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Briefing note

International Regulatory Update

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- MAS responds to feedback on proposed changes to net personal assets test in unsecured credit rules
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- Recent Clifford Chance briefings: Greek debt crisis; Hong Kong OTC derivatives reporting; and more. Follow this link to the briefings section. Follow this link to the briefings section.

PSD 2: final compromise text published

The EU Council has published the final compromise text of the recast Payment Services Directive (PSD 2) following a provisional agreement reached between the EU Council, EU Parliament and EU Commission at trilogue negotiations on 5 May 2015. The Directive will be considered for formal approval by both the EU Parliament and Council with a view to agreement at first reading.

AMLD 4 and FATF 2 Regulation published in Official Journal

The fourth Anti-money Laundering Directive (AMLD 4 – Directive (EU) 2015/849) and the Regulation on information accompanying transfers of funds (FATF 2 Regulation – Regulation (EU) 2015/847) have been published in the Official Journal.

Both the Directive and Regulation will enter into force on 25 June 2015. Member States have until 26 June 2017 to transpose and comply with AMLD 4. The FATF 2 Regulation will become directly applicable in Member States from 26 June 2017.

Recast Regulation on insolvency proceedings published in Official Journal

The recast Regulation on insolvency proceedings (Regulation (EU) 2015/848) has been published in the Official Journal.

The Regulation will enter into force on 25 June 2015 and will apply directly in Member States from 26 June 2017, with the exception of:

- Article 86 (information on national and union insolvency laws to be publicly available), which shall apply from 26 June 2016;
- Article 24(1) (establishing insolvency register), which shall apply from 26 June 2018; and
- Article 25 (interconnection of registers), which shall apply from 26 June 2019.

CRR: RTS on disproportionate drag on own funds published in Official Journal

Commission Delegated Regulation (EU) 2015/850 on regulatory technical standards (RTS) for own funds requirements for institutions has been published in the Official Journal. The Delegated Regulation supplements the Capital Requirements Regulation (CRR) and amends a previously published Delegated Regulation (241/2014) with regard to the notion of disproportionate drag on own funds covering both the distributions on any individual Common Equity Tier 1 instrument and the distributions on the total own funds of an institution.

CRR: EU Commission extends transitional period for own funds requirements for exposures to CCPs

The EU Commission has adopted a Commission Implementing Regulation to extend the transitional periods related to own funds requirements for exposures to central counterparties (CCPs) under the CRR.

The CRR provides for a transition period before higher own funds requirements are applied to ensure a level playing field for all EU CCPs while the process of authorisation and recognition takes place. This transitional period was set to expire on 15 December 2014 and was extended by Commission Implementing Regulation (EU) No 1317/2014 until 15 June 2015. The newly adopted Commission Implementing Regulation will extend the transitional period for a further six-months until 15 December 2015.

The Implementing Regulation will enter into force on the third day after its publication in the Official Journal.

CRR: EU Commission adopts Delegated Regulation on disclosure of information relating to countercyclical capital buffer

The EU Commission has adopted a Delegated Regulation supplementing the CRR with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440. The Delegated Regulation sets out two disclosure templates that are intended to harmonise the information available to the general public on the institution-specific countercyclical capital buffer and the geographical location of the exposures determining that buffer.

Mortgage Credit Directive: EBA publishes final guidelines on creditworthiness assessment and arrears and foreclosure and consults on draft guidelines for passport notifications

The European Banking Authority (EBA) has published its final guidelines on creditworthiness assessments and on arrears and foreclosure. The guidelines are intended to support the national implementation by Member States of the Mortgage Credit Directive (MCD) and to ensure that consumers are protected consistently across the EU when interacting with creditors.

The guidelines on creditworthiness assessments establish requirements for:

- verifying consumers' income;
- documenting and retaining information;
- identifying and preventing misrepresented information;
- assessing consumers' ability to meet their obligations under the credit agreement;
- considering allowances for consumers' committed; and
- other non-discretionary expenditures, as well as allowances for potential future negative scenarios.

The guidelines on arrears and foreclosure establish requirements in terms of:

- policies and procedures for the early detection and handling of payment difficulties, including staff training;
- engagement with consumers;
- provision of information and assistance to consumers;
- resolution process; and
- documentation of dealings with consumers and retention of records.

The guidelines apply from 21 March 2016, the transposition date of the MCD. The EBA has also published an opinion on good practices for mortgage creditworthiness assessments and arrears and foreclosure, including expected mortgage payment difficulties.

In addition, the EBA has launched a consultation on draft guidelines for passport notifications for credit intermediaries under the MCD. The MCD will require passport notifications to be exchanged between EU national authorities with responsibility for the registration or supervision of mortgage credit intermediaries from 21 March 2016. The draft guidelines are intended to ensure that passport notifications are applied consistently across Member States and the EBA has published draft template notification forms alongside the guidelines. The EBA published a discussion paper on preliminary proposals for formalising passport notifications in December 2014 and comments received from stakeholders have been taken into account in the draft guidelines.

Comments on the consultation are due by 4 July 2015.

REMIT: ACER publishes list of pre-registered reporting mechanisms

The Agency for the Cooperation of Energy Regulators (ACER) has published a list of pre-registered reporting mechanisms which have passed the initial registration stages to be registered reporting mechanisms (RRMs) under the EU Regulation on Wholesale Energy Market Integrity (REMIT). RRMs will be organised market places, trade matching and trade reporting systems and ENTSOs to which market participants will report records of their transactions, including orders to trade, under REMIT data reporting rules.

Prior to final approval, the pre-registered RRMs will be required to provide ACER with certain documentation, pass technical IT testing and a report. In addition to the list of 25 pre-registered RRMs published by ACER, the Agency has announced that applications from 35 additional third-party RRMs and more than 250 market participant RRMs are currently undergoing initial administrative processing.

The first phase of trade data reporting obligations enter into force on 7 October 2015.

Joint Forum reports on credit risk management

The Joint Forum, comprising the Basel Committee on Banking Supervision (BCBS), the International Organization of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS), has published a report on current practices and recommendations in global credit risk management across the banking, securities and insurance sectors. In particular, the report focuses on significant market and regulatory developments since the 2008 financial crisis and updates the Joint Forum's previous work on management of liquidity risk in financial groups, published in 2006.

The paper makes four recommendations for supervisors relating to:

- internal models for credit risk management and regulatory capital and discussing the use of sophisticated modelling approaches in conjunction with standardised approaches;

- risk-taking behaviour in the search for yield in a low interest rate environment;
- high-quality liquid collateral for meeting margin requirements in OTC derivatives sectors; and
- exposures to CCPs as part of credit risk management.

The report reflects responses from fifteen supervisors and 23 firms from Europe, North America and Asia to a survey conducted in 2013 and additional comments on a consultative draft of the paper in February 2015.

Benchmarks: FCA consults on fair, reasonable and non-discriminatory access requirements

The Financial Conduct Authority (FCA) has launched a consultation (CP15/18) on proposals to require fair, reasonable and non-discriminatory (FRAND) access to regulated benchmarks by benchmark administrators. The consultation paper considers benchmark administrators' market power in the context of effective competition and proposes the introduction of a pricing obligation rule to be included in the Market Conduct Sourcebook (MAR 8).

Article 37 of the Markets in Financial Instruments Regulation (MiFIR) will introduce FRAND requirements for access to benchmark information and licences for CCPs and trading venues from 2019. The consultation proposes early implementation of a clear FRAND obligation for UK benchmark administrators, which would apply across the full range of benchmark users and be in line with MiFIR requirements to ensure fair access to administrators' terms and effective competition in benchmarks.

Comments on the consultation are due by 3 August 2015.

PRA consults on technical amendments to depositor protection rules

The Prudential Regulation Authority (PRA) has published a consultation paper (CP21/15) on technical amendments to the Depositor Protection part of the PRA Rulebook. The consultation relates to issues identified during previous PRA consultations on depositor protection, dormant accounts and policyholder protection and is intended to clarify, among other things, arrangements for depositor preference and the power to 'look through' accounts to those absolutely entitled to deposits.

The section of the paper setting out the PRA's proposals for changes to the PRA Rulebook and proposed amendments to the Depositor Guarantee Scheme Statement of Policy is of relevance to UK banks, building societies, overseas firms with PRA deposit-taking permission and UK branches of EEA credit institutions and includes:

- changes to depositor preference rules in line with Article 108 of the Bank Recovery and Resolution Directive (BRRD);
- a new rule confirming absolute entitlement to an eligible deposit where the account holder is not absolutely entitled;
- an amendment to allow firms to exclude funds confirmed as not being covered deposits from class A tariff base calculations;
- provision for small local authorities to access their covered deposits within fifteen business days through the financial services compensation scheme (FSCS), if necessary, between 3 July 2015 and 1 June 2016; and
- minor administrative changes and clarifications to the Single Customer View (SCV) file and exclusions file.

The consultation paper also includes an instrument amending the relevant transitional provisions and schedules for rules in FEES 6 in the PRA Handbook, which relates to the funding of the FSCS. The provisions were consulted on in January 2015 but the proposed instrument was not included in that consultation paper. The FEES rules are also of relevance to UK insurers and PRA-authorised insurers.

Comments on the consultation are due by 19 June 2015.

Warsaw Stock Exchange introduces changes to regulation of short selling

Warsaw Stock Exchange regulations on short selling have been brought into line with an amendment to the Act on Trading in Financial Instruments and Certain Other Acts, which entered into force on 30 January 2015, and aligns Polish legislation on short selling with the EU Short Selling Regulation. The Act repeals regulations under which the WSE had an obligation for additional, special regulation of short sale transactions and, as such, the WSE will cease to:

- determine and publish the list of securities which can be the object of short sale transactions;
- require special flagging of short sale orders (using the so-called short sale flag); and
- make available information about short selling or any statistics on short sale trading.

PBOC publishes guidelines on issuance of large-scale deposit certificates by domestic banks

The People's Bank of China (PBOC) has published tentative measures on the administration of large-scale certificates of deposit, which allow domestic banks to issue

large-scale certificates of deposit (CDs). The measures are related to interest rate liberalisation following the roll out of the deposit insurance system by the State Council in May 2015. The measures set out that CDs may be issued by members of the National Market Interest Rate Pricing Self-regulation Mechanism including policy banks, commercial banks and rural cooperative financial institutions, which will be required to file annual plans on the issuance of the CDs with PBOC each year.

Among other things, the measures also discuss:

- individuals and organisations that may invest in CDs, including individuals, non-financial enterprises, government organisations, insurance companies and social security funds;
- the minimum thresholds for subscription for CDs, which will be RMB 300000 for individual investors and RMB 10 million for institutions;
- interest rates, which will be determined by CD issuers at their own discretion and will be based on the Shanghai Interbank Offered Rate (SHIBOR) if a floating rate is adopted; and
- transferring CDs within the National Interbank Funding Centre and pledging CDs for financing purposes.

The measures also state that CDs will be covered by the deposit insurance programme.

HKMA publishes circular on fund raising activities by non-governmental organisations

The Hong Kong Monetary Authority (HKMA) has issued a circular addressed to all retail banks that provides guidance in relation to non-governmental organisation (NGO) fund raising activities. The circular has been issued in response to recent feedback from NGOs highlighting difficulties in opening bank accounts and in securing banking services in support of fund raising activities.

The circular advises banks that, as part of their usual anti-money laundering/counter-terrorist financing control processes, they should exercise proper due diligence by identifying and verifying the identities of NGOs and understanding their purposes before establishing banking relationships with them. At the same time, banks should ensure that fund raising exercises are legitimate and commensurate with the stated purposes of the NGO, in particular when cross-border donations or fund transfers are involved. The circular is also intended to remind banks to verify that relevant approvals for fund raising activities have been obtained from government authorities.

The HKMA expects retail banks to support the principle of financial inclusion and corporate social responsibilities in line with the spirit of the Treat Customers Fairly Charter signed by all retail banks in October 2013. In order to avoid adverse effects on NGOs, the circular sets out an expectation that retail banks should be supportive of the work of *bona fide* NGOs in Hong Kong by establishing practical arrangements to accommodate legitimate and properly approved fund raising activities. The HKMA has expressed its intention to further discuss this issue with the Hong Kong Association of Banks (HKAB) and explore corporate social responsibility in the banking industry in Hong Kong.

HKICPA consults on IASB exposure drafts to improve conceptual framework for financial reporting

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (HKICPA) has launched a consultation on International Accounting Standards Board (IASB) exposure drafts ED/2015/3 and ED/2015/4. The proposals are intended to improve financial reporting by providing a clearer and more complete conceptual framework that can be used by the IASB when it develops International Financial Reporting Standards (IFRS) and others to help them understand and apply those standards.

ED/2015/3 proposes a number of enhancements to the conceptual framework, including:

- a new chapter on measurement that describes appropriate measurement bases (historical cost and current value, including fair value), and the factors to consider when selecting a measurement basis;
- confirming that the statement of profit or loss is the primary source of information about a company's performance, and adding guidance on when income and expenses could be reported outside the statement of profit or loss, in 'Other Comprehensive Income'; and
- refining the definitions of the basic building blocks of financial statements – assets, liabilities, equity, income and expenses.

The IASB proposes to place more emphasis on the importance of providing information needed for investors to assess managements' stewardship and to reintroduce an explicit reference to prudence alongside a clear explanation of what it means.

Exposure draft ED/2015/4 updates references and quotes to the existing version of the conceptual framework or the

version that was replaced in 2010 in existing standards so that they refer to the revised conceptual framework.

Comments on the consultation are due by 14 September 2015.

SFC announces proposals on supervisory assistance to regulators outside Hong Kong

The Securities and Futures Commission (SFC) has published conclusions from its consultation on proposed amendments to the Securities and Futures Ordinance (SFO) on providing assistance to regulators outside Hong Kong.

Having considered responses, the SFC has decided to propose legislative changes to enable it to provide a particular form of supervisory assistance to regulators outside Hong Kong upon request by making enquiries and obtaining certain records and documents from licensed corporations or their related corporations. The SFC has indicated that assistance will be provided at its discretion and not be obligatory. Information obtained in this manner will be available for non-enforcement purposes.

The SFC intends for the proposals to also enhance its ability to enter into reciprocal supervisory arrangements that include two-way information exchange with regulators outside Hong Kong.

KRX enforces amendments to KOSPI, KOSDAQ and KONEX market disclosure regulations

The Korea Exchange (KRX) has announced enforcement of the amended disclosure regulations in the KOSPI, KOSDAQ and KONEX markets, which became effective on 4 May 2015. In particular, the amendment is intended to ease disclosure obligations on listed corporations in relation to single sales or supply contracts over a certain level.

Under the revised regulations:

- the disclosure obligation on KOSPI, KOSDAQ and KONEX listed corporations for details of an annual contract progress has been abolished, **provided that** there is no change in contract terms;
- the disclosure obligation on business progress of technology growth companies in the KOSDAQ market has been abolished;
- clarification has been made to include the real estate for lease in matters, subject to the disclosure of acquisition and disposition of tangible assets, for the listed corporations in the KOSPI, KOSDAQ, and KONEX market; and
- consolidated financial statements are clarified as being the base for disclosing the lack of sales of a holding company.

FSS announces domestic systematically important banks framework

The Financial Supervisory Service (FSS) has announced that it will implement a domestic systematically important banks (D-SIBs) framework for the domestic banking sector to be effective from January 2016. The Basel Committee on Banking Supervision (BCBS) published the D-SIB framework in October 2012 and requires national authorities to identify D-SIBs in their jurisdictions and follow regulatory principles, including the imposition of the higher loss absorbency (HLA) requirement for D-SIBs. The framework is intended to minimise the impact of a D-SIB failure on the domestic economy.

The FSS will assess five banks, eight bank holding companies (BHCs) and 21 foreign bank branches for their degree of systemic importance; the FSS implementation schedule indicates that the first group of D-SIBs will be identified and announced in 2015. D-SIBs will be subject to the HLA requirement of 1 percent, which should be met fully by common equity Tier 1 (CET1). The FSS will require the D-SIB to have additional loss absorbency by a quarter of the 1% every year over the four-year period from 2016 to 2019. An empty bucket will be added with the HLA requirement of 2% applied to provide incentives for the D-SIB to avoid becoming more systemically important. Subsidiaries of a BHC identified as a D-SIB will be subject to the same level of HLA requirements.

As with the capital conservation buffer under Basel III, a newly identified D-SIB that fails to meet the HLA requirement will face limitations in dividend payouts and share buybacks, which will vary depending on how its capital ratio falls short of the HLA level. The FSS will consider exemptions for some specialised banks and foreign branches.

FSS announces incorporation of Basel Pillars 2 and 3 for domestic banking sector

The FSS has announced that the introduction of the Basel II supervisory review process (Pillar 2) and market discipline (Pillar 3) are to be prioritised in light of the forthcoming Basel Committee on Banking Supervision (BCBS) Regulatory Consistency Assessment Program (RCAP) review of Korea later in 2015. As such, the FSS has announced that it intends to implement Pillar 2 and Pillar 3 in line with the Basel standards for the domestic

banking sector from 2016. The FSS intends to seek views from market participants in June 2015 before publishing revisions to relevant rules and enforcement regulations.

The banking supervision regulations will provide the legal basis for new supervisory measures, such as the imposition of a capital surcharge under Pillar 2. The FSS has indicated that the Pillar 2 process, once adopted, will be solely based on the CAMEL-R rating, unlike the current dual evaluation system of CAMEL-R and RADARS. The FSS intends to review the management of 18 banks and 8 bank holding companies (BHCs) in eight risk-specific areas of the CAMEL-R evaluation and provide them with ratings. FSS will also categorise the institutions depending on total assets and risk management capability, which will impact the scope and frequency of evaluation. Banks or BHCs with Pillar 2 ratings below a certain threshold will be subject to supervisory guidance to improve risk management by way of the signing of a relevant agreement and the imposition of a capital surcharge.

Most of the basic requirements under Pillar 3 have already been implemented through the Common Banking Disclosure Standard (CBDS) by the Korea Federation of Banks, but the FSS has announced that it will further modify the CBDS to incorporate the areas in which disclosures of information currently fall short of the Basel requirements, including credit risk, securitisation and credit risk mitigation (CRM) techniques. The materiality concept will be applied to the CBDS, which allows a bank to limit the disclosure of information to an extent that it deems relevant and material.

MAS responds to feedback on proposed changes to net personal assets test in unsecured credit rules

The Monetary Authority of Singapore (MAS) has published its responses to the feedback it received on its August 2014 consultation paper on proposed changes to the Net Personal Assets (NPA) test in the unsecured credit rules. The proposed changes align the test and definition of NPA with the proposed modified NPA eligibility test in the Securities and Futures Act (SFA) for accredited investors (AIs). The consultation paper also included proposed legislative amendments to refine the credit card and unsecured credit rules.

Amongst other things, the MAS has responded that:

- it will take into account the feedback from the consultation for a holistic review of the proposed modified NPA eligibility test. Pending the completion of the overall review of the NPA eligibility test, the existing NPA definition of SGD 2 million will remain unchanged for purposes of exemption from the unsecured credit rules;
- it will amend Regulation 22 to clarify that financial institutions will be able to rely on the most recent notices of assessment for the purpose of granting a new credit card or unsecured credit facility. However, this flexibility will only be applied to individuals with no fixed monthly incomes, on the basis that there may not be alternative reliable income documents upon which the financial institutions can rely; and
- it will not prescribe the types of legal instruments that credit or charge cards can be secured against, on the basis that financial institutions are in the best position to perform the assessment. Financial institutions will be allowed to take into account joint deposits, deposits placed by personal investment vehicles or other instruments as eligible deposits for secured cards as long as they can be appropriately ring-fenced for the specific purpose of acting as security for secured cards.

MAS consults on proposals to strengthen Singapore's OTC derivatives market and enhance the provision of financial advisory services

The MAS has launched a consultation on measures to strengthen the over-the-counter (OTC) derivatives market and enhance the provision of financial advisory services. The consultation paper sets out MAS' proposed regulatory framework for intermediaries dealing in OTC derivative contracts as capital markets services licensees under the Securities and Futures Act (SFA) and proposes amendments to rules governing financial advisory services. The consultation follows a previous MAS consultation in February 2015 on proposed amendments to the SFA to complete the expansion of the SFA's scope to regulate derivatives contracts.

Proposals set out in the consultation paper include:

- requirements for intermediaries dealing in OTC derivatives relating to prescribed admission, capital, representative notification requirements and business conduct, which includes putting in place risk management policies and controls to safeguard customers' moneys and assets, risk disclosures, customer money and asset rules and record keeping requirements. MAS also proposes to introduce risk mitigation requirements for non-centrally cleared derivatives, in particular trading relationship

documentation, timing confirmations and portfolio reconciliation and compression;

- an exemption from the Financial Advisers Act (FAA) for trading representatives (TRs) that provide advice that is incidental to their execution services. MAS proposes that TRs should be allowed to continue providing general financial advice to their customers as a value-added service and the proposed exemption would be limited to listed Excluded Investment Products, including stocks and shares, real estate investment trusts and simpler exchange-traded funds; and
- rules to enable financial advisers to help customers transact in collective investment schemes (CIS) when an investment recommendation on CIS has been accepted by their customers and to remove the regulated activity of marketing of CIS under the FAA, which would instead be regulated under the SFA as a sub-set of 'dealing in securities'.

Comments on the consultation are due by 3 July 2015.

Bank of Thailand relaxes measures to prevent Thai Baht speculation by non-residents

The Bank of Thailand (BOT) has relaxed measures which were introduced to prevent Thai Baht speculation by non-residents (NRs).

Under the new rules, the BOT requires that if financial institutions provide Thai Baht liquidity to NRs or undertake transactions whereby those institutions have an obligation to deliver foreign currencies to NRs (e.g. Thai Baht direct loans, Thai Baht overdraft, FX/THB outright forwards, buy-sell FX/THB swaps, FX options, purchase of foreign currencies against Thai Baht for value same day or value tomorrow), the total outstanding balance of all transactions executed by each financial institution must not exceed Baht 600 million per group of NRs (increased from Baht 300 million) if such transactions are undertaken without underlying transactions.

In addition to the above, the BOT has also lifted the total outstanding balance from Baht 300 million to Baht 600 per group of NRs for the following transactions undertaken without underlying transactions:

- Thai Baht overdraft;
- purchase of foreign currencies against Thai Baht for value same day or value tomorrow; and
- Thai Baht borrowing by an overseas branch of a Thai financial institution for the purposes of lending to NRs which do not have trading activities or investments in Thailand or in neighboring countries of Thailand and Vietnam.

All Thai Baht credit facilities granted by the relevant financial institution to NRs without underlying transactions shall also be aggregated when calculating the total outstanding balance of transactions entered into with NRs.

These new measures became effective from 6 May 2015.

RECENT CLIFFORD CHANCE BRIEFINGS

Greek debt crisis – capital controls, loan agreements, Eurobond documentation and derivatives

Three years ago, financial institutions and others planned for the contingency that Greece might leave the euro area. To everyone's relief, a solution was found and it didn't happen. But those contingency plans are now being dusted off as the risk of Greece defaulting invites daily comment in the press. But is the situation the same as it was in 2011 and 2012, or do plans need to be updated because of the changed circumstances?

This suite of briefing papers discusses the changes in circumstance, refreshing our guidance on the relevance of capital controls and updating our answers on the key questions for loan agreements, Eurobond documentation and derivatives:

- Greece three years on
- The euro area and capital controls
- The Greek debt crisis and loan agreements
- The Greek debt crisis and Eurobond documentation
- The Greek debt crisis and derivatives

New insolvency reform on liquidation and arrangements of creditors

On 27 May 2015, the latest round of Spanish insolvency reforms entered into force. The 9/2015 Act on urgent measures for insolvency matters formally validates Royal Decree-Law 11/2014 of 5 September, which amended certain insolvency provisions on an urgent basis. It is also intended to resolve uncertainties arising after various reforms of 2014 and introduces new rules on composition agreements and the liquidation process, as well as further exemptions from subordination. Moreover, the 9/2015 Act clarifies the extension of the prohibition on enforcement actions by financial lenders during the pre-insolvency period; changes to the calculation of majorities required for

the approval of a refinancing agreements under Section 71 bis of the Insolvency Act.

This briefing paper discusses the 9/2015 Act on liquidation and arrangements of creditors.

http://www.cliffordchance.com/briefings/2015/06/new_insolvency_reformonliquidationan.html

Hong Kong OTC Derivatives Reporting – what you need to know

The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) recently published their conclusions following further consultation on the Securities and Futures (OTC Derivative Transactions – Reporting and Record Keeping Obligations) Rules. With the implementation of the Hong Kong OTC derivatives reporting and record keeping rules due in mid-July, this briefing paper sets out key information to help you understand the reporting requirements.

http://www.cliffordchance.com/briefings/2015/06/hong_kong_otc_derivativesreportingwhatyo.html

TOKYO PRO-BOND Market

The TOKYO PRO-BOND Market, established by TOKYO AIM (now Tokyo Stock Exchange) in May 2011, is a professional securities market for listing bonds offered into Japan. Instruments traded in this market are sold within the framework of a private placement and only professional investors and certain non-residents of Japan are allowed to participate in the market, although the instruments are listed and a certain amount of disclosure is required.

This briefing paper discusses the framework as a whole, including certain updates and practical developments.

http://www.cliffordchance.com/briefings/2015/06/tokyo_pro-bond_market.html

Eliminating the distinction between public and private sector corruption in Singapore

Corruption in Singapore has been characterised by high-profile cases involving public officials. For example, in 2014, two former senior public officials were prosecuted for allegedly obtaining sexual gratification in exchange for favouring certain companies; in the same year, a university professor was prosecuted for obtaining sexual gratification and other gifts from a student in exchange for better grades. These cases have raised and clarified interesting issues in relation to Singapore's anti-corruption laws.

Most recently, however, the Singapore High Court in Public Prosecutor v Syed Mostofa Romel [2015] SGHC 117 made clear that private sector bribery was equally abhorrent, tripling the jail term (from two to six months) of a marine surveyor convicted on corruption charges relating to the receipt of bribes to omit safety breaches in his reports. The case is significant for the guidance it gives on sentencing of corruption charges. More importantly, it dispels the perceived distinction between corruption in the private and public sectors.

This briefing paper discusses the High Court judgment.

http://www.cliffordchance.com/briefings/2015/06/eliminating_the_distinctionbetweenpublican.html

Perspectives on the New CCL – What do lenders need to know?

When the new UAE Commercial Companies Law (Federal Law No. 2 of 2015) enters into force on 1 July 2015, it will introduce a number of concepts and amendments to the existing law which are likely to have a significant impact on loan documents and lending practices in the UAE.

This briefing paper sets out the key changes introduced by the New CCL which we anticipate will be of particular importance to lenders and our initial views on their likely impact.

http://www.cliffordchance.com/briefings/2015/06/perspectives_on_thenewccl-whatdolender.html