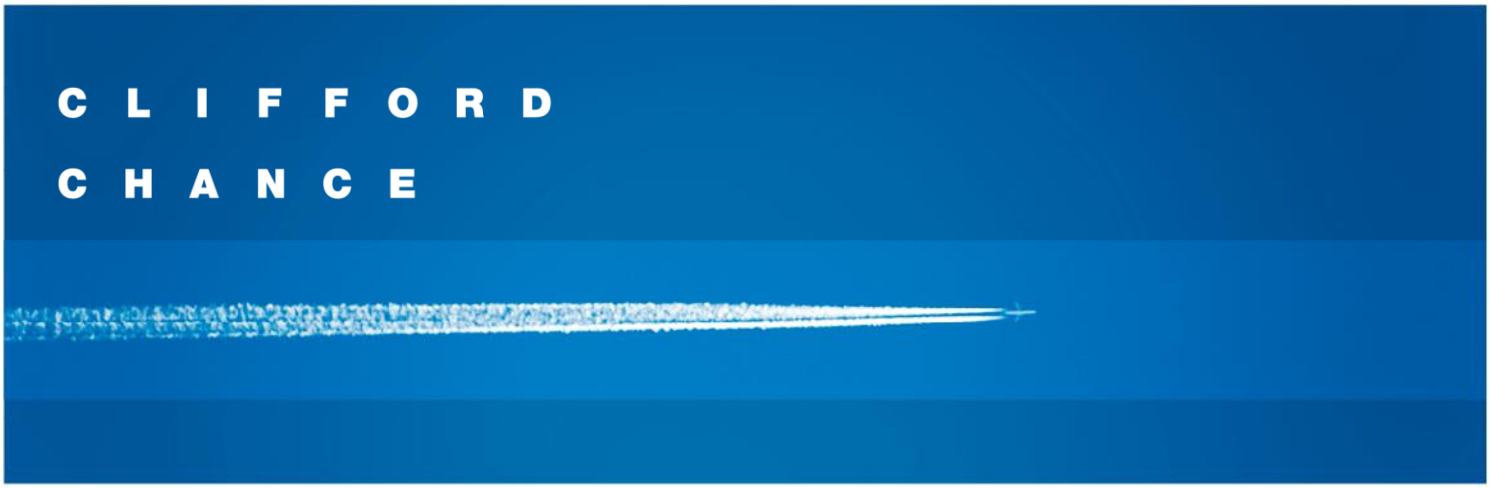

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EU Council Presidency publishes compromise texts on proposed prudential regime for investment firms

The EU Council Presidency has published a compromise text on the proposed directive on the prudential supervision of investment firms and a compromise text on the proposed regulation on the prudential requirements of investment firms.

The compromise texts were due to be discussed at the working party convened on 15 October 2018.

EU Council adopts proposed Directive on countering money laundering by criminal law

The EU Council has approved the Commission's proposal for a Directive on countering money laundering by criminal law, which establishes minimum rules concerning the definition of criminal offences and sanctions related to money laundering, removes obstacles to cross-border judicial and police cooperation and brings EU rules into line with international obligations.

Once it is published in the Official Journal, Member States will have 24 months to transpose the Directive into their national laws.

EBA Chair writes to trilogue negotiators on risk reduction measures

The Chair of the European Banking Authority (EBA), Andrea Enria, has written to the parties to the trilogue negotiations on the package of risk reduction measures, comprising a revised Capital Requirements Regulation (CRR2), revised Capital Requirements Directive (CRD5) and revised Bank Recovery and Resolution Directive (BRRD2).

The letter sets out considerations on the proposals, including comments relating to the swift and full implementation of the Fundamental Review of the Trading Book (FRTB) under the Basel framework. Beyond the FRTB, Enria also suggests a number of amendments without anticipating some provisions in a selective manner on the full implementation of Basel III in the EU, which the EBA is currently considering following an EU Commission call for advice. Enria comments on:

- cross-border capital waivers;
- the prudential reporting framework and harmonised reporting requirements;
- own funds;
- eligibility criteria for CET1 instruments;
- provisions on specific treatments, including prudential filters on unrealised gains measured at fair value, software treatment and treatment of insurance participations;
- liquidity;
- TLAC and MREL; and

- proposed EBA mandates, including in relation to Ethical, Social and Green (ESG) Factors.

Specific suggestions are presented in an annex to the letter.

ESAs Joint Committee publishes 2019 work programme

The Joint Committee of the European Supervisory Authorities (ESAs), which comprise the EBA, European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA), has published its 2019 work programme.

Under the chairmanship of EIOPA, the Joint Committee plans to focus on:

- the review of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation;
- reviewing and developing guidelines and technical standards on anti-money laundering and terrorist financing;
- discussing key cross-sectoral trends and vulnerabilities to financial stability;
- addressing issues relating to Brexit;
- ongoing developments regarding proposals to expand the operation of the ESAs' mandates; and
- its work on the long-term performance of retail investment products.

FPC issues statement on UK financial stability outlook and CCyB rate

The Financial Policy Committee (FPC) of the Bank of England (BoE) has issued a statement following its meeting on 3 October 2018, which reviewed developments since its meeting on 19 June. The statement covers risks to UK financial stability from Brexit, the outlook for UK financial stability and the UK countercyclical capital buffer rate decision.

On Brexit, the FPC continues to judge that the UK banking system would be strong enough to serve UK households and businesses through a disorderly, cliff-edge Brexit in which there is no agreement of an implementation period for banks and, as such, the scenario does not warrant additional capital buffers for banks. The statement notes that an implementation period would reduce the risks of disruption to the supply of financial services to UK and EU households and businesses, but in the absence of an implementation period there has been considerable progress by the UK to address the risks. The statement calls on EU authorities to take timely action in order to mitigate risks to financial stability in a no deal scenario, particularly those associated with derivative contracts and transfer of personal data, in order to stop disruption to people in the EU and in the UK.

The FPC continues to judge that apart from risks associated with Brexit, domestic risks remain at a standard level overall. However, the FPC has raised concern at the rapid growth of leveraged lending, including to UK businesses. The FPC intends to assess any implications for banks in the 2018 stress test and review the increasing role of non-bank lenders. The 2018 stress test will incorporate a synchronised global downturn in output growth, in light of the FPC's assessment that risks to the UK from global vulnerabilities remain material. The statement announces that the biennial

exploratory scenario has been delayed until September 2019, in recognition of preparations for Brexit.

Given the current balance of risks, the FPC decided to maintain the countercyclical buffer rate (CCyB) at 1%.

Brexit: SIs under the EU (Withdrawal) Act for 8 – 12 October 2018

HM Government published new draft statutory instruments (SIs) under the EU (Withdrawal) Act 2018 last week.

HM Treasury (HMT) published several indicative draft SIs on its guidance website. The drafts are still in development and are intended to provide Parliament and stakeholders with further details on HM Treasury's approach to onshoring financial services legislation. The drafting approach, and other technical aspects of the proposal, may change before the final instrument is laid before Parliament later in the autumn. The following SIs have been published as guidance drafts:

- The Alternative Investment Fund Management (Amendment) (EU Exit) Regulations 2018;
- The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018;
- Bank Recovery and Resolution and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018; and
- Solvency II and Insurance (Amendment etc) (EU Exit) Regulations 2018.

HMT also published an explanatory memorandum to the draft Credit Rating Agencies (Amendments etc.) (EU Exit) Regulations 2018 for guidance ahead of laying.

Certain financial services SIs were laid before Parliament last week; these were previously published as draft guidance documents by HMT:

- The Credit Transfers and Direct Debits in Euro (Amendment) (EU Exit) Regulations 2018;
- The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations;
- The Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018; and
- The Short Selling (Amendment) (EU Exit) Regulations 2018.

For information on all draft SIs under the EU (Withdrawal) Act published last week, visit www.gov.uk and www.legislation.gov.uk.

HMT publishes paper on ESAs Regulations and ESRB after Brexit

HM Treasury (HMT) has published a paper on its approach to the European Supervisory Authorities (ESAs) Regulations and the European Systemic Risk Board (ESRB) Regulation after Brexit.

HMT sets out that once the UK has left the EU, the ESAs and ESRB will no longer carry out their functions in relation to the UK. Legislation that underpins their operation or assigns functions to them will no longer be operable or

appropriate in UK law and HMT intends to revoke these Regulations in their entirety using a statutory instrument under the European Union (Withdrawal) Act 2018. The ESAs Regulations include powers to issue guidelines and recommendations, but UK financial regulators can already produce guidance for UK firms and market participants, so HMT does not intend to transfer these guidance functions to the UK regulators. The ESA's guidelines and recommendations will not form part of retained EU law. UK financial regulators will be able to communicate their expectations of firms and market participants in relation to EU guidelines or recommendations, as appropriate.

Brexit: HMT publishes paper on proposed temporary transitional power for UK regulators

HMT has published a paper explaining its intention to provide the UK financial regulators with a temporary transitional power to phase in requirements for UK regulated firms in a no-deal Brexit scenario. The powers would take effect on 29 March 2019 if the UK leaves the EU without a Withdrawal Agreement and without an implementation period; HMT notes that it is the Government's objective and expectation that it will conclude a Withdrawal Agreement with the EU that would provide for an implementation period until 31 December 2020.

The transitional powers are intended to ensure that the UK's regulatory regime is flexible enough to support firms as they adjust to altered regulatory requirements in the event that there is no implementation period. As such, HMT intends to grant regulators the power to make transitional provision by waiving or modifying firms' regulatory obligations where those obligations change as a result of onshoring financial services legislation. HMT intends to use powers under the European Union (Withdrawal) Act 2018 to delegate this temporary power to the financial regulators, so that, where they judge it appropriate to do so, transitional provision can be made to enable firms to adjust to the post-exit regulatory framework in an orderly way.

The power will be able to be used where changes have been made under the European Union (Withdrawal) Act to regulatory requirements where UK regulators are responsible for supervising compliance, including:

- PRA and FCA rules made under the Financial Services and Markets Act 2000 (FSMA);
- onshored binding technical standards (BTS);
- onshored EU financial services regulations or delegated regulations; or
- relevant UK primary or secondary legislation.

HMT anticipates that transitional relief could be granted to particular firms, classes of firms, or all firms to which a particular onshoring applies. The regulators would issue directions that set out the terms of any transitional relief.

Brexit: FCA consults on Handbook and BTS changes and temporary permissions regime in case of no implementation period

The Financial Conduct Authority (FCA) has launched two consultations on its approach to measures for the possible scenario that the UK leaves the EU without an implementation period in place. The FCA notes that an

implementation period from 29 March 2019 to 31 December 2020 will form part of the Withdrawal Agreement, which is subject to further negotiations between the UK and EU.

The FCA has launched its first consultation (CP18/28) on its proposals for making changes to the Handbook and EU derived Binding Technical Standards (BTS), as well as its approach to EU Level 3 materials. HM Treasury has laid an SI granting the FCA, Prudential Regulation Authority (PRA), Bank of England and Payment Systems Regulator (PSR) time-limited powers to amend and maintain EU-derived provisions in the Handbook and existing BTS, which will be incorporated into UK law by the European Union (Withdrawal) Act 2018, in order that they operate effectively after Brexit. The FCA views CP18/28 as being of interest to all of its stakeholders and the paper sets out the FCA's approach, cross-cutting issues and proposed changes to the Handbook and BTS with respect to those SIs to be made under the European Union (Withdrawal) Act that have already been published by the Government.

The proposed changes are not intended to effect wider policy changes. Where more than one solution has been identified to resolve an issue, the FCA has explained its chosen proposal.

The FCA expects to publish a second consultation on the BTS and parts of the Handbook affected by SIs published later in the autumn. The FCA may revise the content of CP18/28 in the second consultation if necessary. If the UK and EU agree terms of a Withdrawal Agreement and there is an implementation period, the proposals in CP18/28 will not come into effect on 29 March 2019.

Alongside CP18/28, the FCA has also launched a consultation (CP18/29) on a temporary permissions regime to allow EEA firms and funds to continue regulated business in the UK, if there is no implementation period. The consultation sets out how the FCA intends the regime to work, how firms and funds can enter it, how long it would operate for and the rules that should apply to marketing activities during the regime. The FCA has sought to design a regime that is proportionate and could be complied with from exit day, in order to minimise disruption to consumers and other market participants.

Comments on both consultations are due by 7 December 2018.

FCA consults on illiquid assets and open-ended funds

The FCA has launched a consultation (CP18/27) on proposals to protect retail investors in open-ended funds that invest in illiquid assets.

Following the UK's referendum vote to leave the EU in June 2016, liquidity management issues arose in some UK open-ended property funds. While the use of suspensions and other tools prevented wider market disruption the FCA felt that work was needed to establish whether specific improvements could be made in some areas. In February 2017 the FCA published a discussion paper (DP17/1) on its regulatory approach to open-ended funds investing in illiquid assets.

CP18/27 includes feedback on DP17/1 and makes proposals that aim to reduce the risk of poor outcomes to retail investors in open-ended funds, specifically non-UCITS retail schemes (NURSs) that invest in illiquid assets, and ensure investors are better informed about the liquidity risks of these funds.

Specifically, the FCA is consulting on measures intended to:

- reduce the risk that some investors may lose out because the units in a fund are wrongly priced;
- improve liquidity management in NURSs investing mainly in illiquid assets; and
- improve disclosure relating to liquidity risks, liquidity management tools available to the fund manager, the circumstances in which they may be used and what impact they may have on investors.

Comments are due by 25 January 2019. The FCA expects to publish a policy statement and final rules in 2019 and for any changes to come into force the following year. The FCA also plans to publish a paper relating to patient capital, where investors make long-term investments, before the end of 2018.

FCA consults on statements of responsibilities guidance under Senior Managers and Certification Regime

The FCA has launched a consultation on its proposed guidance (GC18/4) for FCA solo-regulated firms in preparation for the Senior Managers and Certification Regime (SM&CR).

The FCA is extending the SM&CR to all FSMA authorised firms on 9 December 2019. Under the SM&CR, all senior managers must have a statement of responsibilities (SoR), and all enhanced firms must have a responsibilities map.

The proposed guidance aims to give practical assistance and information to firms preparing SoRs and responsibilities maps. The guidance aims to help FCA firms clearly set out senior managers' responsibilities through SoRs. Enhanced firms will also be able to use it to produce responsibilities maps to show how their firm is managed and governed.

Comments are due by 10 December 2018.

Securitisation Regulation: FCA consults on additional Handbook changes

The FCA has launched a consultation (CP18/30) on changes to the Decision Procedures and Penalties manual (DEPP) and Enforcement Guide (EP) in the FCA Handbook because of the implementation of the EU Securitisation Regulation, which will come into effect on 1 January 2019.

HM Treasury (HMT) has indicated that it intends to lay a statutory instrument (SI) to give the FCA supervisory, disciplinary, and investigatory powers over persons subject to the Regulation. The consultation has been prepared on the basis of the FCA's understanding of HMT's intention. The FCA has previously launched a consultation on Handbook changes to reflect the application of the Regulation and the amendment to the Capital Requirements Regulation (CP18/22) and the FCA encourages stakeholders to read both consultations alongside one another.

Comments on the consultation are due by 2 November 2018.

Luxembourg bill recognising use of distributed ledger technology by securities depositories published

A new bill (no. 7363/00) amending the law of 1 August 2001 on the circulation of securities has been lodged with the Luxembourg Parliament. The bill is intended to modernise Luxembourg's legal framework by providing for the possibility for Luxembourg securities depositories to hold and register securities in securities accounts within or by virtue of a secured electronic recording system (dispositif d'enregistrement électronique sécurisé), either centralised or distributed. The bill thereby seeks to promote more legal certainty on the use of distributed ledger technology in this area.

The lodging of the bill with the Parliament constitutes the start of the legislative procedure.

SFC and FCA sign MoU on mutual recognition of funds

The Securities and Futures Commission (SFC) and the UK Financial Conduct Authority (FCA) have signed a memorandum of understanding (MoU) on mutual recognition of funds (MRF). The MoU is intended to allow eligible Hong Kong public funds and United Kingdom retail funds to be distributed in each other's market through a streamlined process.

The MoU establishes a framework for exchange of information, regular dialogue as well as regulatory cooperation in relation to the cross-border offering of eligible Hong Kong public funds and United Kingdom retail funds.

The SFC has published a set of frequently asked questions (FAQs) and updated its 'Guide on Practices and Procedures for Application for Authorisation of Unit Trusts and Mutual Funds' to provide guidance to market practitioners on the MRF scheme.

HKMA issues circular on contraventions of Banking Ordinance provisions

The Hong Kong Monetary Authority (HKMA) has issued a circular to authorised institutions on contraventions of the Banking Ordinance. According to the HKMA, the provisions which are most often the subject of recurrent contravention are:

- section 20(4)(b) – the requirement to notify the HKMA within the prescribed time of changes in relation to particulars of 'relevant individuals' involved in authorised institutions' regulated activities under the Securities and Futures Ordinance (SFO);
- section 65 – the requirement to notify the HKMA within the prescribed time of alterations to an authorised institutions' memorandum of association, articles of association or other instrument under which the authorised institution is incorporated;
- section 72A(2A) – the requirement to submit information within the prescribed time regarding persons becoming, or ceasing to be, 'specified persons' – including controllers, directors, chief executives, executive officers or relevant individuals; and
- section 72B – the requirement to notify the HKMA within the prescribed time regarding the appointment/cessation of appointment or change in responsibilities of 'managers' as defined in section 2(1) of the Ordinance.

The HKMA has advised authorised institutions to draw the attention of their relevant staff (including those in compliance and human resources departments) to consider whether there is a need to enhance their internal systems and processes with a view to ensuring that these contraventions do not recur. In this regard, the HKMA reminds authorised institutions of its supervisory policy manual module IC-1 'Risk Management Framework', which stipulates that authorised institutions should have in place internal control systems to ensure compliance with relevant laws, regulations and internal policies.

The HKMA warns that contravention of the provisions listed above can amount to an offence on the part of the directors, chief executive and responsible managers of the authorised institution concerned. If necessary, the HKMA may commission an auditor's report under section 59(2) of the Ordinance on the adequacy of the authorised institutions' internal systems and processes for the purpose of enabling the authorised institution to comply with its duties under the Ordinance.

Bank of Japan announces amendments to prices of eligible collateral

The Bank of Japan has announced that it will amend the rules relating to the prices of eligible collateral and the margin ratios for the purchase/sale of Japanese Government securities with repurchase agreements. The amendments are being made as a result of the Bank of Japan's annual review of appropriate margins reflecting recent developments in financial markets, with a view to maintaining the soundness of the Bank of Japan's assets and efficiency in market participants' use of collateral.

The amendments will become effective on 29 November 2018.

Securities and Futures (Amendment) Act 2017 comes into operation

The Monetary Authority of Singapore (MAS) has published:

- the Securities and Futures (Amendment) Act 2017 (Commencement) Notification 2018, which designates 1 October 2018 as the commencement date of Section 74 of the Securities and Futures (Amendment) Act 2017 (SF(A)A), which introduces the new Part VIIA (Short Selling) of the Securities and Futures Act (SFA). The Securities and Futures (Short Selling) Regulations 2018 also came into operation on 1 October 2018;
- the Securities and Futures (Amendment) Act 2017 (Commencement) (No. 2) Notification 2018, which designates 1 October 2018 as the commencement date of Sections 55 to 59 of the SF(A)A. Sections 55 to 59 amend Sections 129B and 129H of Part VIIB (Clearing of Derivatives Contracts) of the SFA in connection with the commencement of the mandatory clearing obligation under the SFA and the Securities and Futures (Clearing of Derivatives Contracts) Regulations 2018; and
- the Securities and Futures (Amendment) Act 2017 (Commencement) (No. 3) Notification 2018, which designates 8 October 2018 as the commencement date of Sections 2 to 54, 60 to 73, 75 to 197, 199 to 202, and 204 to 212 of the SF(A)A. These provisions introduce wide-ranging amendments to the SFA, including amendments to complete the MAS' implementation of over-the-counter derivatives (OTC) regulatory reforms,

the expansion of the SFA's scope of coverage in respect of OTC derivatives contracts as well as non-conventional investment products, new definitions for regulated products and activities, new regulatory regimes for financial benchmarks, refinements to non-retail investor classes, provisions to fine-tune the offering regime for investments, and provisions to enhance the enforcement regime applicable to market misconduct.

The MAS has issued a circular to the Chief Executive Officers of all financial institutions notifying them of the commencement of the SF(A)A, and appending the complete list of legislative instruments that have been issued in relation to the operationalisation of the SF(A)A.

MAS issues Notice on supervision of market participants

The MAS has issued a new Notice on the supervision of market participants pursuant to section 45(1) of the Securities and Futures Act.

The Notice sets out the following measures that apply to a recognised market operator (RMO) listed in Annex A therein in respect of its supervision of participants in Singapore of any organised market operated by the RMO (Singapore Participants):

- an RMO must have in place measures to ensure that Singapore Participants comply with the rules of the RMO and to monitor the compliance of Singapore Participants with Part XII of the Securities and Futures Act;
- an RMO must take immediate action to terminate, suspend or restrict the access of a Singapore Participant to an organised market if the Singapore Participant's licence or authorisation is revoked by the MAS or upon the MAS' direction; and
- an RMO must notify the MAS within 14 days, or such longer period as the MAS may permit, after taking any disciplinary action against a Singapore Participant.

The Notice has been effective since 8 October 2018.

ASIC provides relief and updates guidance on short selling

The Australian Securities and Investments Commission (ASIC) has issued a new Short Selling Instrument (ASIC Corporations (Short Selling) Instrument 2018/745) that provides various reliefs and modifications to the laws in relation to short selling.

In addition to providing new reliefs and modifications, the Short Selling Instrument continues the effect of other ASIC instruments that were due to expire. It follows ASIC's May 2018 public consultation on short selling proposals.

In particular, the Short Selling Instrument covers the following:

- legislative relief for exchange traded fund market makers;
- deferred settlement trading;
- initial public offering sell downs; and

- an option for global firms to calculate their short positions as at a global end calendar time.

The Short Selling Instrument has been effective since 28 September 2018.

ASIC has also updated its existing guidance in 'Regulatory Guide 196 on short selling' to reflect the legislative instrument. The guide contains an overview of the short selling provisions of the Corporations Act 2001 and the Corporations Regulations 2001 as they relate to securities, managed investment products and certain other financial products. In particular, it addresses the naked short selling prohibition and the reporting and disclosure obligations. The guide is particularly relevant to institutional investors and brokers who are involved in short selling activity.

ASIC reminds managed discretionary account providers of their licensing requirement

ASIC has issued a statement reminding managed discretionary account (MDA) providers that they must now have an Australian financial services (AFS) licence, with an MDA-specific 'dealing by issue' licence authorisation. An MDA is a facility where client portfolio assets are managed on an individual basis by an MDA provider at the MDA provider's discretion (subject to any limitation agreed with the client).

Effective 1 October 2018, MDA providers who do not have the required AFS licence authorisations have been advised by ASIC to cease providing MDAs until they have obtained those authorisations.

ASIC gave notice of the revised AFS licence requirements in September 2016. Since then, 59 AFS licensees have applied for authorisation to operate as an MDA provider to transition and there are 244 licensees who have an MDA specific 'dealing by issue' authorisation.

ASIC has indicated that it will undertake reviews to check that MDA providers hold the relevant AFS licence authorisations and will take action if unlicensed activity is identified.

ASIC consults on sunsetting class order regarding share and interest purchase plans

ASIC has launched a public consultation proposing to remake its class order on share and interest purchase plans. The class order is due to expire (sunset) on 1 October 2019.

ASIC proposes to remake the class order, as in ASIC's view it is operating effectively and efficiently and it continues to form a necessary and useful part of the legislative framework. The fundamental policy principles that underpin the class order have not changed.

The new instrument would continue the relief currently given by the ASIC Class Order (CO 09/425): Share and interest purchase plans without significant changes, so that the ongoing effect will be preserved without any disruption to the entities that rely on it.

The consultation outlines ASIC's rationale for proposing to remake the instrument and invites submissions as to:

- whether the class order is currently operating effectively and efficiently; and

- whether the conditions of relief should remain unchanged.

Submissions on the consultation are due by 2 November 2018.

CLIFFORD CHANCE BRIEFINGS

LIBOR – Cross Product Review

Following an announcement by Andrew Bailey, Chief Executive of the UK's FCA on 27 July 2017, it became evident that market participants would need to prepare for the very real possibility that LIBOR would cease to exist – or change very substantially – soon after the end of 2021. In essence, the thinness of the interbank lending market has given rise to severe misgivings as to LIBOR's continuing appropriateness and there is a desire to move to risk-free rates (RFRs).

Stakeholders from the different product areas are concerned to ensure that there is an appropriate replacement for LIBOR and that this works across all their transactions. This briefing contains a review of the comparative product challenges for the loan, bond (including securitisation) and derivatives markets to assist with the review of financing arrangements as a whole. In relation to each category, we consider:

- the existing documentary fallbacks in the event of LIBOR failing as the primary interest rate-setting mechanism;
- the trigger for their application;
- some potential documentary solutions; and
- challenges presented by LIBOR transition for that particular product.

https://www.cliffordchance.com/briefings/2018/10/libor_-_cross_productreview.html

UK corporate insolvency reforms – looking beyond Brexit

Looking beyond Brexit is a clear focus for the Department for Business, Energy and Industrial Strategy. This is apparent from the recent proposals for corporate insolvency reforms in the UK. In a government response to a consultation on insolvency and corporate governance published at the end of the Summer, they set out wide ranging proposals for future reform in the UK restructuring and insolvency market. The purpose of the reforms is to ensure that the UK remains a jurisdiction of choice when it comes to restructuring. There is no definite timetable for the introduction of the reforms – and the proposals are currently expressed in high level terms. The detail of the legislation will become clearer once the parliamentary process is pursued.

This briefing discusses the proposals.

https://www.cliffordchance.com/briefings/2018/10/uk_corporate_insolvencyreformslookingbeyon.html

HMT publishes Solvency II SI Guidance

On 9 October 2018 HMT published guidance on the amendments to be made by the Solvency II and Insurance (Amendments) (EU Exit) Regulations 2018 to retained EU law relating to the implementation of the Solvency II legislation in the UK. The SI aims to ensure that the UK's Solvency II regime continues

to operate effectively once the UK is outside of the EU by recognising that certain changes to UK legislation will be necessary.

It is noteworthy that HMT did not publish the SI itself. This is probably because legal and policy implications are not easily determined without a detailed assessment of the SI, which is a lengthy piece of legislation.

This briefing discusses the guidance.

https://www.cliffordchance.com/briefings/2018/10/hmt_publishes_solvencyiisiguidance.html

Transposition of the fourth Directive on the Prevention of Money Laundering

Spanish Royal Decree-Law 11/2018, of 31 August, on the transposition of, among others, Directive (EU) 2015/849, of 20 May, entered into force on 4 September and included important changes to Spanish Act 10/2010, of 28 April, on anti-money laundering and counter terrorist financing.

This briefing discusses the new law.

https://www.cliffordchance.com/briefings/2018/10/transposition_ofthefourthdirectiveonth.html

Major changes to Singapore capital markets regulatory framework implemented

The Securities and Futures (Amendment) Act 2017, passed by Parliament on 9 January 2017, introduces major changes to the Singapore capital markets regulatory framework. Most of the amendments have been operative from 1 and 8 October 2018. Transitional provisions are in place to allow capital markets intermediaries time to comply with some of the changes.

This briefing discusses the changes.

https://www.cliffordchance.com/briefings/2018/10/major_changes_tosingaporecapitalmarket.html

Royal Commission interim report criticises Australian banking industry for culture of greed

In an eagerly anticipated interim report, Australia's Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has criticised the industry for bad conduct driven by the pursuit of short-term profit at the expense of customers' best interests. The Commission puts the industry on notice that some of the sector's methods and practices must change dramatically.

This briefing discusses the interim report.

https://www.cliffordchance.com/briefings/2018/10/royal_commissioninterimreportcriticise.html

Delaware Chancery Court upholds invocation of MAC out

The Delaware Chancery Court ruled last week that the would-be acquirer of a publicly traded company had validly invoked a 'MAC out' to terminate the merger agreement that otherwise required it to buy the target. The decision, in *Akorn v Fresenius*, marks the first time the Chancery Court has upheld the exercise of a MAC out.

This briefing discusses the decision.

https://www.cliffordchance.com/briefings/2018/10/delaware_chancerycourtupholdsinvocationofma.html