

International Regulatory Update

10 - 14 October 2016

IN THIS WEEK'S NEWS

- ESAs publish work programmes for 2017
- MiFID2: ESMA publishes guidelines on transaction reporting, order record keeping and clock synchronisation
- EBA publishes final guidelines on modified duration for debt instruments
- EBA reports on monitoring of Additional Tier 1 instruments
- CRR and Solvency II: ITS on credit assessments of external credit assessment institutions published in the Official Journal
- EUSEF and EuVECA funds: EU Council Presidency publishes compromise text
- Basel Committee publishes final standard on TLAC holdings
- Basel Committee consults on regulatory treatment of accounting standards
- Benchmarks: Bank of England consults on SONIA reform
- FCA publishes statements on smarter consumer communications
- HMT responds to Treasury Committee report on possible separation of enforcement function from FCA
- UK Government publishes legislative proposals on AML/CFT
- Amendment to Recommendation S on good practices with regard to management of credit exposures secured by mortgages
- CSSF publishes notice on stress tests for non-trading book interest rate risk assessment
- CSSF publishes Circular on Luxembourg UCITS depository regime
- AML/CFT: Luxembourg Financial Intelligence Unit launches new mandatory electronic reporting
- Bank of Italy updates Circular on supervisory regulations for banks
- KRX and Taiwan Stock Exchange announce cross-listing of ETFs
- MAS publishes FAQs on Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013

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

[Paul Landless](#) +65 6410 2235

[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

- MAS publishes guidelines on regulation of clearing facilities
- Credit Bureau Bill 2016 moves to Singapore Parliament for first reading
- SFC reviews cybersecurity of online and mobile trading systems
- Hong Kong Government sets date for commencement of mandatory provident fund default investment strategy
- CFTC proposes rules and interpretations for cross-border application of certain registration thresholds and external business conduct standards
- Recent Clifford Chance briefings: EU merger control rules; French contract law reform; and more.

ESAs publish work programmes for 2017

The European Securities and Markets Authority (ESMA) and the European Banking Authority (EBA) have both published their work programmes for 2017.

ESMA's [priorities](#) reflect a change in focus from building the single rulebook towards ensuring its consistent application across the EU. Key priorities for 2017 include:

- converging supervisory practices on the implementation of MiFID2/MiFIR;
- focusing on data quality;
- Level 2 work on the Benchmarks Regulation and on various initiatives under the umbrella of the Capital Markets Union (CMU); and
- directly supervising credit rating agencies (CRAs) and trade repositories (TRs) with a particular focus on their ancillary activities given the thread of combining ancillary and core services.

The EBA's [work programme for 2017](#) also sets out details of the EBA's multi-annual work programme for 2017-2020. The EBA's annual activities for 2017 have been prepared in the context of the seven strategic areas set out in the multi-annual work programme on:

- continuing development and maintenance of the Single Rulebook;
- promoting efficient and coordinated crisis management of institutions;
- promoting convergence of supervisory methodologies to ensure that rules for going concern and crisis situations are implemented consistently across the EU;

- identifying and analysing microprudential trends, potential risks and vulnerabilities;
- maintaining and developing the common supervisory reporting framework;
- consumer protection, including monitoring financial innovation and retail payments; and
- being a competent, responsible and professional organisation.

In 2017, the EBA will prioritise work on:

- liquidity and the leverage ratio;
- credit risk;
- recovery planning and early intervention;
- promoting convergence;
- improving the consumer protection framework; and
- monitoring financial innovation.

However, the EBA expects its annual work programme to be impacted upon by a number of additional legislative reforms from the EU Commission in relation to capital requirements, implementation of TLAC, proportionality in the regulatory framework, and developments relating to securitisation under the CMU project. As such, the EBA expects that a reprioritisation exercise will be required due to the additional work stemming from these reforms.

The Joint Committee of the European Supervisory Authorities (ESAs) has also published its [work programme](#) for 2017, which commits to cooperation between the ESAs on cross-sectoral consistency and supervisory convergence, particularly in relation to assessing opportunities and threats arising from fintech. The ESAs have also highlighted that regulatory work in the field of securitisation and other legislative products will be addressed if necessary. The work programme has been arranged under four strands of joint regulatory work and oversight:

- consumer protection, including Level 3 measures on new PRIIPs rules, automation in financial advice, work on big data and cross-border supervision of financial services;
- cross-sectoral risk analysis;
- anti-money laundering; and
- financial conglomerates, including work relating to the evaluation of the Financial Conglomerates Directive under the EU Commission's regulatory fitness and performance (REFIT) programme.

MiFID2: ESMA publishes guidelines on transaction reporting, order record keeping and clock synchronisation

ESMA has published its [final guidelines](#) on transaction reporting, order record keeping and clock synchronisation requirements under MiFID2. The final guidelines are the outcome of own initiative work by ESMA on supervisory convergence measures on the implementation of draft regulatory technical standards (RTS) 22, 24 and 25. Alongside the guidelines, ESMA has published a [final report](#) on feedback received to its consultation launched in December 2015. In particular, the final report sets out how responses were taken into consideration when drafting the final guidelines and any material changes as a result of the feedback received.

The guidelines are addressed to national competent authorities (NCAs) and financial markets participants and are intended to provide guidance to help investment firms, trading venues and approved reporting mechanisms (ARMs) prepare for compliance with their reporting and order record keeping obligations prior to their entry into force in 2018. ESMA intends to publish related technical documents on reporting instructions by the end of October 2016. The guidelines relate to:

- general principles on transaction reporting and order record keeping;
- reporting and record keeping scenarios for the various trading scenarios that may occur;
- reporting of specific financial instruments; and
- clarifications on specific legislative provisions related to clock synchronisation.

ESMA expects financial market participants to incorporate the guidelines into their supervisory practices. Once the guidelines have been translated into the official languages of the EU, NCAs will have two months to inform ESMA whether they comply or intend to comply with the guidelines.

EBA publishes final guidelines on modified duration for debt instruments

The EBA has published [final guidelines](#) on corrections to modified duration for debt instruments. The guidelines are intended to establish adjustments to the modified duration that have to be performed in order to appropriately reflect the effect of the prepayment risk as outlined in the Capital Requirements Regulation (CRR). The guidelines are also intended to contribute to the implementation of the EU Commission's securitisation package under the Capital Markets Union reform programme.

The guidelines establish two approaches to correct the modified duration calculation:

- treat the instrument with embedded optionality as if it were a combination of a plain vanilla bond and an option; and
- calculate directly the change in value of the whole instrument subject to prepayment risk.

Additionally, the guidelines also request additional elements to the correction to reflect the negative convexity as well as transaction costs and, where relevant, behavioural factors that may affect the modified duration of the instrument.

The guidelines apply from 1 March 2017.

EBA reports on monitoring of Additional Tier 1 instruments

The EBA has published a [final report](#) on the monitoring of Additional Tier 1 (AT1) instruments and proposed standardised templates for AT1 instruments. The final report, which follows a draft dated 29 May 2015, includes new provisions on triggers, calls, repurchases, redemptions, tax events, gross-up provisions and conversion and write-down mechanisms.

Alongside the report, the EBA has also published standardised templates for AT1 issuances. The templates cover the prudential provisions of AT1 issuances and contain essential and optional provisions concerning, in particular:

- flexibility of payments;
- permanence; and
- loss absorbency.

The templates are designed to assist with the practical implementation of the provisions laid down in the CRR, the Regulatory Technical Standards (RTS) and Q&As.

CRR and Solvency II: ITS on credit assessments of external credit assessment institutions published in the Official Journal

Commission Implementing Regulations laying down implementing technical standards (ITS) with regard to mapping credit assessments of external credit assessment institutions (ECAIs) for credit risk and securitisation positions under the CRR and the allocation of credit assessments of ECAIs under Solvency II have been published in the Official Journal.

The ITS set out:

- mapping credit assessments of ECAIs for credit risk under CRR (Commission Implementing Regulation (EU) [2016/1799](#)), which specifies the correspondence, or mapping, between the risk weights and credit assessment as well as the factors and benchmarks that should be taken into account to determine such correspondence;
- mapping of ECAIs credit assessment for securitisation positions under CRR (Commission Implementing Regulation (EU) [2016/1801](#)), which allows credit ratings on securitisations assigned by registered credit rating agencies (CRAs) to be used for the purposes of calculating institutions' capital requirements; and
- the allocation of credit assessments of ECAIs to an objective scale of credit quality steps under Solvency II (Commission Implementing Regulation (EU) [2016/1800](#)) setting out ITS under Solvency II), which sets out the allocation for the purposes of the calculation of the solvency capital requirement and is consistent with the use of external credit assessments of ECAIs in the calculation of the capital requirements for credit institutions and financial institutions as defined under CRR.

The Regulations will enter into force on 1 November 2016.

EUSEF and EuVECA funds: EU Council Presidency publishes compromise text

The EU Council Presidency has published a [compromise text](#) on the proposal for a Regulation amending the Regulation on European venture capital (EuVECA) funds and European social entrepreneurship (EuSEF) funds.

Basel Committee publishes final standard on TLAC holdings

The Basel Committee on Banking Supervision (BCBS) has published the [final standard](#) on the regulatory capital treatment of banks' investments in instruments that comprise total loss-absorbing capacity (TLAC) for global systemically important banks (G-SIBs).

The final standard applies to both G-SIBs and non-G-SIBs and sets out details of:

- the deduction of TLAC holdings not already included in regulatory capital from their own Tier 2 capital;
- the threshold below which no deduction is required; and

- the treatment of instruments ranking pari passu with subordinated forms of TLAC.

The standard will take effect at the same time as the minimum TLAC requirement for each G-SIB as set out in the Financial Stability Board's TLAC standard for G-SIBs, which is 1 January 2019 for most G-SIBs.

Basel Committee consults on regulatory treatment of accounting standards

The BCBS has published a [consultative document](#) and [discussion paper](#) on policy considerations related to the regulatory treatment of accounting provisions under the Basel III regulatory capital framework. The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) have adopted provisioning standards that require use of expected credit loss (ECL) models rather than incurred loss models. The new accounting standards also make modifications to provisioning standards to incorporate forward-looking assessments in the estimation of credit losses. In light of the new standards, BCBS has published a consultative document setting out proposals to retain the current regulatory treatment of provisions under the standardised and internal ratings-based approaches for credit risk on an interim basis. The consultative document also requests feedback on whether any transitional arrangements are necessary to allow banks time to adjust to the new ECL accounting standards.

A discussion paper on policy options for the long-term regulatory treatment of provisions under the new ECL standards has also been published, which is intended to elicit feedback from stakeholders to inform future deliberations.

Comments on both documents are due by 13 January 2017.

Benchmarks: Bank of England consults on SONIA reform

The Bank of England (BoE) has launched a [consultation](#) on detailed proposals for the reform of the Sterling Overnight Index Average (SONIA) interest rate benchmark, which is administered by the BoE.

SONIA reflects bank and building societies' overnight funding rates in the sterling unsecured market, and is designated as a specified benchmark under the Financial Services and Markets Act 2000 (FSMA).

The consultation sets out the BoE's detailed proposals for the reform of SONIA, including:

- changing the SONIA calculation methodology so that it measures the average rate using a volume-weighted median, rather than a volume-weighted mean;
- defining the 'underlying interest' that SONIA is intended to measure in order to facilitate its future evolution, including publication of a statement of methodology used to measure the underlying interest;
- planning for a point-in-time transition from current SONIA to reformed SONIA; and
- specifying SONIA's publication policies.

Comments are due by 31 December 2016. The BoE aims to publish feedback on the consultation, its final view on the methodology and definition, details of transition arrangements, and publication and licensing arrangements in early 2017.

FCA publishes statements on smarter consumer communications

The Financial Conduct Authority (FCA) has published a feedback statement and a policy statement as part of its Smarter Consumer Communications (SCC) initiative, which is intended to encourage firms to communicate more effectively with their customers.

The feedback statement ([FS16/10](#)) sets out the FCA's thinking on what constitutes SCC and outlines the themes that arose from responses to its discussion paper, which was published in June 2015. In particular the feedback relates to:

- the presentation of terms and conditions;
- information given to consumers at retirement;
- common terminology across the insurance sector;
- cover offered by the Financial Services Compensation Scheme (FSCS) for specific products or services;
- consumer awareness of the Financial Ombudsman Service;
- transparency in relation to the scope and cost of an investment advice service;
- cost transparency; and
- communication in asset management.

The statement also sets out the FCA's next steps in the SCC initiative, which will include carrying out consumer testing on its social media guidance, launching consultations on good disclosure guides and changes to disclosure rules, and developing guidelines for the

preparation of suitability reports that are more accessible for consumers and quicker to prepare.

The policy statement ([PS16/23](#)) summarises the feedback received on proposals to remove certain disclosure requirements from the FCA Handbook. Following the consultation, the FCA has decided to remove rules or guidance on the following disclosures:

- Consumer-Friendly Principles and Practices of Financial Management (CFPPFM);
- short reports;
- Initial Disclosure Document (IDD)/Combined Initial Disclosure Document (CIDD); and
- Combined Initial Disclosure Document (CIDD)/Services and Costs Disclosure Document (SCDD).

Rules for short reports and the CFPPFM will be removed from the Handbook from 22 November 2016. The remaining rules and guidance will be removed from 1 February 2017.

HMT responds to Treasury Committee report on possible separation of enforcement function from FCA

HM Treasury (HMT) has published its [response](#) to the House of Commons Treasury Committee report on lessons for regulators arising from the failure of HBOS in 2008. Among other things, the Treasury Committee report made the case for placing the FCA's enforcement function in a separate body, a proposal made by the Parliamentary Commission on Banking Standards (PCBS) in 2013, which the Committee suggested may merit re-examination by HMT in light of Andrew Green QC's review of the enforcement decisions taken by the regulator.

HMT's response sets out that the Government does not believe that the creation of a separate enforcement body is merited. As such, HMT does not propose further reform and takes the view that a further independent review would not be justified at the current time.

UK Government publishes legislative proposals on AML/CFT

The Home Office has published its [response](#) to the Government's consultation on an Action Plan for anti-money laundering (AML) and counter-financing of terrorism (CFT), which was launched in April 2016. The Home Office report relates to the potential changes to legislation set out in the consultation. Alongside the report, the Government has introduced the [Criminal Finances Bill](#) to the House of Commons and published explanatory notes. HMT will respond to its consultation on options for reform of the

supervisory regime separately and is expected to announce proposed reforms towards the end of 2016.

The Home Office report sets out measures that the Government intends to introduce to reform the UK's AML/CFT framework, including:

- a new legal gateway to enable private sector firms to share information on suspicions of money laundering and terrorist financing with immunity from civil liability;
- improving the efficiency and effectiveness of the Suspicious Activity Reports regime (SARs);
- the introduction of Unexplained Wealth Orders (UWOs), which would require an individual to explain the origin of assets disproportionate to their income; and
- new civil forfeiture powers for law enforcement agencies in relation to criminal funds held in bank accounts and portable high value items.

Amendment to Recommendation S on good practices with regard to management of credit exposures secured by mortgages

The Polish Financial Supervision Authority (PFSA) has published [draft assumptions](#) for an amendment to Recommendation S on good practices with regard to management of credit exposures secured by mortgages. The PFSA is consulting on the proposed changes.

The purpose of the amendment is to add rules on mortgage loans with a fixed interest rate. In the opinion of the PFSA, expanding the scope of Recommendation S is a justified action intended to develop credit facilities of this type for the Polish market.

CSSF publishes notice on stress tests for non-trading book interest rate risk assessment

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has issued an [information notice](#) regarding the transmission of the results of the stress test referred to in Circular CSSF 08/338 (as amended by Circular CSSF 16/642) for the assessment of the interest rate risk arising from non-trading book activities of credit institutions and CRR investment firms to the CSSF.

The CSSF has that in order to transmit the results of the stress test to the CSSF, new electronic reporting tables are to be used from 1 December 2016 which are included in the annex to the circular.

CSSF publishes Circular on Luxembourg UCITS depositary regime

The CSSF has issued a Circular ([16/644](#)) on the provisions applicable to credit institutions acting as a depositary of UCITS subject to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investments (2010 Law) and to all UCITS, where appropriate, represented by their management company.

The Circular is intended to clarify the standard organisational rules concerning the rights and duties attached to the depositary function of Luxembourg UCITS, under the UCI Law (as amended by the law of 10 May 2016 implementing the UCITS V Directive) and by Commission Delegated Regulation (EU) 2016/438 supplementing the UCITS V Directive with regard to the obligations of depositaries. Among other things, the clarifications concern:

- custody duties and segregation of assets;
- the due diligence requirement for the appointment and on-going monitoring of any delegate involved in the custody chain of the UCITS' assets;
- the prevention and management of conflicts of interests including information on the other functions; and
- activities that can be performed by the depositary under certain conditions.

Circular 16/644 also clarifies certain other Luxembourg specific points not covered by the UCITS V Directive and Delegated Regulation, such as the asset segregation obligation to be complied with for the time being as regards Luxembourg UCITS throughout the entire delegation chain (i.e. for the assets held by the depositary, by the first sub-custodian and by any delegate further down the custody chain).

The Circular provides detailed rules regarding the application file and information to be submitted by a Luxembourg credit institution in order to be approved by the CSSF, in addition to its banking license, as UCITS' depositary. However, credit institutions already approved as UCITS depositary do not need to submit a new application file to the CSSF but must comply with the provisions of Circular 16/644.

The Circular enters into force on 13 October 2016, which is also the date of application of the Delegated Regulation, and replaces Circular 14/587 (as amended) on the same topic.

AML/CFT: Luxembourg Financial Intelligence Unit launches new mandatory electronic reporting

The Luxembourg Financial Intelligence Unit of the State Prosecutor's Office to the Luxembourg District Court, Cellule de Renseignement Financier (CRF), has [announced](#) that it will adopt mandatory electronic reporting to receive all suspicious transactions reports in relation to anti-money laundering and countering the financing of terrorism (AML/CFT). The CRF will use goAML to receive the reports, which is the standard software system of the United Nations Office on Drugs and Crime (UNODC).

The CRF will start using the system from 1 January 2017 and the Luxembourg Ministry of Justice invites those subject to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorism financing (as amended) to obtain a LuxTrust certificate, which is necessary for the use of the system and to register for training sessions.

Bank of Italy updates Circular on supervisory regulations for banks

The Bank of Italy has published an [update](#) to Circular no. 285/2013 on the supervisory regulations for banks in order to amend the provisions governing the capital conservation buffer (CCB).

The amendment is the 18th update to the circular and also implements the Capital Requirements Directive (CRD 4), immediately and in full, and the CRR, in particular Article 92.

This amendment provides for the following minimum buffers regime:

- 1.25% from 1 January to 31 December 2017;
- 1.875% from 1 January to 31 December 2018;
- 2.5% from 1 January 2019.

The Italian regulatory framework is now aligned to the Eurozone with respect to the regime on CCB.

KRX and Taiwan Stock Exchange announce cross-listing of ETFs

The Korea Exchange (KRX) and the Taiwan Stock Exchange (TWSE) have [announced](#) the cross-listing of exchange traded funds (ETFs) which will track the benchmark indices of both markets. The listed ETFs will be the first index-based products to track Taiwanese and Korean securities in each market.

The announcement follows the signing of a memorandum of understanding (MoU) between the KRX and the TWSE in

December 2015. The KRX and TWSE expect to work together on additional projects, which may include jointly compiling new indices of Korean and Taiwanese-listed companies based on themes such as high dividends or prominence in the technology industry.

MAS publishes FAQs on Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013

The Monetary Authority of Singapore (MAS) has published a set of [frequently asked questions](#)

(FAQs) on the Securities and Futures (Reporting of Derivatives Contracts) Regulations 2013.

The FAQs are intended to provide guidance to the industry on implementation of the reporting obligations. They also set out details of the MAS' intentions in relation to the Regulations. In particular, the FAQs cover the following issues:

- who is subject to the reporting obligations;
- when a contract is subject to reporting;
- which contracts should be reported; and
- what information should be reported.

MAS publishes guidelines on regulation of clearing facilities

The MAS has published a [revised set of guidelines](#) on the regulation of clearing facilities, which replaces the previous version issued on 1 July 2005. The guidelines aim to provide financial market participants with a better understanding of how the MAS will administer the legislative provisions relating to clearing facilities in Part III of the Securities and Futures Act (SFA).

Financial market participants are advised to read the guidelines in conjunction with the provisions of Part III of the SFA and the Securities and Futures (Clearing Facilities) Regulations 2013, and where relevant, other provisions of the SFA.

Among other things, the guidelines cover:

- the objectives of clearing regulation;
- the scope of regulation of clearing facilities;
- obligations of approved clearing houses;
- obligations of recognised clearing houses;
- customer assets held by approved clearing houses;
- business rules; and
- clearing fees.

Credit Bureau Bill 2016 moves to Singapore Parliament for first reading

The MAS has [announced](#) that the Credit Bureau Bill 2016 has been moved for its First Reading in Parliament.

The Bill has been introduced to establish a licensing framework for the MAS to regulate credit bureaus that collect customer credit information from banks and other financial institutions in Singapore. Its objectives are to help ensure the sound operation of licensed credit bureaus (LCBs), to safeguard the confidentiality, security and integrity of customer credit information and to protect consumer interests.

The key provisions of the Bill relate to:

- licensing of credit bureaus;
- duties of LCBs and their audit;
- approval of approved members of LCBs and their duties;
- control of substantial shareholders, controllers and officers of LCBs;
- inspections and investigations;
- the MAS' control over LCBs; and
- offences and appeals.

SFC reviews cybersecurity of online and mobile trading systems

The Securities and Futures Commission (SFC) has [launched](#) a review of cybersecurity, compliance and resilience of brokers' online and mobile trading systems. The review follows a number of reports from securities brokers that the security of some customers' online and mobile trading accounts has been compromised and unauthorised securities trading transactions have been conducted through these accounts.

Cybersecurity management is a priority for the SFC's supervision of licensed corporations. Brokers are advised to critically review and enhance their controls to combat cyberattacks, including measures aimed at mitigating hacking risks and enabling them to spot and alert clients to suspicious activities so as to stop further unauthorised trading where security has been compromised.

The SFC review has three components:

- surveying a mix of small to medium sized brokers to assess relevant cybersecurity features of brokers' internet and mobile trading systems;

- onsite inspections of selected brokers for an in-depth review of their information technology and other related management controls and an assessment of their design and effectiveness in preventing and detecting cyberattacks; and
- benchmarking the SFC's regulatory requirements and market practice in Hong Kong against other major financial services regulators and other relevant market practices overseas and locally.

The findings of the cybersecurity review are designed to assist the SFC's policy formulation to improve overall resilience of the markets.

Hong Kong Government sets date for commencement of mandatory provident fund default investment strategy

The Hong Kong Government has [gazetted](#) the Mandatory Provident Fund Schemes (Amendment) Ordinance 2016 (Commencement) Notice, to specify that the date that the mandatory provident fund (MPF) default investment strategy (DIS) commences will be 1 April 2017.

The Legislative Council passed the DIS proposals on 26 May 2016, and the MPF Schemes (Amendment) Ordinance 2016 was gazetted on 3 June 2016. The Amendment Ordinance mandates each MPF approved trustee to provide a highly standardised and fee-controlled DIS in each MPF scheme. The MPF accrued benefits of scheme members who have not made any investment choices will be invested according to the DIS.

The Commencement Notice will be tabled at Legislative Council for negative vetting on 19 October 2016.

CFTC proposes rules and interpretations for cross-border application of certain registration thresholds and external business conduct standards

The U.S. Commodity Futures Trading Commission (CFTC) has issued a [rulemaking proposal](#) with interpretations regarding cross-border application of US registration thresholds and external business conduct standards for swap dealers and major swap participants. This proposal provides definitions for key terms and includes details regarding the extent to which these requirements would apply to swap transactions that are arranged, negotiated, or executed using personnel located in the United States.

The Commission expects to address the cross-border application of other swap requirements in subsequent rulemakings.

The CFTC is seeking public comments on this proposal. The comment period will end 30 days after publication in the Federal Register.

CLIFFORD CHANCE BRIEFINGS

The European Commission invites comments on possible changes to its merger control rules

On 7 October 2016, the European Commission launched a public consultation on several procedural and jurisdictional aspects of EU merger control, including the possible introduction of filing requirements based on transaction value and block exemptions from the filing obligation for certain types of transaction.

This briefing paper discusses the consultation.

https://www.cliffordchance.com/briefings/2016/10/the_european_commissioninvitescommentso.html

How the French contract law reform impacts your contracts – key points

On 1 October 2016, the French contract law reform introduced by the Ordinance of 10 February 2016 took effect. This briefing paper discusses key points to consider, in the light of the Reform, when negotiating and drafting contracts going forward. This overview focuses on certain issues that affect most, if not all, contracts. The Reform has, however, a much wider scope, impacting other important aspects of French law such as, the regime applicable to the assignment of receivables or the

assignment of debt, rules of evidence or extra-contractual liability.

https://www.cliffordchance.com/briefings/2016/10/how_the_french_contractlawreformimpactsyou.html

Promoting foreign investment funds in the UAE just got a bit harder

The UAE Securities and Commodities Authority's (SCA) recent Board Decision No.9 of 2016 on the regulation of investment funds (the IFRs) came into force on 1 August. It repeals SCA Board Decision No.37 of 2012 on the same subject (the Old IFRs) and, in doing so, makes some important changes to the UAE investment funds regime.

The IFRs make considerable improvement to the Old IFRs, particularly in respect of the licensing requirements for UAE investment funds. However, for promoters of foreign funds in the UAE, the IFRs are now more restrictive and impose additional costs and hurdles for registering foreign funds with the SCA.

This briefing paper discusses the changes to the investment funds regime.

https://www.cliffordchance.com/briefings/2016/10/promoting_foreigninvestmentfundsintheua.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 2016

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* ■ 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.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.