CLIFFORD

CHANCE

Briefing note

International Regulatory Update

23 – 27 November 2015

IN THIS WEEK'S NEWS

- Banking Union: EU Commission issues legislative proposal for European Deposit Insurance Scheme
- Benchmarks: EU Parliament and Council reach political agreement on proposed regulation
- MiFID2: EU Parliament accepts one year delay
- Securitisation: EU Council Presidency publishes second compromise texts
- ESMA and SFC sign MoU on co-operation arrangements regarding information on derivative contracts held in trade repositories
- CPMI-IOSCO consult on guidance on cyber resilience for financial market infrastructures
- FCA consults on delaying disclosure of inside information under disclosure and transparency rules
- PRA issues modification by consent of contractual recognition of bail-in rules
- FINMA publishes revised circular on bank disclosure
- Swiss financial market infrastructure legislation to enter into force on 1 January 2016
- Law implementing Transparency Directive in Germany enters into force
- CNMV consults on draft Circular approving templates for notification of material shareholdings, shareholdings of directors and senior managers and related persons, of treasury shares transactions and other templates
- CONSOB issues guidelines on BRRD for financial institutions engaging in business of investment services and activities
- Bank of Italy consults on deposit taking activity undertaken by entities other than credit institutions and on social lending business
- BRRD: Dutch Implementation Act enters into force
- HKMA issues supervisory policy manual on exposures to connected parties
- SFC proposes changes to automated trading services guidelines
- SFC proposes to expand short position reporting
- MAS responds to feedback on proposed Notice on liquidity coverage ratio and minimum liquid assets requirements for merchant banks

Clifford Chance's International Regulatory Update is a weekly digest of significant regulatory developments, drawing on our daily content from our Alerter: Finance Industry service.

If you would like to continue to receive International Regulatory Update or would like to request a subscription for a colleague, please click here.

To request a subscription to our Alerter: Finance Industry service, please email Online Services.

If you would like to know more about the subjects covered in this publication or our services, please contact:

International Regulatory Group Contacts

Chris Bates +44 (0)20 7006 1041

Nick O'Neill +1 212 878 3119

Marc Benzler +49 69 7199 3304

Steven Gatti +1 202 912 5095

Mark Shipman + 852 2826 8992

Donna Wacker +852 2826 3478

International Regulatory Update Editor

Joachim Richter +44 (0)20 7006 2503

To email one of the above, please use firstname.lastname@cliffordchance.com

Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ, UK
www.cliffordchance.com

- Recent Clifford Chance briefings: State of the European Unions; FCA asset management sector study; and more. Follow this link to the briefings section.

Banking Union: EU Commission issues legislative proposal for European Deposit Insurance Scheme

The EU Commission has published a proposal for a Regulation establishing a European Deposit Insurance Scheme (EDIS), which would amend the Single Resolution Mechanism (SRM) Regulation (806/2014). The Commission has also published a communication discussing the proposal and other measures intended to reduce remaining risks in the banking system. EDIS is one of a number of steps set out in the Five Presidents' Report, published in June 2015, to deepen economic and monetary union (EMU) and would establish the common deposit insurance scheme that forms the third pillar of Banking Union.

The proposals for EDIS are intended to reduce the links between banks and their respective national sovereign in order to share risk among all the Member States of the Banking Union. The Commission proposes that EDIS will only insure those national deposit guarantee schemes (DGS) which comply and are being built up in line with EU rules. The operation of EDIS is envisaged to develop in three stages:

- a reinsurance phase lasting three years (until 2020) during which a national DGS would be able to access EDIS funds only after exhausting its own resources, with additional funds available through EDIS only up to a certain level;
- from 2020, a co-insurance phase under which EDIS would become a progressively mutualised system and national DGS would be able to access EDIS funds prior to exhausting their own in order that EDIS contribute a share of the costs beginning at 20% and increasing over a four year period; until
- the launch of a full-insurance phase under which EDIS would insure national DGS (from 2024) when the Single Resolution Fund (SRF) and revised DGS Directive will also become fully operational.

The Commission proposes that a European Deposit Insurance Fund be set up from the outset and funded by the banking sector on a risk-weighted basis; the Commission has indicated that the proposal will be cost neutral for the banking sector as contributions to EDIS would be deducted from national contributions to DGS. EDIS will be mandatory for euro area Member States whose banks are covered by the Single Supervisory Mechanism (SSM) and open to any other EU Member States that chooses to join the Banking Union.

Alongside the EDIS proposal, the Commission's communication sets out the full package of measures to reduce risks and ensure a level playing field in the Banking Union, which include:

- a legislative proposal to implement the Financial Stability Board's (FSB's) total-loss absorbing capacity (TLAC) standard which will be issued in 2016 in order to enable full implementation by 2019;
- targeted prudential measures addressing identified weaknesses, including measures to limit bank leverage, ensure stable bank funding and improve the comparability of risk-weighted assets – following discussions within the Basel Committee on Banking Supervision (BCBS), the Commission intends to propose amendments to CRD 4;
- reducing national options and discretions (ONDs) on prudential rules to ensure the effective operation of the SSM;
- harmonising national DGS;
- the consistent implementation of bail-in rules across the EU;
- insolvency law reform to ensure greater convergence of the rules in line with the Capital Markets Union Action Plan; and
- initiatives relating to the prudential treatment of banks' exposures to sovereign risk.

Benchmarks: EU Parliament and Council reach political agreement on proposed regulation

The EU Parliament and Council have reached a political agreement on the proposed regulation on indices used as benchmarks in financial instruments and financial contracts following trilogue negotiations. The proposed regulation aims to curb conflicts of interest in setting benchmarks, such as LIBOR and EURIBOR, which influence financial instruments and contracts and could affect the stability of financial markets across Europe.

The agreement seeks to subject benchmarks to a framework appropriate to their size and nature, while complying with the minimum requirements of the International Organization of Securities Commissions (IOSCO) principles. The agreement also allows for third country indices to continue to be used in the EU through

new endorsement regimes, but with the aim that European benchmark administrators will not be disadvantaged by their non-European competitors.

The preliminary political agreement is expected to be formalised at the meeting of the Permanent Representatives Committee on 9 December 2015. The Regulation will still need to be formally adopted by the Parliament's plenary session and the Council.

MiFID2: EU Parliament accepts one year delay

The EU Parliament has published a statement announcing that the Parliament's MiFID2 negotiating team has informed the EU Commission that it is ready to accept a one-year delay to the application of MiFID2 provided that the Commission finalises the implementing legislation swiftly and takes into account the Parliament's priorities. The negotiating team has requested that the Commission and European Securities and Markets Authority (ESMA) produce a roadmap on implementation work, especially demonstrating steps to be taken for setting up IT systems.

Securitisation: EU Council Presidency publishes second compromise texts

The EU Council Presidency has published the second compromise texts for:

- the proposed regulation on creating a European framework for simple, transparent and standardised securitisation; and
- the proposed regulation amending the Capital Requirements Regulation (CRR) as regards the capital treatment of securitisations.

ESMA and SFC sign MoU on co-operation arrangements regarding information on derivative contracts held in trade repositories

The Hong Kong Securities and Futures Commission (SFC) has entered into a memorandum of understanding (MoU) with the European Securities and Markets Authority (ESMA) to facilitate information exchange in relation to information on derivative contracts held in trade repositories in Hong Kong and the European Union. The MoU allows the SFC and ESMA to have indirect access to information on derivatives contracts in order to fulfil their respective responsibilities and mandates.

The MoU became effective on 19 November 2015.

CPMI-IOSCO consult on guidance on cyber resilience for financial market infrastructures

The International Organization of Securities Commissions (IOSCO) and the Committee on Payments and Market Infrastructures (CPMI) have published a consultation paper on cyber resilience for financial market infrastructures (FMIs). The consultation is designed to supplement the Principles for Financial Market Infrastructures (PFMI) rather than establish additional standards for FMIs.

The key concepts of cyber resilience set out in the guidance are as follows:

- board and senior management attention is critical to a successful strategy;
- the ability to resume operations quickly and safely after a successful cyber attack is paramount;
- FMIs should make use of good-quality threat intelligence and rigorous testing;
- cyber resilience requires a process of continuous improvements; and
- cyber resilience cannot be achieved by an FMI alone; it is a collective endeavour.

Comments are due by 23 February 2016.

FCA consults on delaying disclosure of inside information under disclosure and transparency rules

The Financial Conduct Authority (FCA) has launched a consultation (CP15/38) on proposed amendments to disclosure and transparency rule (DTR) guidance on legitimate reasons for issuers to delay disclosure of inside information following the Upper Tribunal decision in Hannam v FCA [2014] UKUT 0233 (TCC).

The FCA proposes to amend guidance in DTR 2.5.5G to clarify that issuers may have legitimate reasons to delay disclosure in circumstances other than the non-exhaustive examples listed in DTR 2.5.3R or the circumstances described in 2.5.5AR, based on both the Upper Tribunal decision and the provisions of the Market Abuse Regulation (MAR). The FCA is seeking feedback from stakeholders on whether the proposed change to DTR 2.5.5G without issuing further guidance relating to 'legitimate interest' would support a properly functioning disclosure regime.

Comments on the consultation are due by 20 February 2016.

PRA issues modification by consent of contractual recognition of bail-in rules

The Prudential Regulation Authority (PRA) has issued a modification by consent disapplying the rules under the Contractual Recognition of Bail-in Part of the PRA Rulebook, which implement Article 55 of the Bank Recovery and Resolution Directive (BRRD), in circumstances where compliance with them would be impracticable.

Under the unmodified PRA rules, firms and holding companies are required to include a term in the provisions governing third-country law liabilities under which the creditor recognises and agrees that the liability may be subject to bail-in. The PRA requirement was made applicable to unsecured debt instruments, additional tier 1 instruments and tier 2 instruments from 19 February 2015 and a second phase extending the requirement to all other relevant liabilities within scope of the rules will become applicable from 1 January 2016. The modification by consent is intended to provide a delay to the application of the rules to phase two liabilities where compliance would be impractical while the PRA consults on amending its rules.

The modification will be valid until 30 June 2016 or until the relevant rules are amended or revoked.

FINMA publishes revised circular on bank disclosure

The Swiss Financial Market Supervisory Authority (FINMA) has published the revised FINMA Circular 2016/1 'Disclosure – banks', which reflects enhanced international standards.

In addition to capital and liquidity standards, the international Basel III regime includes standards according to which banks must provide information about risks and risk management, equity capital and liquidity standards in order to promote market discipline. As the disclosure standards under the previous bank disclosure circular did not allow for a proper comparison of the risk situation between banks, the revised circular contains revised disclosure standards improving the information and decision-making tools for market participants and allowing for increased comparability of disclosure by different institutions. One particular innovation is the use of standardised templates for disclosure.

The revised circular comes into force on 1 January 2016, implementing the revised standards with which all Swiss banks must comply as of 31 December 2016. Their application will be determined by the size of the bank. The 35 biggest banks in Switzerland must implement the international disclosure standards in full, or justify and explain in detail why they are foregoing disclosure and not providing information. The remaining 90% of Swiss banks will also disclose information in accordance with those standards, but in a narrower scope and less frequently; they also have longer transition periods for introducing the new standards.

Swiss financial market infrastructure legislation to enter into force on 1 January 2016

The Federal Council has announced that it will enact the Financial Market Infrastructure Act (FMIA) and the Financial Market Infrastructure Ordinance (FMIO) as of 1 January 2016. The legislation introduces a legal framework in line with current international standards for Swiss financial market infrastructure such as trading venues and central counterparties, as well as for derivatives trading.

The FMIA, which was adopted by Parliament in the summer of 2015, contains supervisory law requirements for the operation of financial market infrastructure, including stock exchanges, multilateral trading facilities, central counterparties and central securities depositories. In addition, it contains all of the rules that apply in connection with the trading in securities and derivatives for all financial market participants, particularly the new derivatives trading rules.

The FMIO contains the Federal Council's implementing provisions for the FMIA. The ordinance reflects existing legislation, international requirements and EU law. Among other things, the FMIO:

- introduces new rules for combating the negative effects of high-frequency trading;
- regulates the reporting duty of trading venue participants. It will now be necessary to report not only securities transactions to the trading venue, but also transactions in derivatives on securities admitted to trading on a trading venue. Furthermore, details for identifying the beneficial owner have to be provided;
- sets a transitional period of up to January 2017 to address some of the concerns raised during the consultation concerning the adaptation of IT systems. Comparable duties should also take effect in the EU by then. If the EU were to delay their implementation, the Federal Council would consider extending this transitional period as well;
- clearly defines the clearing, reporting and risk mitigation duties in the area of derivatives trading.

Pension schemes and investment foundations will generally not be subject to mandatory clearing until August 2017, which is in line with current EU regulations; and

- sets a threshold of CHF 8 billion in open derivative contracts for financial counterparties such as banks and insurance companies. Financial counterparties below this threshold are deemed to be small and have less extensive duties to comply with.

The FMIO is supplemented by the National Bank Ordinance and the new Financial Market Infrastructure Ordinance-FINMA, which contain the implementing regulations for the FMIA that are subject to the responsibility of the Swiss National Bank (SNB) and the Swiss Financial Market Supervisory Authority (FINMA).

Law implementing Transparency Directive in Germany enters into force

The law on the implementation of the Amended Transparency Directive (Directive 2013/50/EU) has been published in the Federal Gazette and will mainly enter into force on 26 November 2015. The law includes, amongst other things, a clarification on the relevant point in time for the duty to make voting rights notifications (and which still sets the entering of an agreement as decisive, not the delivery), respective exemptions, the abolishment of the duty to publish quarterly reports and, beyond Directive 2013/50/EU, a new licence requirement for central securities depositaries under Regulation 909/2014/EU. The law contains further provisions implementing Directive 2013/50/EU and aligning German law with some aspects which had formerly not been implemented.

CNMV consults on draft Circular approving templates for notification of material shareholdings, shareholdings of directors and senior managers and related persons, of treasury shares transactions and other templates

The Spanish National Securities Market Commission, the Comisión Nacional del Mercado de Valores (CNMV), has launched a public consultation on its draft Circular approving the templates for the notification of material shareholdings, shareholdings of directors and senior managers and their related persons, of the treasury shares transactions and other templates.

The draft Circular is intended to adapt the templates for the notification of material shareholdings, shareholdings of directors and senior managers and their related persosns to the amendements introduced by the Royal Decree 878/2015, of 2 October (which implemented Directive EU 2013/50). Among other measures included in this draft:

- the new notification template for material shareholdings has been adapted to the template published by ESMA on 22 October 2015 (ESMA/2015/1597) with the objective of attaining a greater degree of harmonisation and alignment on shareholders' information;
- Template 1, which will be applicable to the disclosure of material shareholdings, will apply to the disclosure covered by the former Annexes 1 and 2 (i.e., it will apply to the disclosure of significant shareholdings and of financial instruments attaching the right to acquire already issued shares);
- shareholdings disclosures of related parties shall no longer be made by the relevant director or by the relevant senior manager, but by the relevant related party; and
- the templates for the notification of treasury shares transactions, exemption for market makers and compensation systems will not be amended.

The public consultation process will last until 8 December 2015.

CONSOB issues guidelines on BRRD for financial institutions engaging in business of investment services and activities

Following the enactment of Legislative Decrees 180/2015 and 181/2015, which implemented the BRRD in Italy, the Italian securities regulator, the Commissione Nazionale per le Società e la Borsa (CONSOB), has in its Communication of 24 November 2015 issued a set of guidelines intended to stress the importance for financial institutions engaging in the business of investment services and activities to provide comprehensive and adequate information to both professional and retail customers on the BRRD and related risks (including on the bail-in tool).

These guidelines must be taken into account by financial institutions as part of their (already applicable) conduct of business rules.

Bank of Italy consults on deposit taking activity undertaken by entities other than credit institutions and on social lending business

The Bank of Italy has launched a consultation on deposit taking activity undertaken by entities other than credit institutions and on social lending business.

The draft provisions are intended to replace Chapter 2, Title IX of the bank of Italy's Circular no. 229 of 21 April 1999 (Supervisory Instructions for banks) and focus on:

- deposit taking activity undertaken by financial and non-financial companies through the issue of financial instruments;
- deposit taking activity undertaken by cooperative companies from the relevant shareholders; and
- social lending activities.

Comments need to be submitted within 60 days of the date of publication of the consultation document.

BRRD: Dutch Implementation Act enters into force

The Dutch government has published the BRRD Implementation Act, which implements the BRRD in the Netherlands and amends, amongst others, the Financial Supervision Act.

The BRRD Implementation Act entered into force on 26 November 2015

HKMA issues supervisory policy manual on exposures to connected parties

The Hong Kong Monetary Authority (HKMA) has issued a new supervisory policy manual (SPM) module 'Exposures to Connected Parties' by notice in the Gazette. The SPM module is a revised version of the SPM module 'Connected Lending'. The revisions mainly include an expansion of the definition of connected parties for authorised institutions' internal risk management purposes and further elaboration on the risk governance arrangements in respect of exposures to connected parties.

In particular, the HKMA highlights the fact that, despite the expansion in the scope of connected parties in this module for risk management purposes, the quantitative 'external' limits under section 83(1) and 83(2) of the Banking Ordinance will remain applicable only to the connected parties specified under section 83(4) of the Banking Ordinance for the time being. Amendments to section 83(4) and other relevant sections are being considered, in conjunction with the HKMA's plans to introduce the Basel Committee on Banking Supervision's new large exposures framework (published in April 2014) into the local regulatory regime, and the HKMA intends to consult the industry on any proposed changes in due course.

The revised SPM module provides for a grace period of nine months for authorised institutions to put in place the appropriate internal limits and risk management policies in respect of the additional connected parties. Exposures arising from facilities lawfully provided to individuals or entities falling within the additional connected parties, that are effective on the date of the issuance of the revised SPM module, can be excluded by an authorised institution from its relevant internal limits with respect to connected exposures.

SFC proposes changes to automated trading services guidelines

The Securities and Futures Commission (SFC) has released a consultation paper on proposed changes to update the Guidelines for the Regulation of Automated Trading Services (ATS).

The proposals reflect regulatory and market developments and mainly cover the implementation of the regulation of over-the-counter (OTC) derivative transactions, setting out more specific requirements for central counterparties that wish to provide clearing services for OTC derivative transactions. The proposals also align the guidelines with international standards and practices and codify existing practices.

The SFC has stated that the amendments will also help prepare for the implementation of mandatory clearing, which is part of the new OTC derivatives regime.

Following the consultation, the SFC plans to implement the revised ATS Guidelines at the same time as the implementation of the subsidiary legislation for mandatory clearing obligation for OTC derivatives transactions, which is expected in mid-2016.

SFC proposes to expand short position reporting

The SFC has launched a consultation on the scope of short position reporting. The proposed policy changes to the existing short position reporting regime include the following:

- short position reporting will be extended to all securities that are determined by the SEHK to be 'Designated Securities';
- the reporting threshold trigger for Designated Securities that are stocks remains unchanged, but for those that are collective investment schemes (CISs), the reporting threshold trigger will be set at the HKD 30 million threshold;
- for the purposes of determining the value of a net short position and where applicable under the Securities and Futures (Short Position) Rules, if the closing price of a Designated Security is in a foreign currency, it must be

converted into Hong Kong dollars at a specified rate of exchange for that foreign currency;

- in a contingency situation, daily reporting will apply to those Designated Securities determined by the SFC which the SFC will list out on a public notice; and
- the SFC may designate more than one electronic system for short position reporting.

Comments on the consultation paper are due by 31 December 2015.

MAS responds to feedback on proposed Notice on liquidity coverage ratio and minimum liquid assets requirements for merchant banks

The Monetary Authority of Singapore (MAS) has published responses to feedback received on the consultation paper on the proposed Notice on the Liquidity Coverage Ratio (LCR) and Minimum Liquid Assets (MLA) Requirements for Merchant Banks published in August 2015. The Notice prescribes new liquidity requirements for merchant banks in Singapore and the corresponding reporting forms.

Amongst other things, the MAS has confirmed that:

- implementation of the new liquidity requirements for merchant banks will be delayed to 1 January 2017. Merchant banks will be required to submit the month-end headline all-currency and SGD MLA or LCR figures on a monthly basis starting from 1 January 2016;
- merchant banks will be given 10 calendar days after the last day of each month (monitored on an ongoing basis) to submit the required liquidity information to the MAS;
- for entities complying with LCR on a group level or which are approved for country-level group compliance, the MAS will allow entity-level forms to be submitted no later than 20 calendar days after the end of each month. Group and country-level group forms will need to be submitted no later than 10 calendar days after the end of each month;
- the requirement for merchant banks to notify the MAS of their intent to utilise their liquid assets will not be changed; and
- 'locally incorporated and headquartered in Singapore' refers to merchant banks which are owned by a parent group based in Singapore or have a group head office in Singapore.

RECENT CLIFFORD CHANCE BRIEFINGS

State of the European Unions – the EU, Economic and Monetary Union, Banking Union and Capital Markets Union

Europe is facing challenging times. Mass migration, terrorism, Brexit, Grexit, relations with Russia and Iran – all underline growing uncertainty and insecurity in the region. How are the various European Union projects – the European Union, Economic and Monetary Union, Banking Union and Capital Markets Union faring under this burden?

This briefing paper looks at the threats which these projects face and how well they are dealing with those threats.

http://www.cliffordchance.com/briefings/2015/11/state_of_the_europeanunionstheeueconomi.html

FCA to investigate asset management sector

The Financial Conduct Authority (FCA) has launched a market study of the asset management sector. The scope of the review, which the FCA intends to finish in early 2017, is extensive, covering services provided to both retail and institutional investors as well as ancillary services sourced by asset managers. Active engagement with the FCA is likely to be resource intensive for market participants, but will present opportunities to shape the future regulatory framework for the sector.

This briefing paper discusses the issues that the FCA will consider, the process and the potential outcomes.

http://www.cliffordchance.com/briefings/2015/11/fca_to_investigateassetmanagement.html

Recent trends in anti-corruption enforcement in China

The Chinese government has embarked on an unprecedented anti-corruption campaign for the past two years. This increase in enforcement activity, coupled with new and amended anti-corruption rules, has led to improved compliance practices for many foreign companies and their affiliates in China (PRC).

This briefing paper examines the impact of the surge in enforcement actions, particularly the GlaxoSmithKline investigation and decision. It also provides a series of steps that can be taken in developing an appropriate corporate compliance strategy in China.

http://www.cliffordchance.com/briefings/2015/11/recent_trends_inanti-corruptionenforcementi.html

A guide to the Philippine Competition Act

On 21 July 2015, the president of the Philippines, Benigno Aquino III, signed into law the Philippine Competition Act (Competition Act) advancing the Philippines' readiness for ASEAN Economic Integration. The Competition Act came into effect on 8 August 2015. This leaves only one ASEAN country without a comprehensive competition policy ahead of the December 2015 target date set out in the ASEAN Regional Guidelines on Competition Policy.

This briefing paper discusses the Competition Act and its implications.

http://www.cliffordchance.com/briefings/2015/11/a_guide_to_the_philippinecompetitionact.html

The DIFC Court of Appeal confirms the broad scope of the jurisdiction of the DIFC Courts

The DIFC Court of Appeal (CA) has issued a seminal judgment settling many of the lingering doubts concerning the scope of the jurisdiction of the DIFC Courts. In 'Standard Chartered Bank v Investment Group Private Limited', in which Clifford Chance represented Standard Chartered Bank, the CA approved unanimously a judgment of the DIFC Court of First Instance (CFI) that held the doctrine of forum non conveniens does not operate to determine which court is the appropriate forum to hear and determine a case as between the courts of the UAE, which includes the DIFC Courts. The CA also took this opportunity to firmly endorse a series of DIFC Court judgments in favour of a broad interpretation of the legislation governing the scope of jurisdiction of the DIFC Courts, which clearly extends to entities with branches in the DIFC. The CA also clarified that the meaning of the words the 'Dubai Courts' and the 'Courts of the UAE', commonly seen in jurisdiction clauses in commercial contracts, may include the DIFC Courts.

This briefing paper discusses the judgment.

http://www.cliffordchance.com/briefings/2015/11/the_difc_court_ofappealconfirmsthebroadscop.html

Rights of Third Parties in Hong Kong – what you need to know

The Contracts (Rights of Third Parties) Ordinance (Cap. 623) reforms the long-standing common law doctrine of privity of contract by enabling persons who are not parties to a contract to enforce rights under that contract. This will bring Hong Kong's contract law regime more into line with other major common law jurisdictions, such as England, Singapore and New Zealand, which already have third party contractual rights legislation in place. The Ordinance comes into force on 1 January 2016 and will apply to all Hong Kong law-governed contracts entered into on or after that date (but it will not apply to contracts entered into before that date).

This briefing paper discusses the Ordinance and what the reforms mean in practice.

http://www.cliffordchance.com/briefings/2015/11/rights_of_third_partiesinhongkongwhatyo.html

Inversions – the next round

On 19 November 2015, the Treasury and the IRS issued Notice 2015-79, which builds on previous attempts to make inversions harder to accomplish and to reduce the economic benefit of inverting. The guidance described in the Notice will generally apply to transactions occurring on or after 19 November 2015.

This briefing paper discusses the implications of the Notice.

http://www.cliffordchance.com/briefings/2015/11/inversions_the_nextround.html

SEC pursues expense allocation and disclosure actions against private fund advisers

The US Securities and Exchange Commission (SEC) is aggressively pursuing expense allocation and disclosure actions against private fund advisers and their personnel. The actions allege violations of the anti-fraud provisions of Section 206 of the Investment Advisers Act of 1940, as amended and the rules thereunder. Section 206 applies to both SEC-registered investment advisers and to 'exempt reporting' advisers (ERAs) relying on the private fund adviser exemption to avoid SEC registration. SEC-registered US and non-US advisers, as well as ERAs, should examine their current practices to prepare for further US regulatory scrutiny.

This briefing paper discusses the SEC enforcement actions against private fund managers.

http://www.cliffordchance.com/briefings/2015/11/sec_pursues_expenseallocationanddisclosur0.html

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2015

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Jakarta* ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

*Linda Widyati & Partners in association with Clifford Chance.

DM Ref