

International Regulatory Update

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- Securities and Futures (Short Position Reporting) (Amendment) Rules 2016 gazetted
- SFC publishes consultation conclusions on proposed amendments to automated trading services guidelines
- SGX consults on minimum allocation to facilitate greater retail participation in IPOs
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G20 Finance Ministers issue communiqué following Shanghai meeting

G20 Finance Ministers and Central Bank Governors have published a [communiqué](#) following their meeting in Shanghai on 27 February 2016. At the meeting, the Ministers and Governors discussed key global economic challenges, the policy agenda for the Hangzhou Summit and identified vulnerabilities to global economic prospects including, among other things, volatile capital flows, reduced commodity prices, geopolitical tensions and a potential UK exit from the EU.

Among other things, the Ministers and Governors discussed the global financial reform agenda, highlighting in particular:

- Basel III and total loss absorbing capacity (TLAC), including work on cross-border cooperation in implementing effective cross-border resolution regimes and OTC derivatives reforms, and support for the Basel Committee's work to refine elements of the Basel III framework to ensure coherence without further significantly increasing overall capital requirements across the banking sector;
- support for work to improve the assessment methodology for global systemically important insurers and work on the Insurance Capital Standard;
- the implementation of the CPMI-IOSCO Principles for Financial Market Infrastructures (FMIs) and strengthening the regulation and oversight of FMIs;
- further progress in identifying and addressing gaps related to resilience, recovery planning and resolvability of central counterparties (CCPs), including cooperation agreements for CCPs that are systemic across multiple jurisdictions;
- work to monitor risks and emerging vulnerabilities associated with shadow banking, asset managers and other market-based finance; and
- a commitment to the financial inclusion agenda, including a call for the Global Partnership for Financial Inclusion (GPFI) to produce a framework for implementing the G20 SMI Finance Action Plan and explore possible high level principles on digital financial inclusion.

The Ministers and Governors also welcomed the adoption of the Paris Agreement on Climate Change and called on the G20 Green Finance Study Group (GFSG) to identify institutional and market barriers to green finance.

FSB writes to G20 Finance Ministers and Central Bank Governors

The Chairman of the Financial Stability Board (FSB), Mark Carney, has [written](#) to the G20 Finance Ministers and Central Bank Governors on the FSB's priorities for 2016. The priorities will be to work to ensure the full and consistent implementation of post crisis reforms, work to remain vigilant to new risks and vulnerabilities and promote robust financial infrastructure.

In particular, the letter highlights work relating to:

- analysing whether post crisis reforms are working together as anticipated and preparation of the FSB's second annual report on the implementation of reforms and their effects;
- addressing emerging vulnerabilities, including developments affecting market liquidity and the role that reforms may have played, challenges facing emerging markets and developing economies and signs of fragmentation in the global financial system, which the FSB will address its annual report. Moreover, by the Hangzhou Summit the FSB intends to publish:
 - a consultative document on any structural vulnerabilities associated with asset management activities and policy recommendations to address them;
 - a report on the role of incentives in preventing misconduct;
 - a progress report on its correspondent banking action plan; and
 - recommendations for principles on voluntary disclosure on climate-related risks and leading practices;

- CCP resolution planning, resolution strategies and resolution tools, which the FSB intends to consult on by the end of 2016;
- completing work on ending too-big-to-fail and derivatives market reforms; and
- potential financial stability implications of emerging financial technology innovation for the financial system and operational disruption to core financial institutions or infrastructure. The FSB will discuss its findings at its March 2016 plenary meeting and consider its next steps.

Prospectuses: Delegated Regulation on approval, publication and dissemination of advertisements published in Official Journal

Commission Delegated Regulation (EU) 2016/301 laying down regulatory technical standards (RTS) on approval and publication of the prospectus and dissemination of advertisements under the Prospectus Directive has been [published](#) in the Official Journal.

This Delegated Regulation establishes RTS that further specify:

- the arrangements for approval of prospectuses;
- the arrangements for publication of prospectuses;
- the dissemination of advertisements; and
- the consistency between information disclosed about an offer to the public or admission to trading on a regulated market, on the one hand, and the information contained in a prospectus, on the other.

The Delegated Regulation will enter into force on 24 March 2016.

EMIR: EU Commission adopts Delegated Regulation on clearing obligation for credit derivatives

The EU Commission has adopted a [draft Delegated Regulation](#) on the clearing obligation set out in the European Market Infrastructure Regulation (EMIR). The draft Delegated Regulation sets out regulatory technical standards (RTS) in relation to certain credit default swaps (CDS) that are denominated in Euros and determines the classes of CDS derivative contracts that are subject to the clearing obligation and four different categories of counterparties for which different phase-in periods apply.

This clearing obligation will enter into force following an objection period for the EU Parliament and Council and then phased in over three years to provide additional time for smaller market participants to comply.

EMIR: ESMA reports on systemic risk of interoperability arrangements between CCPs

The European Securities and Markets Authority (ESMA) has published its [final report](#) on systemic risk and cost implications of interoperability arrangements between CCPs established under EMIR. The report describes the current interoperability arrangements between EU CCPs for certain product types including EU equities, EU government bonds and EU Exchange Traded Derivatives (ETDs) with an assessment of the benefits and impacts on costs for the relevant parties. The report also provides a prudential analysis at CCP level and sets out the risk management tools used to mitigate the potential risks arising from interoperability. The key risk under consideration is the counterparty credit risk resulting from exposures between interoperable CCPs.

BRRD: ECB publishes opinion on French proposals on hierarchy of creditors of credit institutions

The European Central Bank (ECB) has published an [opinion](#) on draft provisions on the hierarchy of creditors of credit institutions, following a request from the French Ministry of Finance and Public Accounts. The draft provisions are intended to introduce a new category in the ranking of creditors of credit institutions under French insolvency law, in order to facilitate the implementation of resolution procedures, as provided for in the Bank Recovery and Resolution Directive (BRRD). The draft provisions propose to create legal certainty about the loss absorbing capacity of a newly created class of senior unsecured debt securities or instruments through amendment to Article L. 613-30-3 of the French Monetary and Financial Code.

The ECB opinion welcomes the draft law's aim of increasing the resolvability of banks. The ECB notes that the creation of a new category of senior non-preferred debt instruments in the insolvency ranking of unsecured claims against French credit institutions, subordinated to senior preferred debt, is proposed to be achieved by establishing a statutory basis for the issuance of debt instruments, which include contractual subordination agreements. The ECB also makes specific observations about the effects of the proposed law on:

- loss-absorbing capacity in resolution and TLAC requirements; and
- eligibility of debt instruments as collateral for Eurosystem credit operations, in relation to which the

ECB is of the opinion that senior non-preferred debt instruments would not be eligible.

UK Government publishes paper on EU withdrawal procedure and possible implications

The Cabinet Office has published a [paper](#) on the process that would follow a vote to leave the European Union under Article 50 of the Treaty on European Union (TEU). The paper sets out the withdrawal procedure under TEU, which provides for a two year timeframe, and discusses prospects for extending the negotiation period.

The paper also sets out implications for withdrawal on a range of issues, including:

- the status and entitlements of UK citizens living, working and travelling in the other 27 EU Member States;
- access to the Single Market;
- the impact on the UK economy;
- agriculture;
- security; and
- the UK's legal framework.

The paper also includes a case study on the Government's assessment of the possible effect of an EU withdrawal on the financial services sector.

The Government will publish a second paper examining models for the UK's relationship with the EU after exit.

PRA and FCA set out approach to bonus cap

The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have published a [joint statement](#) on compliance with the European Banking Authority (EBA) guidelines on sound remuneration policies, which sets out their intention to comply with all aspects of the guidelines except for the provisions relating to the bonus cap. The bonus cap sets a limit on awarding variable remuneration to 100% of fixed remuneration, or 200% with shareholder approval, for all Capital Requirements Directive (CRD) firms. The PRA and FCA do not agree with the EBA's interpretation of the CRD in relation to the bonus cap.

The statement sets out that smaller firms will be required to determine an appropriate ratio between fixed and variable remuneration but will not be subject to the bonus cap. The bonus cap will continue to apply to all large and systemically important CRD-regulated firms.

All CRD-regulated firms will be required to comply with all other aspects of the guidelines and the PRA and FCA will

consider whether implementation of the guidelines requires any rule changes and, if necessary, consult in due course.

PRA and FCA publish amended notification policies for Senior Managers and Certification Regimes

The PRA and FCA have published policy statements ([PRA PS9/16](#) and [FCA PS16/6](#)) on changes to the Senior Managers & Certification Regimes (SM&CR). The policy statements summarise feedback received to their consultations, launched in January 2016, in light of the proposed changes to the SM&CR in the Bank of England and Financial Services Bill. In particular, HM Treasury (HMT) proposes, through the Bill, to remove Section 64B(5) of the Financial Services and Markets Act 2000 (FSMA), which would require firms to notify the regulators of actual or suspected breaches of the conduct rules. Following HMT's publication of the Financial Services (Banking Reform) Act 2013 (Commencement No. 9) (Amendment) Order 2015 (SI 2015/2055) on 16 December 2015, Sections 64B(5), 66B(5) and 66B(6) will not enter into force when the remaining provisions of the SM&CR commence for relevant authorised persons on 7 March 2016. As such, the PRA and FCA consulted on amending their notification rules and forms.

The PRA policy statement sets out its revised final rules and forms as well as the amended definition of 'significant risk taker' in the PRA's Certification Parts of the PRA Rulebook, which is intended to more closely align the definition with the definition of 'material risk taker' (MRT) in the MRT Regulation (Commission Delegated Regulation 604/2014).

The FCA policy statement confirms its final policy and forms, although the final rules and amended forms will be published in a separate policy statement. The FCA has also made some minor technical amendments to SYSC 1 Annex 1 to reflect the final rules for foreign branches.

Payment accounts: FCA consults on Handbook amendments

The FCA has launched a [consultation](#) on proposed changes to its Handbook and proposed guidance on the Payment Accounts Regulations 2015 (PARs), which implement the Payment Accounts Directive (2014/92/EU - PAD) in the UK.

The FCA proposes to amend the Handbook to the minimum necessary to ensure compatibility with the PARs due to the short timeframe before the PARs take effect from 18 September 2016. The FCA has announced that it may

choose to carry out further work at a later date. The consultation sets out proposals for minor Handbook changes relating to packaged accounts and account switching, as well as proposed updates to the Decision Procedures and Penalties Manual (DEPP) and Enforcement Guide (EG) to reflect the powers of enforcement granted to the FCA in the PARs.

The FCA has noted that the Handbook has limited application to many payment services providers (PSPs) that are not authorised under FSMA. As such, the consultation proposes non-Handbook guidance on the definition of a 'payment account' within the PARs and on the implementation of the provisions on packaged accounts. The proposed guidance is intended to set out the FCA's understanding of certain requirements in the PARs in order to assist PSPs with their preparations for the new regulations taking effect.

Comments on the consultation are due by 3 May 2016.

Ring-fencing: PRA publishes policy statement on transfer schemes

The PRA has published a policy statement ([PS10/16](#)) on its approach to ring-fencing transfer schemes (RFTS). The policy statement sets out feedback on the PRA's September 2015 consultation and a final statement of policy (SoP).

The RFTS is intended to enable firms to restructure their businesses in order to comply with the ring-fencing requirements that will apply from 1 January 2019. The SoP sets out the background to the ring-fencing regime, the purpose of RFTS and the process for implementation.

PRA consults on risk adjustments for FSCS contributions

The PRA has launched a [consultation](#) on proposed changes to the Depositor Protection Part of the PRA Rulebook and a new statement of policy (SoP) in relation to the calculation of firms' contributions to the Financial Services Compensation Scheme (FSCS).

Under Article 13 of the recast Deposit Guarantee Schemes Directive (2014/49/EU - DGSD2) contributions to deposit guarantee schemes (DGSs) should be adjusted for the degree of risk incurred by each DGS member and the European Banking Authority (EBA) issued guidelines to specify methods for calculating such contributions. The PRA is consulting on its proposed methodology towards the calculation of such risk-based levies that would apply to the repayment of both future compensation costs and existing

legacy costs incurred by the FSCS. The SoP specifies how the PRA intends to calculate the degree of risk incurred by a DGS member, which would be risk-based, but would have different calculation methodologies for Capital Requirements Regulation (CRR) firms, credit unions and non-EEA branches due to their different legal and supervisory frameworks.

Comments are due by 3 June 2016.

PRA publishes policy statements on PRA Rulebook Parts

The PRA has published two policy statements relating to its project to redraft the Handbook inherited from the Financial Services Authority (FSA) as a PRA Rulebook containing only PRA rules.

The PRA has published a policy statement on the Fees Part of the PRA Rulebook ([PS7/16](#)), which sets out the PRA's approach to replacing the rules and guidance of the FEES module of the Handbook with the new Fees Part of the Rulebook. Alongside the policy statement the PRA has also published a supervisory statement (SS3/16) on the PRA's approach to setting fees.

The PRA has also published a policy statement on internal governance of third country branches ([PS8/16](#)), which follows the PRA's consultation on the PRA Rulebook: Part 3 (CP17/15). Material on the internal governance of UK branches of non-EEA banks and PRA designated investment firms, known as third country branches, has been finalised separately from the main response to the consultation, which was published in PS19/15 on 3 August 2015, in order to ensure that the final rules and supervisory statement (SS4/16) reflect aspects of the Senior Management and Certification regimes (SM&CR) relating to third country branches. PS8/16 also includes final rules in response to the PRA's occasional consultation paper CP3/16. The PRA has updated its supervisory statement on guidelines for completing regulatory reports (SS34/15) relating to the Close Links and Change in Control Parts of the PRA Rulebook in light of the final rules.

CSSF issues press release on UCITS V regime and depositary aspects of Part II UCIs

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has issued a [press release](#) on practical issues in relation to the UCITS V regime and depositary aspects in relation to Luxembourg undertakings for collective investment

governed by Part II of the Law of 17 December 2010 on undertakings for collective investment (Part II UCIs).

As regards the UCITS V timelines for the update of the legal documentation and depositary agreement of Luxembourg UCITS, the CSSF has confirmed that it will generally apply the timelines outlined in the updated version of the questions and answers published by the European Securities and Markets Authority (ESMA) on 1 February 2016 on the application of the UCITS Directive (ref. 2016/EAM/181) regarding the updating of KIIDs, prospectuses and depositary contracts of UCITS in relation to all aspects under the forthcoming UCITS V regime. The CSSF has also confirmed that it will put in place a fast track procedure for the approval of changes to UCITS prospectuses which are limited to the remuneration and depositary aspects under UCITS V.

In relation to the above, the CSSF has further indicated that it will submit in the coming months to Luxembourg UCITS management companies and UCITS self-managed investment companies a questionnaire regarding the key aspects of the revised remuneration policies that they will implement in order to comply with the requirements of the UCITS V regime. The CSSF also recalls that CSSF Circular 14/587 regarding the provisions applicable to credit institutions acting as UCITS depositary bank will enter into force as of 18 March 2016. However, Circular 14/587 will be reviewed and adapted, by the end of September/beginning of October 2016, to the depositary-related provisions of the forthcoming Luxembourg UCITS V transposition law and of the UCITS V Delegated Regulation to be adopted by the EU Commission.

As regards Part II UCIs, the Luxembourg UCITS V transposition law envisages to align the depositary regime applicable to these Part II UCIs with the depositary regime applicable to UCITS. Such depositary regime shall be applicable to all Part II UCIs and their depositary bank as of the date of entry into force of the Luxembourg UCITS V transposition law. Upon amendment of Circular 14/587, the CSSF will also clarify to what extent the provisions of such Circular, as amended, will also be applicable to Part II UCIs.

CSSF issues press release on changes in institutional architecture of deposit guarantee and investor compensation schemes in Luxembourg

The CSSF has issued a [press release](#) highlighting, and providing a high level description of, the changes in the institutional architecture of the deposit guarantee and investor compensation schemes in Luxembourg following

the entry into force of the law of 18 December 2015 on the failure of credit institutions and of certain investment firms.

The CSSF has further indicated that a new website dedicated to the information of depositors and investors is under construction and will provide more detailed information on the functioning of the new deposit guarantee and investor protection schemes in Luxembourg, as well as on procedures and conditions relating to the guarantee of deposits and claims resulting from investment operations.

Finally, the CSSF has provided an e-mail address to which questions in relation to the new deposit guarantee and investor protection schemes can be addressed.

FINMA consults on modernised corporate governance and risk management requirements for banking sector

The Swiss Financial Market Supervisory Authority (FINMA) has launched a [consultation](#) on a modernised corporate governance regime for the banking sector in the form of a single new Circular 2016/X 'Corporate governance – banks'. The Circular will reflect international developments in corporate governance and risk management since the financial market crisis, and will consolidate the requirements set out in various FINMA circulars and FAQs. The consultation on the new circular ends on 13 April 2016.

The new circular will be a complete overhaul of the existing Circular 2008/24 'Supervision and internal control – banks'. Its approach to corporate governance and risk management requirements for governing bodies and executive boards of banks will be principles-based, which means that detailed descriptions of the requirements will be removed. The other major changes introduced by the new circular are as follows:

- large banks (banks in supervisory categories 1 to 3) will be required to appoint an audit committee and risk committee, as well as create a new role of an independent chief risk officer; and
- minimum corporate governance disclosure requirements will apply to all banks, with large banks subject to extended disclosure requirements similar to those of the SIX Swiss Exchange's Directive Corporate Governance.

In addition, FINMA will also make partial amendments to Circulars 2008/21 'Operational risks – banks' and 2010/1 'Remuneration schemes'. In light of the expansion of operational risks, the risk management principle on technological infrastructure of the banking sector will be extended to include IT and cyber risks, and a new principle

on risks in cross-border services will be introduced. The principle on business continuity will be expanded to include requirements for maintaining critical service during resolution of systematically important banks. In relation to remuneration schemes, the threshold for the application of mandatory requirements under Circular 2010/1 will be raised to only include banks with capital of CHF 10 billion or more. FINMA may however oblige other banks to implement some or all of the requirements on certain grounds.

Foreign business licence exemptions published in Thai Government Gazette

An amendment to the ministerial regulation under the Foreign Business Act B.E. 2542 (1999) which exempts foreigners from having to obtain foreign business licenses to operate particular service businesses has been [published](#) in the Government Gazette.

The service businesses to which this exemption applies are:

- commercial banking business;
- representative office of a foreign bank;
- life insurance business under the law on life insurance; and
- non-life insurance business under the law on non-life insurance.

The above exemptions should apply from the end of February 2016. These exemptions only apply to core businesses, not related or ancillary businesses even if those businesses are permitted to be conducted by the relevant regulators. Thus, confirmation from the Ministry of Commerce whether such a related or ancillary business needs to obtain a foreign business license would be advisable.

FSDC releases report on Hong Kong's exchange-traded derivatives position limits regime

The Financial Services Development Council (FSDC) has published a [report](#) entitled 'Hong Kong's position limits regime for exchange-traded derivatives – the need for revision'. The report sets out recommendations to refine Hong Kong's position limits regime, with a view to enhancing the development of Hong Kong's exchange-traded derivatives market.

The FSDC believes that there is room for Hong Kong to develop into a more resilient and better regulated market and that a prompt and timely refinement of the position limits regime would help Hong Kong maintain its global

competitiveness and better realise its potential as a leading international financial centre.

The report notes that Hong Kong is the only market adopting a position limits regime with no hedging exemptions for market neutral transactions of qualified market users whose hedging needs exceed the limits. To enhance Hong Kong's competitiveness, the report proposes the introduction of a hedging exemption regime to allow qualified investors to exceed the limits with market neutral transactions upon the approval of regulators, and a holistic review of the current position limits for all exchange-traded derivatives along with the possible introduction of a system that sets position limits based on relevant market and product-specific factors. The report also suggests introducing enhancements to existing clearing houses' risk management measures along with the above recommendations.

Taking into consideration the increasing investment demand for exposure to the Chinese market and the likelihood that A-shares will be included in global equity benchmarks in the near future, the report argues that a revised position limits regime would provide an improved risk management dimension to Hong Kong's existing strength in terms of Chinese market access. According to the report, it would also enable Hong Kong to compete better with other financial centres and enhance its relevance to China's market opening plans.

Securities and Futures (Short Position Reporting) (Amendment) Rules 2016 gazetted

The [Securities and Futures \(Short Position Reporting\) \(Amendment\) Rules 2016](#) have been gazetted. The amendment is intended to expand short position reporting to cover all securities that can be short sold under the rules of the Stock Exchange of Hong Kong Limited. The reporting threshold for stocks will remain unchanged, while the threshold for collective investment schemes will be set at HKD 30 million.

Subject to the legislative process, the Securities and Futures (Short Position Reporting) (Amendment) Rules 2016 will come into operation on 15 March 2017.

SFC publishes consultation conclusions on proposed amendments to automated trading services guidelines

The Securities and Futures Commission (SFC) has [published](#) the conclusions to its November 2015 consultation on proposed amendments to the Guidelines for the Regulation of Automated Trading Services (ATS).

Some drafting changes have been made to the revised ATS Guidelines in light of the feedback received, as set out in Appendix B of the conclusions paper.

The SFC intends to implement the revised ATS Guidelines with effect from the date when mandatory clearing of over-the-counter (OTC) derivative transactions is also implemented, which is expected to be on 1 September 2016.

The SFC has advised that central counterparties (CCPs) wishing to provide mandatory clearing services for OTC derivative transactions from that day should ensure that their applications for ATS authorisation and CCP designation, with full and complete information and documentation, reach the SFC on or before 29 April 2016.

SGX consults on minimum allocation to facilitate greater retail participation in IPOs

The Singapore Exchange (SGX) has published a [consultation paper](#) proposing that all primary-listed Mainboard companies allocate to retail investors a minimum 10% of shares in their initial public offers (IPOs), up to a maximum of SGD 100 million. This is the second consultation on the introduction of a mandated minimum IPO allocation to retail investors. The first consultation in 2012 proposed a 5% retail allocation.

The increase in the proposed retail IPO allocation percentage follows positive feedback for a minimum allocation of shares in IPOs to retail investors from the 2012 consultation. In addition, over 90% of IPOs which occurred in 2010 to 2015 had retail investor application rates which were greater than 10% of the total offer size, indicating retail demand for IPO shares.

Comments on the consultation are due by 24 March 2016.

Banking (Amendment) Bill 2016 moved for second reading in Parliament and passed

The [Banking \(Amendment\) Bill 2016](#) was moved for its second reading in Parliament, and passed. The Monetary Authority of Singapore (MAS) has incorporated the [feedback](#) it received from the consultations it conducted on the policy changes to the Banking Act into the Bill where appropriate.

The three broad amendments in the Bill relate to (i) enhancing prudential safeguards; (ii) strengthening corporate governance; and (iii) ensuring adequate risk management controls, which include:

- empowering MAS to require a foreign bank branch to locally incorporate all or part of its banking business if it is in the interest of the public, the bank's depositors, or the domestic financial system. This new regulatory power forms part of the suite of policy measures for domestic systematically important banks (D-SIBs) announced by MAS in April 2015;
- empowering MAS to impose prudential requirements that cap banks' leverage and ensure that they maintain sufficient liquidity;
- empowering MAS to remove key appointment holders of banks if they are found not to be fit and proper;
- requiring banks to notify MAS as soon as they become aware of any material information which may negatively affect the fitness or propriety of any director or executive officer whose appointment was approved by MAS;
- enhancing MAS' powers to direct a bank to terminate, prohibit and restrict transactions that the bank enters into with its related parties, if these are deemed detrimental to depositors' interests;
- reinforcing the complementary role of external auditors in assessing bank's risks and internal controls;
- formalising MAS' expectation that banks establish risk management systems and controls that are commensurate with their business profiles and operations;
- requiring banks to obtain the approval of MAS for places where they intend to conduct certain non-banking activities;
- requiring banks to notify MAS immediately of material adverse developments that may materially affect them; and
- empowering MAS to inspect the local and overseas subsidiaries of a bank incorporated in Singapore, and to allow the parent supervisory authority of a foreign bank or merchant bank to inspect all financial activities of the bank or merchant bank in Singapore, upon MAS' approval.

CLIFFORD CHANCE BRIEFINGS

The PSC Register Requirements – A Practical Guide for Private Fund Structures

All UK incorporated companies (that are not exempt) and LLPs will need to keep a register of people with significant control over them (PSC register) from 6 April 2016. They

will also need to file their PSC information at Companies House when making their confirmation statement (which replaces the annual return) from 30 June 2016 onwards. Non-compliance with the PSC register requirements is a criminal offence.

This briefing paper explains how to identify the entities in your group and fund structures that will be required to keep a PSC register, the individuals and legal entities that need to be recorded in those registers and what information must be recorded. The briefing paper also provides practical guidance to help you carry out your 'PSC register analysis' for each of the entities, fund vehicles and investee companies in your structures.

http://www.cliffordchance.com/briefings/2016/03/the_psc_register_requirements_a_practical_guide.html

LIBOR-based defences rejected by the court

The Court of Appeal has rejected a miscellany of defences raised by a borrower based on the alleged rigging of LIBOR by a lending bank. The case may continue, but the Court also ordered the borrower to pay immediately the minimum sum for which, even if it succeeds, it will be liable to the bank. Allegations of LIBOR rigging will not allow an extended deferral of all payment obligations.

This briefing paper discusses the decision.

http://www.cliffordchance.com/briefings/2016/03/libor-based_defences_rejected_by_the_court.html

Anti-corruption law – a major reform for France's anti-corruption legislation

As the target of significant criticism from the Organisation for Economic Co-operation and Development (OECD), France must strengthen its approach to combat bribery and corruption. 'Sapin II,' a draft bill on transparency, anti-corruption and economic modernisation, introduces new framework legislation to prevent, detect and punish corruption in France and abroad.

This briefing paper discusses the draft bill.

http://www.cliffordchance.com/briefings/2016/02/anti-corruption_law_a_major_reform_for_france.html

Russia Redesigns Thin Cap Rules

Russia has introduced amendments to its thin capitalisation rules to combat 'sister company' financing schemes. The new rules also envisage exemptions for intra-group financing and most guaranteed bank loans.

This briefing paper discusses the amendments.

http://www.cliffordchance.com/briefings/2016/02/russia_redesigns_thin_cap_rules.html

Qualified Non-US Pension Funds Now Exempt from US 'FIRPTA' Taxation

On 18 December 2015, Congress passed, and the President signed into law, The Protecting Americans From Tax Hikes Act of 2015. Among other things, the Act makes significant changes to the rules enacted by the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) that will be relevant to certain non-US pension funds investing in US real estate, and funds established to make such investments.

Under the Act, a 'qualified foreign pension fund', or any non-US taxable entity that is wholly owned by a qualified foreign pension fund, will no longer be subject to US federal income tax under FIRPTA in respect of gain from the disposition of a 'United States real property interest'.

This briefing paper discusses the new exemption.

http://www.cliffordchance.com/briefings/2016/03/qualified_non-us_pension_funds_now_exempt_from_us_firpta.html

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