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EU Commission publishes 2019 work programme

The EU Commission has published its [work programme for 2019](#), which is intended to prioritise reaching agreement on the legislative proposals already presented, fifteen new initiatives and ten REFIT evaluations, and several initiatives to prepare for the future EU at 27 after Brexit.

In the area of Economic and Monetary Union (EMU), the Commission has identified twelve pending priority proposals for adoption by the EU Council and Parliament before the European elections. These include proposals on:

- sovereign bond-backed securities;
- credit servicers, credit purchasers and the recovery of collateral;
- the Banking Package;
- recovery and resolution of central counterparties (CCPs);
- the European Deposit Insurance Scheme (EDIS);
- anti-money laundering (AML); and
- a European Monetary Fund (EMF).

The Commission is also proposing one new initiative on economic and monetary union to promote the international role of the euro, and two REFIT initiatives to check the current regimes for supervisory reporting and corporate reporting.

The work programme also highlights work on Brexit preparedness, including additional legislative proposals to adapt the EU acquis in the context of the withdrawal of the UK, irrespective of the outcome of the negotiations.

EBA publishes work programme

The European Banking Authority (EBA) has published its [work programme](#), which comprises an annual programme for 2019 and multi-annual work programme for 2019-2022. The multi-annual programme relates to the main objectives derived from the mandates under the EBA Regulation and EU banking sector legislation.

In 2019 the EBA expects to work on:

- a review of the Capital Requirements Regulation (CRR) and the consequences of the Basel Committee on Banking Supervision's (BCBS') revision of the trading book;
- implementation of total loss absorbing capacity (TLAC);
- proportionality in the regulatory framework;

- possible mandates stemming from covered bond legislation;
- mandates on the securitisation framework in the context of the Capital Markets Union (CMU);
- work on non-performing loans (NPLs);
- understanding risks and opportunities arising from financial innovation;
- mandates on sustainable finance;
- strengthening the role of the EBA as an authority for tackling money laundering at an EU level; and
- shifting focus on payment services and consumer protection work towards convergence of supervisory practices.

In the context of Brexit, the EBA expects to continue active engagement in the coordination of national competent authorities' work around institutions' contingency planning and preparedness, prepare for supervisory coordination, including drafting memoranda of understanding (MoUs), and ensure a smooth relocation of the EBA to Paris.

CRR: Commission Implementing Regulation with regard to closely correlated currencies published in Official Journal

[Commission Implementing Regulation \(EU\) 2018/1580](#) amending [Implementing Regulation \(EU\) 2015/2197](#) laying down implementing technical standards (ITS) with regard to closely correlated currencies under the CRR has been published in the Official Journal. The Regulation updates the list of currencies for the purposes of calculating the capital requirements for foreign-exchange risk according to the standardised rules.

The Regulation will enter into force on 11 November 2018.

Commission Implementing Regulation (EU) 2018/1580

EMIR 2.2: EU Council Presidency publishes compromise text

The EU Council Presidency has published the [latest Presidency compromise text](#) on the proposed regulation amending the European Market Infrastructure Regulation (EMIR) as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs.

[latest Presidency compromise text](#)

BRRD: EU Commission adopts RTS on simplified obligations

The EU Commission has adopted a [Delegated Regulation](#) setting out the quantitative and qualitative criteria for granting simplified obligations under the Bank Recovery and Resolution Directive (BRRD).

The Delegated Regulation is based on draft regulatory technical standards (RTS) submitted by the EBA, which seek to create a common framework for assessing institutions' eligibility for simplified obligations, and to facilitate cooperation among competent and resolution authorities in conducting assessments.

Once in force, the RTS will replace the EBA's guidelines on the application of simplified obligations (EBA/GL/2015/16).

CRR: Joint Committee of ESAs consults on amendments to ITS on mapping of ECAIs credit assessments

The Joint Committee of the European Supervisory Authorities (ESAs), which comprises the EBA, European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA), has launched a [consultation](#) on proposed amendments to Implementing Regulation (EU) 2016/1799 laying down implementing technical standards (ITS) with regard to the mapping of credit assessments of external credit assessment institutions (ECAIs) for credit risk under the CRR.

The proposed changes follow an analysis by the Joint Committee of whether the mapping of existing ECAIs remains appropriate, which identified that the ITS should be updated for eleven ECAIs.

Comments on the consultation are due by 31 December 2018.

FSB publishes outcome of plenary meeting

The Financial Stability Board (FSB) has published a [review](#) of financial vulnerabilities and deliverables for the G20 summit following the FSB plenary in Ottawa on 22 October 2018.

Among other things, the plenary discussed market developments and vulnerabilities in the global financial system, including risks that could be particularly relevant in the event of a snap-back in interest rates. The plenary discussed and endorsed work for G20 Leaders on:

- the fourth annual report on implementation and effects of G20 financial regulatory reforms;
- the first evaluation of incentives to centrally clear OTC derivatives;
- an evaluation of infrastructure finance as part of a workstream evaluating the effects of reforms on financial intermediation;
- a progress report on the FSB's coordinated action plan to assess and address the risks from the decline in correspondent banking relationships;
- the Cyber Lexicon on cyber security; and
- a discussion paper on evaluating the adequacy of financial resources for CCP resolution and the treatment of CCP equity in resolution ahead of finalising guidance by 2020.

The plenary also agreed to replace the use of the term 'shadow banking' with 'non-bank financial intermediation'.

The FSB expects its 2019 work programme to include new initiatives on:

- evaluating the effects of the reforms addressing too-big-to-fail;
- exploring ways to address the risks of market fragmentation;
- work on financial stability implications arising from decentralised financial technologies; and
- developing effective practices relating to cyber security.

FATF announces outcomes of plenary meeting

The Financial Action Task Force (FATF) has announced the [outcomes](#) of its plenary meeting in Paris on 17 – 19 October 2018.

Following the meeting, the FATF issued a [public statement identifying jurisdictions with strategic deficiencies](#) in relation to anti-money laundering (AML) and combating the financing of terrorism (CFT). In particular, the Democratic People's Republic of Korea is subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing risks emanating from it. In addition, the FATF has issued a call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from Iran.

The FATF has also published an [updated list](#) of other jurisdictions with strategic AML/CFT deficiencies for which they have developed an action plan with the FATF.

Delegates also discussed major strategic initiatives, including:

- publication of a [statement on financing methods of terrorism](#);
- approval of a report on disruption of the financial flows on which terrorists rely;
- agreement to focus work to address combating the financing of terrorism on investigation and prosecution of terrorist financiers, guidance to help countries better identify and understand risks, and training;
- discussion, and adoption, of amendments to the FATF Standards to respond to the increasing use of virtual assets for money laundering and terrorist financing;
- agreement to begin work to address proliferation financing;
- discussion of the FATF's report to G20 Leaders on progress since its last update in June 2018;
- adoption of risk-based approach guidance papers for the life insurance sector and securities sector, both of which will be published shortly; and
- future work to develop guidance on digital identity.

Brexit: SIs under the EU (Withdrawal) Act for 22 – 26 October 2018

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

HM Treasury (HMT) published the [draft Central Securities Depositories \(Amendment\) \(EU Exit\) Regulations 2018](#) and [draft Over the Counter Derivatives, Central Counterparties and Trade Repositories \(Amendment, etc., and Transitional Provision\) \(EU Exit\) Regulations 2018](#). The draft instruments 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 instruments are laid before Parliament. Additionally, HMT published [draft explanatory information](#) on its proposals for the draft Ring-fenced Bodies (Amendment) (EU Exit) Regulations 2018 and [draft explanatory information](#) on the draft Financial

Conglomerates and Other Financial Groups (Amendment) (EU Exit) Regulations 2018.

The [draft Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018](#) have been laid before Parliament. The SI sets out amendments to the Banking Act 2009 and the Bank Recovery and Resolution (No.2) Order 2014, as well as amendments to address deficiencies in other provisions of primary and secondary legislation that relate to the recovery and resolution of credit institutions and investment firms, the Financial Services (Banking Reform) Act 2013 and the Banking Act 2009 (Restriction of Partial Property Transfers) (Recognised Central Counterparties) Order 2014. The draft SI is also intended to address deficiencies in the retained EU law Delegated Regulations under the Bank Recovery and Resolution Directive (BRRD).

The [Financial Regulators' Powers \(Technical Standards etc\) \(Amendment etc\) \(EU Exit\) Regulations 2018 \(SI 2018/1115\)](#) have been made. The SI delegates certain powers under the European Union (Withdrawal) Act 2018 to the financial services regulators to enable them to remove deficiencies in certain binding technical standards (BTS) to ensure that BTS and regulatory rules made under the Financial Services and Markets Act 2000 continue to operate effectively after the UK's withdrawal from the EU. SI 2018/1115 came into force on 26 October 2018.

Brexit: Bank of England publishes approach to EU withdrawal

The Bank of England (BoE) has published information on its approach to the UK's withdrawal from the EU, which relates to arrangements for the BoE's temporary permission regime (TPR) and financial services legislation. A high-level overview of the proposed approach is set out in a [Dear CEO letter](#) addressed to all firms authorised and regulated by the Prudential Regulation Authority (PRA) as well as EEA firms undertaking cross-border activities into the UK from elsewhere in the EU via passporting.

The BoE has also published a [Dear CEO letter addressed to non-UK central counterparties \(CCPs\)](#) with further details of the temporary recognition regime (TRR) for non-UK CCPs, alongside which the BoE has published a [consultation on fees](#) for non-UK CCP applications for recognition in 2018/19. A [Dear CEO letter addressed to central securities depositories \(CSDs\)](#) has also been published which includes details of recognition of non-UK CSDs, including the transitional regime to allow non-UK CSDs currently providing services in the UK to continue to do so in advance of being recognised.

The BoE's package of communications on financial services legislation is relevant to all firms and sets out changes to the PRA's rules and binding technical standards (BTS) arising from EU withdrawal. The package of communications comprises:

- a [joint BoE and PRA consultation paper \(CP25/18\)](#) that sets out the general approach to the changes, including the proposed use of transitional powers as well as a draft supervisory statement on the BoE's expectations of firms and financial market infrastructures (FMIs) in relation to EU guidelines and recommendations;

- a [PRA consultation \(CP26/18\)](#) on changes to PRA rules and relevant BTS for onshored financial services legislation which has been published by HM Treasury, or for which HMT's policy intention has been published;
- a [BoE consultation on changes to FMI-related BTS and rules](#) as well as a draft supervisory statement on expectations of FMIs in relation to existing non-binding domestic material; and
- a [BoE consultation paper on changes to BTS relating to resolution](#), which also proposes how firms should interpret existing BoE statements of policy (SOPs) on resolution in light of any deficiencies arising from the UK's withdrawal from the EU.

Comments on all the consultations are due by 2 January 2019.

The BoE has published a [webpage](#) dedicated to EU withdrawal, which sets out details of the TPR, information on FMI supervision and key communications.

PRA publishes occasional consultation paper on minor changes to rules

The PRA has published an [occasional consultation paper \(CP24/18\)](#) setting out proposed amendments to PRA rules and supervisory statements.

The PRA is consulting on changes to the following Rulebook parts, statements of policy (SoPs) and supervisory statements:

- Incoming Firms and Third Country Firms Part and the Branch Return Form (Chapter 2);
- SoP on 'The PRA's approach to enforcement: statutory statements of policy and procedure' (Chapter 3);
- Auditors Part and supervisory statement SS1/16 on written reports by external auditors to the PRA (Chapter 4);
- Depositor Protection Part (Chapter 5);
- Policyholder Protection Part (Chapter 6); and
- SoP on 'Calculating risk-based levies for the Financial Services Compensation Scheme deposits class' (Chapter 7).

Comments are due by 22 November 2018 for amendment to the Branch Return consulted on in Chapter 2, which the PRA proposes to implement from 1 January 2019. Comments on all other chapters are due by 22 January 2019.

BaFin issues circular on implicit credit support in securitisation transactions

The German Federal Financial Supervisory Authority (BaFin) has published a [circular](#) implementing the EBA guidelines on implicit support for securitisation transactions ([EBA/GL/2016/08](#)).

Implicit support within the meaning of Article 248 of the CRR is provided in the context of a securitisation transaction affording capital relief to the originator or sponsor where the originator or sponsor provides support in an existing transaction with a view to reducing potential or actual losses to investors beyond its contractual obligations. This applies unless the relevant

transaction pursuant to which the support is provided is at arm's length and is taken into account in the assessment of the significant risk transfer affording the capital relief.

BaFin's circular specifies the meaning of 'arm's length' in this context and provides guidance on the circumstances in which no credit support is provided. The circular also provides guidance on the requirements for reporting all transactions going beyond the existing contractual obligations to BaFin.

The circular entered into force on 25 October 2018.

BaFin publishes draft guidelines on due diligence obligations in conjunction with virtual currencies

BaFin has published [draft guidelines](#) on the adequate and risk-oriented handling of virtual currencies. The guidelines are addressed to credit institutions, investment firms and e-money institutions.

In particular, the draft recommends evaluating the origin of virtual currency amounts and the financial means used for their purchase. Institutions are required to examine whether a notification of money laundering suspicion should be considered and need to comply with further identification requirements stipulated in the interpretation.

BaFin further emphasises that institutions are responsible for assessing money laundering related risks accompanying transactions with virtual currencies and for taking appropriate and adequate measures.

The consultation period ends on 18 November 2018.

Polish Financial Supervision Authority sets out position on entities managing securitised receivables of securitisation funds

Under the provisions of the Act on Investment Funds and Management of Alternative Investment Funds, investment fund managers may commission another entity, in the form of a written agreement, to manage the investment portfolios of closed-end investment funds, including securitisation funds. The Polish Financial Supervision Authority has published a [bulletin](#) noting, amongst other things, that the internal organisational structure of such an entity should ensure the operation of effective supervision. In the case of entities whose legal form does not require or provide for the existence of a supervision authority at all, it is important to separate, and appropriately provide for/authorise in the entity's internal regulations, an organisational unit responsible for ensuring that activity within the scope of management of securitised receivables of securitisation funds on the instructions of investment fund managers is conducted properly.

Polish Financial Supervision Authority invites start-ups to Regulatory Sandbox

As part of the Polish Financial Supervision Authority's task to take action aimed at supporting innovation in the financial market, it is launching a [development programme](#) for the financial market called the 'KNF Regulatory Sandbox'.

The programme is open to entities that are planning to start operating in the financial market (start-ups) and have an untested innovative financial product and/or service based on innovative IT and to entities that already provide certain solutions on the financial market (supervised entities – financial institutions) and wish to conduct further tests in order to develop new services and/or business models. Applications will be accepted until 9 November 2018.

Swiss Federal Council consults on implementing ordinances to Financial Services Act and Financial Institutions Act

The Federal Council has launched a [consultation](#) on three ordinances containing the implementing provisions for the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA). The FinSA sets out how financial service providers are to provide their services and which rules are to be observed when they offer securities and financial instruments. The FinIA will introduce content coordinated supervision for the various categories of financial institutions (portfolio managers, managers of collective assets, fund management companies and securities firms).

The Financial Services Ordinance (FinSO) fleshes out financial service providers' duties to provide advice and information and contains provisions on their organisation, the new register of client advisers, client documentation and ombudsman services. There are also implementing provisions concerning the prospectus when offering securities. Finally, the FinSO contains provisions on the key information document, which should make it easier for clients to compare different financial instruments.

The Financial Institutions Ordinance (FinIO) fleshes out the authorisation conditions and duties for financial institutions and their supervision. The requirements for managers of individual assets and trustees, who are now subject to prudential supervision, are less stringent than those for managers of collective assets, fund management companies and securities dealers (now referred to as securities firms). Securities firms are subject to requirements that have largely been adopted from the current Collective Investment Schemes Ordinance and the Stock Exchange Ordinance.

Finally, the Supervisory Organisation Ordinance (SOO) governs the authorisation conditions and activities for the newly introduced supervisory organisations (SO). According to the FinIA, these will be responsible for the ongoing supervision of portfolio managers, trustees and trade assayers in accordance with the Precious Metals Control Act. In the process, the supervisory organisations are to apply a concept graded according to risk. FINMA, which is responsible by law for the authorisation of these institutions and the enforcement of the supervisory law requirements, will provide the supervisory organisations with a risk assessment system and minimum requirements for this purpose.

The consultation will last until 6 February 2019. The two laws are to enter into force together with their implementing ordinances on 1 January 2020.

CSRC issues regulation on Shanghai-London Stock Connect

The China Securities and Regulatory Commission (CSRC) has issued the 'Trial Provisions on the Supervision and Administration of Depository Receipts

under the Stock Connect Scheme between the Shanghai Stock Exchange and London Stock Exchange’.

Amongst other things, the [trial provisions](#):

- provide details on the required application documents, review and approval procedures, sponsors, due diligence, accounting and audit requirements, and size cap in respect of China Depository Receipts (CDRs). Qualified PRC securities firms are allowed to purchase underlying shares and deposit with the depository institution in exchange for CDRs;
- prescribe terms for Global Depository Receipt (GDR) issuance conditions, offering price, lock-up period for redemption, as well as requirements on foreign securities companies and depository banks. Qualified overseas securities firms are allowed to engage domestic securities firms to purchase underlying shares for the purposes of facilitating the issuance of GDRs; and
- provide specifics on the two types of cross-border conversion, ‘creation’ and ‘redemption’, the eligibility criteria and registration requirements for securities companies to engage in such business. They also allow the relevant securities company to enter into cash management and/or hedging transactions in connection with such cross-border conversion business.

Chinese regulators issue new measures on prevention of money laundering and terrorism financing in online financial industry

The People’s Bank of China (PBoC), the China Banking and Insurance Regulatory Commission (CBIRC) and the CSRC have jointly issued the ‘Administrative Measures on Anti-money Laundering and Anti-Terrorism Financing for Internet Financial Institutions (for Trial Implementation)’, which are intended to strengthen the anti-money laundering and anti-terrorism financing regulatory framework for institutions engaged in the online financial industry.

Amongst other things, the following key aspects with respect to the [Administrative Measures](#) are worth noting:

- approach to supervision – the PBoC will act as the supervisory authority for relevant institutions and will establish an Anti-money Laundering and Anti-terrorism Financing Internet Monitoring Platform. The National Internet Finance Association of China (NIFA), which is composed of the relevant institutions, will conduct self-discipline management over this industry, and be responsible for operating the platform upon its establishment; and
- requirements regarding internal controls, monitoring/reporting obligations and information retention – for risk control purposes, the relevant institutions are required to put in place a well-established internal control system (including illustrating the allocation of responsibilities among senior officers) and report this to the PBoC, its branches and other financial regulatory authorities. The relevant institutions shall also establish proper KYC procedures, a reporting system for large-scale and suspicious transactions, and a monitoring system for listed terrorist organisations and terrorists. Furthermore, the relevant institutions are also obligated properly to preserve relevant information, materials and transaction records with

respect to anti-money laundering and anti-terrorism financing to ensure that each and every transaction can be retrieved.

The Administrative Measures will take effect from 1 January 2019.

Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and Inland Revenue (Amendment) (No. 6) Bill 2018 gazetted

The Hong Kong Government has gazetted the [Financial Institutions \(Resolution\) \(Loss-absorbing Capacity Requirements – Banking Sector\) Rules](#) and the [Inland Revenue \(Amendment\) \(No. 6\) Bill 2018](#).

Following the commencement of the Financial Institutions (Resolution) Ordinance in July 2017, the Hong Kong Monetary Authority (HKMA), as the resolution authority for authorised institutions, has made the Rules pursuant to section 19(1) of the Ordinance to prescribe minimum loss-absorbing capacity (LAC) requirements for authorised institutions and their group companies. The Rules are closely aligned to international standards on LAC requirements, as set out in the Financial Stability Board's Total Loss-absorbing Capacity Term Sheet.

Owing to the loss-absorbing nature of the LAC debt instruments, their profits tax treatment under the Inland Revenue Ordinance is uncertain, in particular whether they are eligible for debt-like tax treatment. To facilitate the implementation of the Rules, the Amendment Bill will provide certainty of tax treatment for LAC debt instruments issued by authorised institutions and relevant group companies.

The Rules and the Amendment Bill will be tabled before the Legislative Council at its sitting on 24 October and 31 October 2018 respectively. The Rules will come into operation on 14 December 2018, upon negative vetting by the Legislative Council.

SFC concludes further consultation on financial resources rules

The Securities and Futures Commission (SFC) has published the [conclusions](#) to its July 2017 further consultation on proposed amendments to update the Securities and Futures (Financial Resources) Rules (FRR).

After considering the comments received, the SFC will implement the proposed changes, the main purpose of which is to update the computation basis of the financial resources requirements in response to market developments and to facilitate the business operation of licensed corporations.

The key changes include relaxing the treatment for foreign currencies subject to exchange controls, clarifying the treatment for non-freely floating foreign currencies, introducing and updating haircut percentages for certain types of securities and investments and refining the treatments for amounts receivable arising from securities transactions. A number of futures and stock exchanges will also be added to the list of specified exchanges in the FRR.

The [proposed amendments](#) have been gazetted and will be submitted to the Legislative Council for negative vetting. Subject to the legislative process, the amended rules will come into effect on 1 April 2019, with the exception of amendments related to a new accounting standard which will take effect on 1 January 2019, the effective date of the new standard.

HKMA gazettes revised anti-money laundering guidelines

The HKMA has gazetted its revised Anti-Money Laundering and Counter-Financing of Terrorism Guidelines (AML/CFT Guidelines) [for authorised institutions](#) and [for stored value facility \(SVF\) licensees](#).

The amendments to the AML/CFT Guidelines are intended to:

- better align them with the latest international requirements, including Financial Action Task Force Recommendations (e.g. inclusion of a new category of international organisation politically exposed persons);
- better facilitate implementation of the risk-based approach by providing principle-based guidance which allows flexibility for authorised institutions/SVF licensees in the implementation of risk-based requirements (e.g. identity verification requirements of customers who are natural persons, legal persons, trusts and other similar legal arrangements) and enhancing relevant guidance on risk assessments and management (e.g. further guidance on simplified due diligence and enhanced due diligence);
- address implementation challenges of certain requirements (e.g. amending the requirements on persons purporting to act on behalf of the customer); and
- reduce unintentional barriers to the use of technology in financial institutions' AML/CFT systems (e.g. allowing the use of different methods to mitigate the risk during non-face-to-face account opening).

The revised AML/CFT Guidelines for authorised institutions and SVF licensees will take effect on 1 November 2018.

HKMA gazettes supervisory policy manual on AML

The HKMA has gazetted its new supervisory policy manual (SPM) AML-1 'Supervisory Approach on Anti-Money Laundering and Counter-Financing of Terrorism' for authorised institutions. The SPM follows the publication of the Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report by the government in April 2018, which included a policy statement on Hong Kong's AML/CFT regime.

The [new SPM module](#) sets out the HKMA's overall and supervisory approach for AML/CFT policies, procedures and controls of authorised institutions, and should be read in conjunction with the AML/CFT Guidelines (for authorised institutions). The new module aims to articulate the HKMA's supervisory approach, for greater policy transparency, and it is not intended to introduce any new requirements for authorised institutions.

Australian Government consults on Corporations Amendment (Design and Distribution Obligations and Product Intervention Powers) Regulations 2018

The Australian Government has launched a [public consultation](#) on an exposure draft of the Corporations Amendment (Design and Distribution Obligations and Product Intervention Powers) Regulations 2018 to support the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2018 and an explanatory statement.

The Bill implements the government's response to the Financial System Inquiry (FSI), Improving Australia's Financial System 2015, whereby the government accepted the FSI's recommendations to introduce design and distribution obligations for financial products to ensure that products are targeted at the right people (FSI recommendation 21), and a product intervention power for the Australian Securities and Investments Commission (ASIC) when there is a risk of significant consumer detriment (FSI recommendation 22).

The regulations are intended to support the government's proposed reforms by:

- applying the design and distribution obligations and product intervention regimes to a range of financial products not covered by the Bill and ensuring that the regime operates as intended when applying to distributors of financial products; and
- altering the products that may be subject to a product intervention order by ASIC.

Comments on the consultation are due by 13 November 2018.

RECENT CLIFFORD CHANCE BRIEFINGS

A Green and Sustainable Round Up

Against the well-publicised backdrop of the IPCC Report, there have been a number of other papers and publications in recent weeks that also continue to shape the regulatory environment on green and sustainable finance.

This briefing summarises the TCFD Status Report, the PRA and FCA papers on climate change and green finance, and the European Parliament's proposed amendments to the Commission's benchmark regulation proposals from June. It also looks briefly, in the context of the Green GB Week, at some of the key UK government's proposals on green finance and climate change.

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

UAE Enacts Federal Level Close-out Netting Law for Financial Contracts

On 20 September 2018, the President of the United Arab Emirates promulgated the much-anticipated Federal Law No 10 of 2018 on netting for derivatives contracts and other qualified financial contracts, the text of which was published last week. The law will come into force on 30 October 2018, one month after its publication in the Official Gazette, and comes soon after the UAE's securities regulator, the Emirates Securities and Commodity Authority (the SCA), enacted a new regulation mandating the clearing of certain derivatives contracts.

This briefing discusses the new law.

https://www.cliffordchance.com/briefings/2018/10/uae_enacts_federallevelclose-outnettingla.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.

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