the cross-border application of special resolution regimes applicable to certain financial companies and support the resolution of certain financial companies under the United States Bankruptcy Code.

The Protocol is open to ISDA members and non-members. Parties will pay a one-time fee of USD 500 to ISDA to adhere to the Protocol. There is no cut-off date, though ISDA does reserve the right to designate a cut-off date by giving 30 days' notice on their site.

Although the Protocol is open to ISDA members and non-members, the first phase is expected to involve adherence by 18 major banks and certain of their subsidiaries and affiliates, who will adhere to the Protocol on a voluntary basis during November 2014. As the need for adoption by other institutions will likely depend upon the scope of regulations yet to be issued, ISDA may publish

amendments to the Protocol to reflect these regulations in due course. The mechanics of such amendments, in particular as they relate to parties that have already adhered to the Protocol, will be discussed at the relevant time.

#### New Payment Services Regulator consults on regulatory framework

The Payment Services Regulator (PSR), the new regulatory organisation for payment systems in the UK, has launched an initial [consultation](#) on its proposals for the regulatory framework for payment systems. The PSR was incorporated as a subsidiary of the Financial Conduct Authority (FCA) in April 2014 and will operate as an independent economic regulator from 1 April 2015, with its own governance and three main objectives relating to competition, innovation and meeting the needs of service-users. The consultation paper (CP14/1) sets out:

- the PSR's assessment of the main challenges facing payment services; and
- its policy proposals, regulatory approach and proposed framework in relation to its oversight of the industry.

The PSR will regulate the largest and most important payment systems; a full list of specific systems is currently being consulted on by HM Treasury. Alongside the consultation paper, the PSR has published supporting papers setting out specific aspects of its proposals in relation to:

- industry strategy, in particular the establishment of a new Payment Strategy Forum and a major market review into ownership and competitiveness of infrastructure provision;
- ownership, governance and control payment systems, including measures aimed at ensuring transparency in systems and representing the interests of service-users;
- direct access to payment systems through public disclosure;
- indirect access to interbank systems, including a market review and plans for industry to develop a PSR-approved Code of Conduct;
- interchange fees and implementation of the EU Regulation on Multilateral Interchange Fees (MIF Regulation); and
- other regulatory tools such as principles and guidance.

A [factsheet](#) summarising the key measures included in the consultation has also been published. Comments on the

consultation are due by 12 January 2015 and the PSR intends to publish its final Policy Statement by the end of March 2015.

#### **FCA consults on changes to financial crime guide**

The Financial Conduct Authority (FCA) has launched a [guidance consultation](#) (GC14/7) on proposed changes to guidance on financial crime systems and controls for firms subject to the financial crime rules in SYSC 3.2.6R or SYSC 6.1.1R and e-money institutions and payment institutions within the FCA's supervisory scope under the Money Laundering Regulations 2007.

The FCA intends to incorporate examples of good practice set out in two thematic reviews, published alongside the consultation paper, into its guide for firms on financial crime and clarify the expectations on firms in areas where persistent weaknesses have been identified, particularly in relation to management information, risk assessments, enhanced due diligence, source of wealth and source of funds. The thematic reviews update reports published by the Financial Services Authority (FSA) and relate to:

- how small banks manage anti-money laundering (AML) and sanctions risk following the FSA's 2011 AML review ([TR14/16](#)); and
- anti-bribery and corruption (ABC) in the commercial insurance broking sector, considering how intermediaries have responded to the recommendations from the FSA in 2010 ([TR14/17](#)).

The FSA considers that incorporating good practice from these sector specific reviews will help all authorised firms strengthen their crime systems and controls.

Comments on the consultation are due by 6 February 2015.

#### **German Federal Government proposes draft law to protect retail investors**

The Federal Government has proposed a [draft law](#) intended to enhance the protection of small retail investors in Germany by improving consumer protection and the transparency of investment products. Amongst other things, the proposal:

- empowers the Federal Supervisory Authority (BaFin) to publish on its website information about companies which have been fined for violating investor protection laws and to prohibit the distribution of certain investment products;
- limits the validity of investment prospectuses (to a maximum of 12 months);

- prohibits the promotion of investment products in public places (e.g. on trains and busses);
- implements a prospectus requirement for the offerer of profit participating loans and subordinated loans.

In addition, the proposal seeks to extend the term of an investment to a minimum of 24 months and the cancellation period to at least 12 months.

#### **Polish President signs Act on Reverse Mortgages**

The President of Poland has signed the [Act on Reverse Mortgages](#), which sets out in detail the rules and procedure for entering into a reverse mortgage agreement, the rights and obligations of the parties to the agreement and the terms of settling liabilities under the agreement. The Act introduces to the Polish legal system a special type of facility agreement under which banks can provide funds that are to be repaid after the borrower dies, in exchange for security created by the borrower on real property to which the borrower has a specific right.

The Act is awaiting publication in the Journal of Laws.

#### **FINMA to publish revised circular on credit rating agencies**

The Swiss Financial Market Supervisory Authority (FINMA) [is amending](#) its circular on credit rating agencies due to recent regulatory developments. The amendments will focus on three main sectors;

- insurers – FINMA will examine the possibility of allowing insurers to use their own estimations of creditworthiness in an aim to reduce dependency on credit rating agencies;
- collective investment schemes – FINMA will revise the circular with respect to collective investment schemes in light of the revised FINMA Collective Investment Schemes Ordinance; and
- banks – the proposed amendments to the Ordinance on banks' liquidity and the FINMA circular on liquidity risks for banks will require banks to use credit ratings from suitably recognised credit rating agencies to calculate their Liquidity Coverage Ratio (LCR) and the circular will be amended to reflect these changes.

The revised circular will come into force on 1 January 2015.

#### **RQFII programme expanded to Canada**

Following approval by the State Council, the People's Bank of China (PBOC) has [entered into a reciprocal currency swap agreement](#) with the Bank of Canada to support the increased use of RMB in trade, commerce and investment

between the two countries. Specifically, the following measures are intended to facilitate the stable and healthy development of the RMB market in Canada and help establish North America's first offshore RMB centre in Canada:

- the PBOC and the Bank of Canada have entered into a reciprocal currency swap for a maximum amount of RMB 200 billion (with a reciprocal maximum of CAD 30 billion) with an initial term of 3 years (subject to extensions);
- the PBOC and the Bank of Canada have agreed a Memorandum of Understanding on RMB clearing arrangements and, according to a public announcement made on 9 November 2014, ICBC Canada was officially appointed by the PBOC as the RMB clearing bank in Toronto; and
- Chinese regulators have granted an initial RQFII quota of RMB 50 billion to Canadian financial institutions.

#### Hong Kong and United States sign FATCA IGA

Hong Kong and the United States have [signed an inter-governmental agreement](#) (IGA) that will facilitate compliance with the US Foreign Account Tax Compliance Act (FATCA) by financial institutions in Hong Kong. Under the IGA, which follows the model 2 type, financial institutions in Hong Kong need to register and conclude separate individual agreements with the US Internal Revenue Service (IRS). Under these agreements, financial institutions in Hong Kong are required to seek the consent of their account holders who are US taxpayers for reporting their account information to the US IRS annually.

The IGA is intended to reduce the reporting burden and facilitate compliance with FATCA by financial institutions in Hong Kong. It covers exemptions for financial institutions or products which present low risks for tax evasion by US taxpayers.

Under the IGA, the first reporting will take place in March 2015.

The Financial Services and the Treasury Bureau (FSTB) has reminded financial institutions to assess their relevant FATCA compliance implications for their operation and clientele. It has also advised financial institutions to have procedures and systems in place to protect clients' monies, investments or other interests in financial instruments from withholding by third parties; avoid aiding clients to engage in tax evasion locally or overseas; and promote the orderliness of market operation.

#### HKMA announces removal of RMB conversion limit for Hong Kong residents

The Hong Kong Monetary Authority (HKMA) has [announced](#) that the Renminbi (RMB) conversion limit for Hong Kong residents of RMB 20,000 per day will no longer be applicable with effect from 17 November 2014. The HKMA believes that after the removal of the conversion limit, it will become more convenient for Hong Kong residents to participate in Shanghai-Hong Kong Stock Connect and other RMB financial transactions.

Under the new arrangement, banks will square their positions arising from RMB conversions conducted with Hong Kong residents in the offshore market instead of the onshore market. As a result, the prevailing conversion and other relevant restrictions for onshore conversion will no longer be applicable. The detailed arrangements are set out in a [circular](#) issued by the HKMA to banks.

In addition, following the principle that offshore RMB business should be conducted according to the rules and practices in the offshore market, the prevailing restrictions on RMB cashnote conversions and banks' RMB lending to Hong Kong residents will no longer be applicable. This decision is intended to facilitate the launch of RMB investment products by financial institutions in Hong Kong, and reinforce the position of Hong Kong as an offshore RMB business centre.

#### CFTC further implements trade execution requirement

The Commodity Futures Trading Commission's (CFTC) Division of Market Oversight has [announced](#) additional implementation of the trade execution requirement for certain interest rate and credit default swaps. In addition, market participants will have the opportunity to transition their trading of these swap components onto swap execution facilities (SEFs) or designated contract markets (DCMs).

The Division has concluded that additional relief is suitable to allow market participants the time to adhere to the trade execution requirement with respect to swap components of certain categories of package transactions. Previously, the Division maintained no-action relief for certain swaps required to be traded on an SEF or DCM to the extent that those swaps were part of a package transaction.

The Division has organized the relief by category. The time-limited relief will allow the Division to collect data on certain categories of package transactions not previously available to the agency to further determine whether SEFs

and DCMs can appropriately offer the capability to transact swap components of such package transactions via competitive means of execution.

## RECENT CLIFFORD CHANCE BRIEFINGS

### EU Directive on antitrust damages claims formally adopted

On 10 November 2014 the EU Damages Directive was formally adopted by EU governments. Member States will have just over two years to introduce relevant national legislation to incorporate the provisions into national law.

This briefing discusses the directive.

[http://www.cliffordchance.com/briefings/2014/11/eu\\_directive\\_on\\_antitrustdamagesclaims.html](http://www.cliffordchance.com/briefings/2014/11/eu_directive_on_antitrustdamagesclaims.html)

### The year of the anti-corruption whistleblower – who will blow their whistle next in Asia?

Anti-corruption whistleblowers have never been as protected and rewarded as they are today. China and India have recently followed the US's lead in enacting legislation to protect whistleblowers. The US also rewards whistleblowers with up to 30% of the amount collected for certain violations if over USD 1 million. Despite these enhanced rewards and protections, these whistleblowing laws also pose new and significant risks for all of those involved – from the company to the whistleblower itself.

This briefing discusses these risks.

[http://www.cliffordchance.com/briefings/2014/11/the\\_year\\_of\\_the\\_anti-corruptionwhistleblower.html](http://www.cliffordchance.com/briefings/2014/11/the_year_of_the_anti-corruptionwhistleblower.html)

### ASEAN 2015 – opportunities and challenges

With a year to go until the Association of South East Asian Nations (ASEAN) plans to form a single economic market, this briefing explores the opportunities and challenges for investors in the region.

[http://www.cliffordchance.com/briefings/2014/11/asean\\_2015\\_opportunitiesandchallenges.html](http://www.cliffordchance.com/briefings/2014/11/asean_2015_opportunitiesandchallenges.html)

### FCA publishes policy statement on sponsor competence and further consultation

In January 2014, the FCA published consultation paper CP14/2 which proposed a package of measures intended to clarify and strengthen the sponsor competence regime. The FCA has now published CP14/21, a feedback and policy statement on CP14/2, which sets out the final rule changes to the sponsor competence regime. These rule changes will take effect on 1 February 2015. CP14/21 also contains a consultation on the joint sponsor regime and calls for views on sponsor conflicts.

This briefing highlights the key issues in this consultation.

[http://www.cliffordchance.com/briefings/2014/10/fca\\_publication\\_policystatementonsponsor.html](http://www.cliffordchance.com/briefings/2014/10/fca_publication_policystatementonsponsor.html)

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