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Briefing note

International Regulatory Update

15 – 19 May 2017

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Capital Markets Union: EU Council adopts Prospectus Regulation

The EU Council has adopted the new Prospectus Regulation. The Regulation, which is part of the EU Commission's Capital Markets Union initiative, is intended to reduce burdens, deliver shorter prospectuses and provide better and more concise information for investors and a fast track regime for companies that frequently tap capital markets.

Most provisions will apply 24 months after entry into force.

Money Market Funds: EU Council adopts final text

The EU Council has adopted the Money Market Funds Regulation, which lays down rules and common standards on the structure of money market funds, their credit quality and liquidity.

The Council's adoption of the final text follows approval of the text on 5 April 2017 by the EU Parliament. The Regulation will be published in the Official Journal and most provisions will apply twelve months after its entry into force.

Fintech: EU Parliament adopts resolution on influence of technology on future of financial sector

The EU Parliament has adopted an own-initiative resolution on the influence of technology on the future of the financial sector. The resolution calls on the EU Commission to develop an action plan to enable new and innovative technologies to develop in the framework of the Capital Markets Union and Digital Single Market. It also outlines key priorities such as:

- cybersecurity and data protection;
- interoperability and passporting of fintech services within the EU;
- providing a level playing field for traditional companies and start-ups; and
- controlled experimentation with new technologies and fostering financial education and IT skills.

ECB publishes guidance on leveraged transactions

The European Central Bank (ECB) has published guidance on leveraged transactions, with the aim of harmonising the definition of leveraged transactions and ensuring sound and consistent risk management practices.

The publication of the guidance follows a consultation launched in November 2016. The ECB has also published a feedback statement indicating where changes have been made to the guidance following feedback received to the consultation.

The guidance seeks to facilitate the identification of leveraged transactions by means of an overarching definition encompassing all business units and geographical areas, so as to give a bank's senior management a comprehensive overview of the bank's leveraged lending activities. It also outlines expectations regarding the risk management and reporting requirements for leveraged transactions. The ECB hopes that use of this guidance will result in more stringent risk management of these exposures, strengthening banks' ability to operate during an economic downturn and ultimately facilitate lending to leveraged borrowers through the business cycle.

The supervisory expectations expressed in the guidance should be implemented in line with the size and risk profile of banks' leveraged transaction activities relative to their assets, earnings and capital. The ECB intends to apply the principle of proportionality and adjust its level of intrusiveness depending on the risk profile of banks' leveraged transaction activities.

ECB clarifies supervisory criteria and process for determining suitability of banks' board members

The ECB has published a guide to fit and proper assessments of members of the management bodies of credit institutions under the direct supervision of the ECB. The guide is intended to establish transparent, common supervisory practices for assessing the qualifications, skills and proper standing of a candidate for a position on a bank's board. It includes the scope of the ECB's fit and proper assessments, as well as the legal framework and principles behind them. It then sets out guidance regarding assessment criteria, interviews, the assessment process, decision-making and the removal of members from the management body.

The ECB guide is in line with the draft guidelines of the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) on the assessment of the suitability of members of the management body and key function holders. Any changes to those draft guidelines may lead to changes in the ECB guidance.

G7 Finance Ministers and Central Bank Governors issue communiqué following Bari meeting

The G7 Finance Ministers and Central Bank Governors have issued a communiqué following their meeting in Bari on 12-13 May 2017.

The Ministers and Governors noted that while the global recovery is gaining momentum, growth remains moderate and GDP is still below potential in many countries. Among other things, the communiqué highlights:

- the G7's commitment to further reinforcing tools and instruments to effectively counter terrorist financing, including the robust implementation of sanctions as a strategic tool for peace and global security;
- work of the International Monetary Fund (IMF), welcoming its financial sector stability fund (FSSF), which is intended to strengthen financial sector stability in low and lower middle income countries, and ongoing work supported by the IMF's anti-money laundering (AML) and countering the financing of terrorists (CFT) topical trust funds;
- the G7's support for strengthening the institutional basis, governance and capacity of the Financial Action Task Force (FATF);
- evolving cyber threats, including a mandate for the G7 Cyber Expert Group (G7 CEG) to develop a set of high level and non-binding fundamental elements for effective assessment of cybersecurity by October 2017;
- the importance of the timely, consistent and widespread implementation of the G20/OECD base erosion and profit shifting (BEPS) package; and
- tax transparency initiatives, including the G7's support for an OECD list of non-cooperative jurisdictions with regard to tax transparency, which will guide the G7's work on defensive measures against listed jurisdictions.

FCA publishes findings of review of pensions and investment market advice

The Financial Conduct Authority (FCA) has published the findings from its review assessing the suitability of financial advice in relation to pensions and investments, which was launched in April 2016. The review assessed 1142 individual pieces of advice given by 656 firms against the suitability and disclosure rules in the Conduct of Business sourcebook (COBS).

Overall, the FCA found positive results for the sector in relation to providing suitable advice, but lower levels of acceptable disclosure. The report focuses on the results of the review and does not provide any examples of good or poor practice, as the report signifies the beginning of a communication programme which will run over the course of 2017 and 2018.

The FCA has announced its intention to repeat the review in 2019 based on advice given in 2018 after the implementation of rules under MiFID2, the Packaged Retail and Insurance-based Investment Products Regulation (PRIIPs) and the Insurance Distribution Directive (IDD). The review will measure those results against the 2016 review results and will help the FCA assess how firms have implemented the requirements.

German Federal Ministry of Finance consults on draft WpDVerOV and WpAIV

The German Federal Ministry of Finance has launched consultations on the new drafts of the Conduct of Business and Organisation Regulation (WpDVerOV) and the Third Regulation to Amend the Securities Trading Reporting and Insider Register Regulation (WpAIV).

The revision of the WpDVerOV follows the implementation of MiFID2 and the entry into force of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation. Consequently, provisions which will become directly applicable on the basis of the EU regulations will no longer be included in the WpDVerOV. Amongst other things, the WpDVerOV includes the following:

- procedures on categorisation of a client as professional client;
- provisions regarding independent investment advice;
- product information sheets;
- inducements, inducement register, quality improvement;
- inducements regarding financial analysis;
- record keeping obligations;
- safe custody of customer assets; and
- product governance.

The consultation period ends on 26 May 2017.

German Federal Council decides not to object to draft law implementing MiFID2 in Germany

The German Federal Council (Bundesrat) has decided not to object to the second draft law implementing MiFID2 in Germany (Zweites Finanzmarktnovellierungsgesetz).

Amongst others, the draft law amends the German Securities Trading Act (WpHG), the German Banking Act

(KWG), the German Stock Exchange Act (BörsG) and the German Capital Investment Code (KAGB).

Important consequences are the extension of the list of administrative offences and increase of fines, tightening of the regulatory framework for algorithmic trading and in particular high-frequency trading, and the creation of additional powers for the German Federal Financial Supervisory Authority (BaFin). New provisions provide for the monitoring of position limits of commodity derivatives and the supervision of data delivery services.

German Federal Council decides not to object to Financial Supervision Amendment Act

The Bundesrat has decided not to object to the Financial Supervision Amendment Act (Finanzaufsichtsrechtergänzungsgesetz), which sets out a package of measures especially aimed at banks to safeguard financial stability in the real estate sector. New powers will be conferred upon BaFin. These powers include ensuring certain minimum standards when new loans are made, a limit on loans based on the value of the real estate property, and a time period requirement by when a real estate property loan has to be repaid.

In addition, the law will address legal uncertainties arising from the implementation of the Mortgage Credit Directive at the beginning of 2016, which have led to limited lending to young families and senior citizens.

EMIR: CSSF issues press release on obligations of non-financial counterparties to derivative contracts

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has issued a press release on the obligations of non-financial counterparties (NFCs) to derivative contracts under the European Market Infrastructure Regulation (EMIR).

The press release draws the attention of NFCs prudentially supervised by the CSSF and NFCs which are not subject to supervision (for which the CSSF is also responsible for ensuring compliance with EMIR) to the fact that they need to respect the obligations introduced by EMIR as soon as they conclude derivative transactions. These obligations, modulated in different ways depending on the nature of counterparties to a derivative contract, include a clearing obligation, an obligation to apply risk mitigation techniques, a reporting obligation and certain additional requirements for NFCs.

The press release provides guidance as to the measures to be implemented by NFCs in order to fully comply with EMIR. These measures include:

- identification of an organisational unit and/or person responsible for ensuring ongoing compliance with EMIR;
- adoption of procedures formalising functional activities in compliance with the EMIR requirements applicable to the NFC; and
- adoption of control tools on the quality of data reported to trade repositories (TRs).

The CSSF also recommends the active involvement of the administrative body in the management process (including derivatives contract risk monitoring and control), and an increased focus of the control body (where applicable) on the adequacy of the company's organisational structure to comply with EMIR rules.

The CSSF has further announced its intention to strengthen the supervision of NFCs operating in the derivatives market. In particular for the year 2017, EMIR supervisory activities will include certain measures (including, amongst others, verification on a sample basis) in the following three areas (in order of priority): quality of the data reported to TRs, monitoring of derivative transactions entered to for hedging purposes, and monitoring of risk mitigation techniques.

Finally, the CSSF requires all NFCs who conclude derivatives transactions to provide the CSSF, within 30 days of publication of the press release, with the name, email address and telephone number of the person responsible for the organisational unit in charge of EMIR compliance.

Public consultation on amendment to Law on prevention of money laundering and terrorism financing launched

The Treasury and Financial Policy General Directorate has launched a public consultation in connection with a proposed amendment to Law 10/2010, of 28 April, on the prevention of money laundering and terrorism financing (Ley de prevención de blanqueo de capitales y financiación del terrorismo), which aims to adapt Spanish legislation to Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AMLD 4).

The proposed amendment does not imply a material change to the prevention of money laundering and

terrorism financing regime. Among other things, the proposed regulation aims to:

- update the Spanish sanctions regime in connection with anti-money laundering and terrorism financing;
- incorporate into the Spanish legal framework a system to facilitate the detection of infringements of the Law;
- modify the concept of a group of companies (grupo empresarial) to be aligned with Directive (EU) 2015/849;
- revise the concept of an equivalent third country in connection with the prevention of money laundering and terrorism financing;
- update the thresholds to determine which individuals that trade with cash assets are to be considered as obliged entities under Directive (EU) 2015/849; and
- clarify the limitations applicable to the use of information gathered by the obliged entities under Directive (EU) 2015/849 in order to achieve better protection when complying with its provisions.

Comments are due by 10 June 2017.

Credit rating agencies: CNMV consults on updated ESMA guidelines on application of endorsement regime

The Spanish National Securities Market Commission, the Comisión Nacional del Mercado de Valores, (CNMV) has launched a public consultation on the adoption of the European Securities and Markets Authority (ESMA) guidelines on the application of the endorsement regime under Article 4(3) of the Credit Rating Agencies Regulation. The consultation is addressed to credit rating users, credit rating agencies, and entities interested in becoming a credit rating agency.

Endorsement is one of the two regimes provided in the Credit Rating Agencies Regulation (EC) No 1060/2009 (CRA Regulation) that allow credit ratings issued in a third country to be used for regulatory purposes in the EU. Article 21(3) of the CRA Regulation requires ESMA to issue and update guidelines on the application of the endorsement regime specified under Article 4(3) of the CRA Regulation, with the previous guidelines on endorsement having been issued in 2011.

The proposed update of the 2011 guidelines on endorsement is mainly driven by the need to reflect the changes to Articles 6-12 and Annex I introduced by CRA 3, which will enter into force for the purposes of equivalence and endorsement on 1 June 2018. On that basis, ESMA has to update the methodological framework on which it relies for assessing a third country legal and supervisory framework for the purposes of endorsement and equivalence.

ESMA has taken this opportunity to reassess its approach to endorsement more broadly, based on the supervisory experience acquired since the adoption of the 2011 guidelines on endorsement. The proposed changes and clarification of the 2011 guidelines on endorsement focus in particular on ESMA's understanding of points (b), (c), (d), and (e) of Article 4(3) of the CRA Regulation.

Comments are due by 3 July 2017.

Decree on registered intermediary scheme extended to collective investment undertakings published

The Decree no. 2017-973 of 9 May 2017 implementing article 117 of Law no. 2016-1691 of 9 December 2016 (Sapin II Law) regarding the opening of a securities account by a registered intermediary acting on behalf of foreign investors, has been published in the French Journal Officiel.

Article 117 of the Sapin II Law, which amends article L. 211-4 of the French monetary and financial code, extends the registered intermediary (or nominee) scheme already applicable to listed equities and bonds to undertakings for collective investment (UCI) whereby an intermediary, called a 'registered intermediary', is allowed to open a securities account in its name for the recording of units or shares of UCI held on behalf of one or more foreign investors.

The Decree sets out the operating and representation conditions applicable to the registered intermediary acting on behalf of foreign investors in units or shares of UCI in light of the circumstances already applicable to foreign holders of equities and bonds of listed companies pursuant to the French commercial code (article L. 228-1).

The Decree entered into force on 12 May 2017, the day following that of its publication.

CSRC seeks public comments on IT administration rules for securities and fund institutions

The China Securities Regulatory Commission (CSRC) has published the 'Measures on the Administration of Information Technologies for Securities Fund Business Institutions (Consultation Draft)' for public comments, which are due by 4 June 2017. The Measures are seen as a regulatory action taken by the CSRC in response to the PRC Cyber-security Law which is to take effect on 1 June 2017.

The Measures are expected to have a wide-ranging impact on participants in the PRC securities market by setting out a comprehensive set of requirements for:

- securities firms and fund management companies (Business Operators);
- institutions that provide services in the securities fund industry, such as fund distributors, custodians, administrators, and commercial banks that safekeep clients' trading and settlement funds (Securities Fund Service Providers); and
- institutions that provide IT services to Business Operators and/or Securities Fund Service Providers.

The Measures are seen as an important step in enhancing cyber-security in the securities industry and are designed to advocate a higher standard of IT infrastructure and internal governance and management capability of relevant market players. It is also anticipated that the Measures may not be applicable to private fund managers.

China announces framework for Bond Connect

The People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) have announced that, in order to promote the development of the bond markets in Hong Kong and Mainland China, they have approved China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, together with Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit, to collaborate in establishing mutual bond market access between Hong Kong and Mainland China (Bond Connect).

The joint announcement sets out the following key aspects of Bond Connect:

- Northbound Trading, under which Hong Kong and overseas investors may invest in the China Interbank Bond Market (CIBM), will be implemented first in the initial phase and Southbound Trading, under which Chinese investors may invest in the Hong Kong bond market, will be explored at a later stage;
- Bond Connect will abide by the relevant laws and regulations of the two bond markets. Northbound Trading will follow the current policy framework for overseas participation in the CIBM and at the same time respect international norms and practices. The scope of eligible investors and products under Northbound Trading will be consistent with the scope specified in the relevant notices promulgated by the PBoC;
- there is no investment quota for Northbound Trading;
- regulators of the Hong Kong and Mainland bond markets will enter into a memorandum of understanding on supervisory cooperation to establish effective supervisory cooperation arrangements and liaison mechanisms in order to maintain financial market stability and fair trading; and
- the date of the formal launch of Bond Connect is to be announced separately.

The PBoC has also issued a series of frequently asked questions (FAQs) clarifying certain points under Bond Connect. Clifford Chance is preparing an English translation of the FAQs and will be happy to share this upon request.

Shanghai Clearing House and HKMA Central Moneymarkets Unit announce arrangement of custody and settlement services under Bond Connect

The Shanghai Clearing House (SHCH), one of the bond market infrastructure institutions providing custody and settlement services for debt securities in the CIBM, and the Central Moneymarkets Unit (CMU), the bond market infrastructure institution operated by the HKMA, have issued a joint announcement on the mutual access arrangement regarding custody and settlement under the Bond Connect.

The joint announcement highlights the following key aspects of the arrangement:

- SHCH and CMU will jointly provide the custody and settlement service for the Bond Connect through a connection between the two infrastructures;
- mutual access between SHCH and CMU with respect to the custody and settlement services will cover Northbound Trading in the initial phase. The relevant arrangement for Southbound Trading will be separately announced at a later stage;
- overseas investors investing in the CIBM through the Bond Connect shall hold their bonds using the nominee holding structure, under which SHCH is the ultimate central securities depository (CSD) and CMU will be the nominee holder;
- all bonds registered and deposited in SHCH are eligible for trading under Northbound Trading of the Bond Connect; and
- SHCH provides the settlement services on a delivery-versus-payment (DvP) and gross settlement basis under the Bond Connect.

Detailed operation rules in the joint announcement specifying requirements relating to custody and settlement for overseas investors will be prepared and implemented. It is expected that a similar joint announcement will be made by China Central Depository & Clearing Co., Ltd. (another major Mainland bond market infrastructure institution) and CMU on the same subject soon.

HKMA issues circular on risk management for lending to property developers

The HKMA has issued a circular to authorised institutions on risk management for lending to property developers. The HKMA has observed that it is now common for property developers to offer mortgage financing with high loan-to-value (LTV) ratios to buyers to promote sales of their property projects and that the LTV ratios of these mortgage financing plans often exceed the prudential requirements on property mortgage lending applied by the HKMA on authorised institutions. Moreover, the HKMA notes that the lending practices adopted by some property developers are inconsistent with prudent lending practices followed by authorised institutions.

In view of this, the HKMA considers it necessary to strengthen the credit risk management of authorised institutions with respect to lending to property developers. For construction financing, authorised institutions generally apply financing caps of up to 50% of the value of the property site (or the transaction price if it is lower) and 100% of the construction cost, with an overall cap of up to 60% of the expected value of the completed properties. From 1 June 2017, authorised institutions should lower the caps respectively to 40% of the site value and 80% of the construction cost, with an overall cap lowered to 50% of the expected value of the completed properties. For property developers with weaker financial positions (e.g. higher gearing ratios), authorised institutions should consider further lowering the financing ratios where appropriate. In determining the site value and the expected value of the completed properties, authorised institutions should obtain valuations from at least two independent professional valuers, and use the lower valuation as the basis for calculating the financing ratios.

In addition, locally incorporated authorised institutions should set aside an adequate amount of capital for exposures to property developers offering high LTV mortgages. Authorised institutions should use their best efforts to obtain information from property developers to whom they have extended credit to determine the applicable risk weights. The annex to the circular contains more details about the adjusted risk weight framework.

The new capital requirement will be implemented in two phases. During phase one (starting from 1 August 2017), the revised risk weights will be applicable to any new exposures to relevant property developers incurred starting from 12 May 2017. During phase two (starting from 1 August 2018), the revised risk weights will be applicable to all existing exposures to relevant property developers.

SFC issues guidance on corporate transactions and use of valuations

The Securities and Futures Commission (SFC) has issued a guidance note on directors' duties and a circular to financial advisers regarding valuations in corporate transactions, together with a statement on the liability of valuers for disclosure of false or misleading information.

The SFC has become increasingly concerned that some listed companies are acquiring assets at unreasonably high prices or selling assets which are substantially undervalued and that, as a result of possibly ill-advised transactions, shareholders' interests have been harmed. The guidance note reminds directors that they are the guardians of a listed company's assets and should ensure acquisition targets are properly considered and investigated.

The guidance note emphasises that directors must act in good faith in the interests of the company and exercise due and reasonable care, skill and diligence when considering, proposing or approving corporate transactions. Directors are advised to carry out independent due diligence regarding the asset or target company and not to accept blindly and unquestioningly financial forecasts, assumptions or business plans provided to them, typically by a vendor or the management of the target. The listed company and directors should take all reasonable steps to verify the accuracy and reasonableness of material information that is likely to affect any valuation. Directors must also consider whether the proposed transaction or arrangement is in the interests of the company and its shareholders as a whole.

The circular also makes clear that where financial advisers are appointed by a listed company, they should comply with all applicable requirements under the Corporate Finance Adviser Code of Conduct. Financial advisers should not rely solely on representations made by the directors, their delegates or any third party. Financial advisers need to conduct their own assessment and undertake reasonableness checks on the forecasts, assumptions, qualifications and methodologies of any valuation. If any

forecasts or assumptions appear to be unrealistic, financial advisers should bring such issues to the attention of the directors. Valuers are expected to exercise the degree of skill and care ordinarily exercised by reasonably competent members of the profession. They should not knowingly or recklessly accept any assumptions that are not reasonable and fair.

The SFC has indicated that it will take appropriate action against those companies, directors, advisers or valuers who have failed to comply with their requirements under the Securities and Futures Ordinance (SFO). In assessing a potential breach of duties, the SFC will take into account whether the guidance note, the circular and the statement have been adhered to.

Indonesian government issues regulation to end bank secrecy

The Indonesian government has issued a regulation in lieu of law (No.1 of 2017) on financial information access for taxation purposes (Perppu 1/2017) as part of its efforts to comply with the Automatic Exchange of Information (AEOI), a global initiative that combats international tax avoidance.

Amongst other things, Perppu 1/2017 introduces the following key changes:

- the end of bank secrecy (confidentiality) in financial institutions, with officials of tax offices having direct access to bank accounts held by both Indonesian citizens and foreigners;
- the Director General of Taxation is now authorised to obtain access to financial information from financial services companies that operate in banking, capital markets, insurance and other financial markets without having to secure permits from the Finance Minister or Bank Indonesia governor (as had been the case previously);
- financial institutions must now report to the tax authority accounts that have been identified as 'must report' accounts, based on the relevant international tax treaty, and the report must include information on the account owners' identity, account number, account balance and income related to the account;
- financial institutions are not allowed to open new accounts for new customers or facilitate new transactions for existing customers if the customers refuse to comply with Perppu 1/2017 provisions; and
- criminal sanctions for non compliance – for example, anyone who provides a false statement will be subject to penalties in the form of one year imprisonment or a fine of Rp 1 billion.

While Perppu 1/2017 is effective as of 8 May 2017, Parliament must debate and vote on Perppu 1/2017 in the next parliamentary sitting to pass it into law. The Ministry of Finance may also issue technical guidelines on access and the transfer of financial information for taxation purposes subject to the Financial Services Authority's (OJK's) approval.

RECENT CLIFFORD CHANCE BRIEFINGS

Supply Chains Rattled by Hidden US Sanctions Risks

Recent settlements have reminded non-US companies of the danger of failing to comply with US sanctions and export control laws. But strengthening a compliance programme will not provide complete protection when business partners are targeted by authorities. An aggressive enforcement action against a supplier or customer can threaten and destroy commercial relationships without warning.

This briefing paper discusses the key issues.

https://www.cliffordchance.com/briefings/2017/05/supply_chains_rattledbyhiddenussanctionsrisks.html

Lender as a Shadow Director

In debt restructurings, the question frequently arises as to whether a lender can be considered a shadow director (de facto director) as a result of the latter's involvement in the rescue of the debtor.

The reason behind this concern is not due to a trend in case law in this regard. As we will see, the handful of rulings that have treated lenders as shadow directors were in response to exceptional circumstances that rarely arise in the context of debt restructurings. That said, there are several helpful rulings that have held that the monitoring of a debtor's business activities by a creditor, within the context of the terms agreed in a refinancing agreement, does not constitute shadow directorship.

To avoid being considered a shadow director, the creditor must limit its actions to supervising and monitoring and must not interfere in the debtor's decision making procedures. Occasionally it can be difficult not to overstep this limit, particularly if the borrower seeks assistance from the lender and encourages and invites the lender to assist with the management of its affairs.

This briefing paper discusses the concept of shadow directorship and the Spanish case law on whether a lender can be considered a shadow director.

https://www.cliffordchance.com/briefings/2017/05/lender_as_a_shadowdirector.html

Brave new world – SFC consults on proposed guidelines on online distribution and advisory platforms

The Securities and Futures Commission's (SFC) three-month consultation proposes a new basis for triggering the suitability requirement which hinges on whether an investment product available online is complex, rather than whether there has been any solicitation or recommendation of the product. The responses to the submission may also have implications for the sale of complex products in the offline world.

This briefing paper discusses the consultation paper.

https://www.cliffordchance.com/briefings/2017/05/brave_new_world_sfcconsultsonpropose.html

(Reform) too big to fail? Hong Kong resolution regime and regulations take effect on 7 July 2017

The Financial Institutions (Resolution) Ordinance (FIRO) and the Financial Institutions (Resolution) (Protected Arrangements) Regulation (Protected Arrangements Regulation) are both set to become effective on 7 July 2017. FIRO provides, for the first time in Hong Kong, a comprehensive menu of options for the resolution of failing financial institutions and is a key plank in reforms aimed at maintaining Hong Kong's reputation as a leading financial centre.

This briefing paper discusses the new regulatory regime.

https://www.cliffordchance.com/briefings/2017/05/_reform_too_big_tofailhongkongresolutio.html

MAS consults on proposed new Securities and Futures (Markets) Regulations 2017

The Securities and Futures (Amendment) Act 2017 passed by Parliament on 9 January 2017 introduces wide-ranging amendments to the Securities and Futures Act (SFA) and provides the Monetary Authority of Singapore (MAS) with legislative powers to complete its implementation of over-the-counter (OTC) derivatives reforms. The MAS intends to implement the amendments to the SFA by 2018. To support this, the MAS will consult the public on consequential amendments to key draft regulations in two phases.

For the first phase, on 28 April 2017, the MAS published a consultation paper on, amongst others, the new Securities and Futures (Markets) Regulations 2017 (SFMR). The MAS will issue the second consultation paper on other draft regulations later in May 2017.

This briefing paper discusses the proposals outlined in the consultation paper.

https://www.cliffordchance.com/briefings/2017/05/mas_consults_on_proposednewsecuritiesan.html