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PRIIPs Regulation: Joint Committee publishes final recommendations on changes to KIDs

The Joint Committee of the European Supervisory Authorities (ESAs), comprising the European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA), has published its final recommendations on targeted amendments to the Delegated Regulation setting out rules for the key information document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs).

In November 2018 the Joint Committee consulted on proposed changes that would allow the KID to be applied to all types of investment funds and to address issues that had arisen since the implementation of the KID, particularly concerning performance scenarios.

Taking into account the feedback received and the implications of a possible decision by the European co-legislators to defer the application of the KID by certain types of investment funds beyond 2020, the Joint Committee has decided not to propose targeted amendments at this stage but to initiate a more comprehensive revision of the PRIIPS Delegated Regulation to be undertaken during 2019, including a consultation on the draft regulatory technical standards (RTS).

The ESAs have also issued a supervisory statement concerning the performance scenarios in the PRIIPs KID. The ESAs consider that there is a risk that retail investors are provided with unrealistic expectations about possible returns they may receive. The ESAs recommend that PRIIP manufacturers include a statement in the KID warn retail investors of the limitations of the figures shown.

EMIR REFIT: EU Council and Parliament reach preliminary political agreement

The Romanian Presidency of the EU Council and the EU Parliament have reached a preliminary agreement on the proposed regulation to amend the European Market Infrastructure Regulation as regards the clearing obligation, reporting requirements, risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, and the supervision of trade repositories (EMIR REFIT).

The text will be submitted to EU ambassadors for endorsement and then undergo a legal linguistic revision. The Council and Parliament will be called on to adopt the proposed regulation at first reading.

Capital Markets Union: EU Council and Parliament reach preliminary political agreement on facilitating cross-border distribution of investment funds

The Romanian Presidency of the EU Council and the EU Parliament have reached a preliminary agreement on a proposed regulation facilitating cross-border distribution of collective investment funds and a proposed directive amending the Alternative Investment Fund Managers Directive (AIFMD) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive.

The proposals are part of the Commission's action plan on the Capital Markets Union (CMU) and aim to improve the transparency of national requirements, remove burdensome requirements and harmonise diverging national rules.

The text will be submitted to EU ambassadors for endorsement and then undergo a legal linguistic revision. The Council and Parliament will be called on to adopt the proposed regulation at first reading.

Banking Union: ECB publishes 2018 stress test results

The European Central Bank (ECB) has published the final aggregate results for stress tests conducted by the EBA and the ECB in 2018.

According to the ECB, higher capital buffers and average final CET1 compared to 2016 broadly show an improved resilience by participating banks to withstanding macroeconomic shocks. Despite this resilience, challenges remain for euro area banks, and the ECB intends to monitor the progress of work on business models and legacy issues.

The stress test assists the determination of Pillar 2 capital in SREP decisions, which the ECB is currently finalising for banks under its supervision.

ECB launches sensitivity analysis of liquidity risk as 2019 stress test

The ECB has launched a sensitivity analysis of liquidity risk to assess the ability of the banks it supervises to handle idiosyncratic liquidity shocks. The exercise, which the ECB expects to take four months, will act as its 2019 supervisory stress test.

In the analysis, the ECB Banking Supervision will test adverse and extreme hypothetical shocks in which banks face increasing liquidity outflows, focusing on expected short-term cash flows in order to calculate their 'survival period' (i.e. the number of days a bank can remain operational using available cash and collateral with no access to funding markets). The assessment will focus on the impact on individual banks rather than considering the potential causes of the shocks or the impact of turbulence in the wider market.

The ECB will use the results to assess the relative vulnerability of banks to different liquidity shocks and to identify improvements needed in banks' liquidity risk management. The results will form part of the ECB's ongoing supervisory assessments of banks' liquidity risk management frameworks, including the Supervisory Review and Evaluation Process (SREP).

Securitisation Regulation: EU Commission adopts Delegated Regulation on third party STS criteria assessment

The EU Commission has adopted a Delegated Regulation with regard to regulatory technical standards specifying information to be provided to a competent authority in an application for authorisation of a third party assessing simple, transparent and standardised (STS) securitisations compliance.

The adopted Regulation specifies:

- the fees charged to the originators, sponsors or securitisation special purpose entities (SSPEs) by the applicant;
- the independence of the applicant;
- the composition of the management body of the applicant;
- the prevention of conflicts of interest with regard to the verification of the STS compliance by the applicant; and
- the proper operational safeguards and internal processes of the applicant that enable it to assess STS compliance.

The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal.

EuVECA Regulation: EU Commission adopts Delegated Regulation on conflicts of interest

The EU Commission has adopted a Delegated Regulation under the European Venture Capital Funds (EuVECA) Regulation with regard to the measures that managers of qualifying venture capital funds must take, in terms of structures and organisational and administrative procedures, in order to identify, prevent, manage, monitor and disclose conflicts of interest.

The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal.

EuSEF Regulation: EU Commission adopts Delegated Regulation on conflicts of interest, social impact measurement and information to investors

The EU Commission has adopted a Delegated Regulation under the European Social Entrepreneurship Funds (EuSEF) Regulation with regard to conflicts of interest, social impact entrepreneurship and information to investors.

The adopted Regulation specifies:

- the types of conflicts of interest which managers of qualifying social entrepreneurship funds need to identify and the steps that managers of qualifying social entrepreneurship funds must take in terms of structures and organisational and administrative procedures in order to identify, prevent, manage, monitor and disclose conflicts of interest;
- the details of procedures to measure the extent to which the qualifying portfolio undertakings in which the qualifying social entrepreneurship fund invests achieve the positive social impact to which they are committed; and
- the content of certain information to be provided to investors as well as how such information can be presented in a uniform way in order to ensure the highest possible level of comparability.

The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal.

Credit rating agencies: ESMA issues revised guidelines on submission of periodic information for supervisory purposes

ESMA has published its revised guidelines on the periodic information that credit rating agencies (CRAs) need to provide to ESMA to support its supervisory processes.

The guidelines summarise the feedback received by ESMA to its July 2018 consultation and set out how it has taken that feedback into account.

The guidelines, which are set out in Annex I, aim to provide:

- differentiated reporting calendars for entities depending on the required level of supervisory engagement;
- individual reporting instructions for each reporting item;
- additional reporting instructions in areas where ESMA has identified a supervisory need; and
- standardising reporting templates for specific reporting items.

ESMA consults on draft guidance on liquidity stress tests for investment funds

ESMA has launched a consultation on draft guidelines for liquidity stress testing in undertakings for collective investment in transferable securities (UCITS) and alternative investment funds (AIFs).

In April 2018 the European Systemic Risk Board (ESRB) issued recommendations to address liquidity and leverage risk in investment funds. In the recommendations the ESRB requested that ESMA develop guidance on the practice to be followed by managers for the stress testing of liquidity risk for individual AIFs and UCITS.

ESMA has produced fourteen draft guidelines for managers to fulfil when executing liquidity stress testing on their funds.

Broadly, the guidelines set out that liquidity stress testing should:

- be tailored towards the individual fund;
- reflect the most applicable risks to a fund;
- be sufficiently extreme or unfavourable but still plausible;
- sufficiently model how a manager is likely to act in times of stressed market conditions; and
- be embedded into the fund's risk management framework.

The document also contains guidelines for depositaries, setting out how they should fulfil their liquidity stress testing obligations.

Comments to the consultation close 1 April 2019. ESMA will consider the feedback received to the consultation and expects to publish a final report by Summer 2019.

Brexit/MiFID2: ESMA publishes statement on use of UK data in no deal scenario

ESMA has published a statement on the use of UK data in ESMA databases and in the performance of MiFID2 calculations if the UK leaves the EU without a withdrawal agreement.

The statement sets out how the following calculations will be performed by ESMA databases if the Financial Conduct Authority (FCA) stops sending UK-related data as a consequence of a no deal Brexit:

- Reference data;
- Relevant Competent Authority (RCA);
- Annual transparency calculations for equity instruments;
- Transparency calculations for non-equity instruments, including quarterly liquidity determination for bonds, annual transparency calculations for bonds (LIS, SSTI) and for all non-equity instruments other than bonds (liquidity status, LIS and SSTI);
- Calculations for systematic internalisers determination;
- Double Volume Cap (DVC); and
- Ancillary activity calculations.

The FCA has published a statement in response, which sets out an intention to publish full details of its approach to operating the MiFID2 transparency regime by the end of February.

Brexit: ESMA and BoE agree no deal memoranda of understanding on UK CCPs and CSD

ESMA and the Bank of England (BoE) have agreed memoranda of understanding (MoUs) on the recognition of UK central counterparties (CCPs) and of the UK central securities depository (CSD) in the event of a no deal Brexit.

The MoUs, which amend the standard template for the recognition of third country CCPs to reflect the EU Commission's temporary equivalence decisions adopted in December 2018, set out the scope of cooperation and information-sharing arrangements between ESMA and the BoE.

The decisions and the MoUs will only come into effect on 30 March 2019 in a no deal scenario.

FSB publishes global monitoring report on non-bank financial intermediation for 2018

The Financial Stability Board (FSB) has published the results of its eight annual monitoring exercise assessing global trends and risks in non-bank financial intermediation (NBFI). In 2018 the FSB replaced the term 'shadow banking' with NBFI to emphasise the forward-looking aspect of its work.

The report covers data up to end-2017 and compares the size and trends of financial sectors in aggregate and across 29 jurisdictions which together represent over 80% of global GDP.

The FSB main observations were:

- the monitoring universe of non-bank financial intermediation (MUNFI) grew 7% to an aggregate USD 184.3 trillion in 2017;
- the assets of other financial intermediaries (OFIs), which includes all financial institutions other than central banks, banks, insurance corporations, pensions funds, public financial institutions or financial auxiliaries, grew to USD 116.6 trillion globally and represent 30.4% of total global financial assets, the largest share on record;
- investment funds are the largest OFI sector, followed by captive financial institutions and money lenders (CFIMLs);
- structured finance vehicles (SFVs) and aggregate loans extended by OFIs both increased in 2017;
- OFIs have continued to reduce their reliance on wholesale funding and repos as a source of funding, while that of banks has changed little since 2011; and
- the narrow measure of NBFI, defined by the FSB as those parts of NBFI that perform economic functions which may give rise to bank-like financial stability risks, grew 8.5 % to USD 51.6 trillion in 2017, representing 14% of total global financial assets.

Brexit: HM Treasury and OFSI publish guidance on financial sanctions

The UK government has updated existing guidance and published new guidance on financial sanctions after Brexit. If the UK leaves the EU without a deal, secondary legislation under the Sanctions and Anti-Money Laundering Act 2019 (SAMLA) will transfer existing EU sanctions into UK law. HM Treasury, the Office of Financial Sanctions Implementation (OFSI) and the Export Control Joint Unit have published a webpage collating links to new regulations made under SAMLA and any associated documentation. They intend to update the page with new statutory guidance for UK sanctions regulations as they are laid before Parliament. In line with this, the Foreign and Commonwealth Office (FCO) has updated its guidance 'Sanctions policy if there's no Brexit deal' to include references to the SAMLA regulations and OFSI has published a general guidance document on financial sanctions after

Brexit. OFSI's guidance, which sets out who will be subject to financial sanctions and provides information on ownership and control, reporting obligations, exceptions and compliance, will only apply once the SAMLA regulations come into force.

Brexit: SIs under the EU (Withdrawal) Act for 4 – 8 February 2019

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

The draft Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019, making further amendments relating to passporting rights between the UK and Gibraltar following the publication of the draft Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019, were published and laid before Parliament.

The following instruments were published and laid for sifting:

- the draft Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019, which make technical amendments aimed at addressing errors and omissions in earlier instruments, and revoke retained EU law with no relevance in a UK-only context; and
- the draft Sanctions (Amendment) (EU Exit) (No 2) Regulations 2019, which seek to maintain parts of existing UN and EU financial sanctions regimes for specific jurisdictions.

The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177) and the Occupational and Personal Pension Schemes (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/192) have been made.

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

Asset management market study: FCA publishes final rules and guidance

The FCA has published a policy statement (PS19/4) setting out its final rules and guidance addressing some of the findings from its asset management market study.

In April 2018, the FCA consulted on additional rules and guidance intended to improve the quality, comparability and robustness of information available to investors. PS19/4 summarises the feedback the FCA received and sets out its final rules and guidance.

The new rules and guidance:

- set out how fund managers should describe fund objectives and investment policies to make them more useful to investors;
- require fund managers to explain why or how their funds use a particular benchmark, or if a benchmark is not used, how the performance of a fund should be assessed by an investor;
- require fund managers using benchmarks to reference them consistently across the fund's documents;

- require fund managers presenting a fund's past performance to do so against each benchmark used as a constraint on portfolio construction or as a performance target; and
- clarify that where a performance fee is specified in the prospectus, it must be calculated based on the scheme's performance after the deduction of all other fees.

Final Handbook text is set out in Appendix 1 of the policy statement. The new rules and guidance on benchmarks come into force on 7 May 2019 for new funds and 7 August 2019 for existing funds, and the rules on performance fees come into force on 7 August 2019. Additionally, the FCA is clarifying how Chapter 4 of the Conduct of Business sourcebook (COBS 4) applies to the key investor information document and this change will come into force on 4 February 2019.

Consob releases second study on fintech

Consob (the Italian securities regulator) has published a research paper concerning the possible legal regimes governing fintech and its implications with respect to the processing of data.

In particular, the paper analyses the critical issues of fintech from both a civil and a criminal law perspective and outlines the Italian legislative framework on the matter.

Pertaining to civil law, the paper deals with the relationship between the free flow of data and data protection related issues in the digital economy sector. The outcome of this analysis has led the working group to detect several topics that should be addressed in the near future, such as the phenomenon of dynamic pricing and the concept of transaction identity.

Relating to criminal law, the report underlines the need for the Italian legislator to review the traditional legal concepts in order to better safeguard clients' interests involved in fintech services.

The paper highlights that due regard should be given to the enactment of specific measures aimed at fighting abusive practices in the context of social lending platforms and equity-based crowdfunding.

Brexit: French government ordinances on preparation for no deal scenario published

Three Ordinances regarding preparations for a no deal Brexit have been published in the Official Journal.

The first two Ordinances set out measures on transportation of passengers and goods and citizens' rights (residence and employment in France of British nationals, and applicability to British nationals residing in France of social benefit schemes).

The third one covers financial services and is intended to allow UK firms operating in the banking and finance sector to continue their activities in France in the event of a no deal Brexit and to ensure that French firms will still be able to work with UK entities given their new third country firm status. In particular, it includes seven measures which:

- allow for continued participation in various inter-bank payment and settlement systems and post-trade infrastructures;

- secure the performance of insurance contracts which were entered into prior to the loss by the UK of mutual recognition rights (i.e. loss of the passport);
- set out powers of the Prudential and Resolution Supervision Authority (Autorité de contrôle prudentiel et de resolution or ACPR) regarding UK entities that have entered into contracts on the basis of the European passport and, as stated in the report to the President of the Republic, the ACPR will remain responsible for ensuring compliance with French law of rights and obligations arising from contracts concluded under the European passport and which continue to be performed after Brexit, taking into account the supervision exercised by the UK competent authorities;
- make two adjustments to the operation of the main master agreement on derivatives, the ISDA Master Agreement governed by French law;
- ensure continuity of the use of master agreements in financial services;
- introduce specific rules for the management of collective investment schemes which are subject to investment ratios in European entities; and
- designate the relevant authority for supervising activities related to securitisation.

The report to the President of the Republic in relation to the Ordinance on financial services further states that, whilst the loss of the European passport will prevent UK financial institutions from concluding any new investment services contracts, for most investment services, such services must be considered as rendered to the client at the time of conclusion of the contract, so that the loss of the European passport would not affect their legality or expose the UK institutions concerned to sanctions.

Within six months of the publication of the Ordinances, a ratification bill will have to be tabled in the French Parliament.

Polish Council of Ministers accepts draft Act Amending the Act on Financial Market Supervision and Certain Other Acts

The Council of Ministers has accepted the draft Act Amending the Act on Financial Market Supervision and Certain Other Acts. The purpose of the draft is to ensure the implementation of the EU Regulation laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation. Amongst other things, the draft:

- designates the Polish Financial Supervision Authority (PSFA) as an authority competent to supervise the fulfilment of the obligations set out in the Regulation by entities involved in securitisation processes;
- authorises the PFSA to carry out inspections of entities obliged to comply with the provisions of the Regulation and to impose administrative sanctions and remedial measures in the cases specified in the Regulation; and
- authorises the PFSA to publish on its website information on administrative sanctions imposed according to the rules set out in the Regulation.

The draft will now be sent to the Sejm.

Polish Financial Supervision Authority adopts assumptions on Recommendation G

The PFSA has adopted the draft assumptions on Recommendation G concerning the management of interest rate risk in banks. The objective of the amended recommentation is to ajdust its requirements to the changing regulations in respect of global market risk and interest rate risk, in particular to the EBA's guidelines.

The draft recommendation will be sent for public consultation in 2019.

Brexit: Dutch government announces transitional measures, two-year exemption from licensing requirements

The Dutch government has announced that UK based investment firms will benefit from a two-year exemption from licensing requirements in case of a no deal Brexit.

The Exemption Regulation of the Financial Supervision Act (Vrijstellingsregeling Wft) has been temporarily adjusted to limit the possible negative effects of the uncertainties that would follow if no withdrawal agreement is agreed upon between the UK and the EU.

Following the temporary adjustments, investment firms that are based in the UK and provide investment services to or trade on own account with Dutch professional market parties (professionele marktpartijen) or eligible counterparties (in aanmerking komende tegenpartijen) can apply for a temporary exemption from licensing requirements in the Netherlands.

The temporary exemption will only come into force if the UK leaves the EU without a withdrawal agreement. The temporary exemption will apply for two years or, to the extent that the Minister of Finance deems it appropriate, less.

The purpose of the exemption is to cover the continuation of investment services to Dutch clients by UK based firms in case the European passport falls away. The exemption is an exemption from licensing requirements. Market conduct rules will apply.

Brexit: Belgian Council of Ministers approves preliminary draft law addressing no deal scenario

The Council of Ministers has approved a preliminary draft law on the UK's withdrawal from the European Union. The draft law is intended to address the possibility of the UK leaving the EU without a withdrawal agreement and would only enter into force in a no deal scenario. It is part of a series of preparatory measures being taken by the Belgian government in response to the European Council's December 2018 call on Member States to intensify work in this area.

The draft law seeks to respond, on a temporary basis, to the main difficulties posed by a no deal Brexit with regard to matters falling within the competence of the Belgian federal legislature, including in relation to financial services.

Amongst other things, the draft law will:

- amend the law on investment firms; and

- introduce a new category of insurance intermediaries, namely authorised underwriters' agents.

The preliminary draft law has not been published yet.

BaFin consults on circular on reporting information for resolution planning purposes

The German Federal Financial Supervisory Authority (BaFin) has submitted the draft of a circular on reporting information for resolution planning purposes (Meldung von Informationen für die Abwicklungsplanung, MIA) for consultation.

The proposed circular is addressed to all institutions and EU parent undertakings for which BaFin is directly responsible as national resolution authority. It states that BaFin shall notify all institutions and EU parent undertakings of the information they are required to provide. As long as an institution or EU parent undertaking has not received such a notice from BaFin, it may assume that no information is necessary and thus no templates or further information must be transmitted.

Comments are due by 4 March 2019.

BaFin consults on circular on minimum requirements for feasibility of a bail-in

BaFin has submitted the draft of a circular on minimum requirements for the feasibility of a bail-in (Mindestanforderungen zur Umsetzbarkeit eines Bail-in, MaBail-in) for consultation.

The proposed circular is addressed to all institutions for which BaFin is directly responsible as national resolution authority provided that BaFin has informed these institutions during the resolution planning that the MaBail-in are to be observed. It includes requirements relating to the information institutions must provide and to their technical and organisational capability. These requirements are necessary to implement the resolution tools of the participation of owners of relevant capital instruments and the creditor participation pursuant to Sections 89 and 90 of the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz) and Articles 21 and 27 of Regulation (EU) No 806/2014 on the Single Resolution Mechanism.

Comments are due by 1 March 2019.

MAS responds to feedback on proposed amendments to risk based capital adequacy requirements for merchant banks incorporated in Singapore

The Monetary Authority of Singapore (MAS) has published its response to the feedback received to its October 2014 public consultation on proposed amendments to MAS Notice 1111 on risk-based capital adequacy requirements for merchant banks incorporated in Singapore designed to strengthen the capital framework for merchant banks by incorporating key components of the Basel Committee on Banking Supervision's (BCBS) Basel III capital standards.

In December 2017, the BCBS finalised reforms to the Basel III capital standards, which apply to internationally active banks, while giving national supervisors discretion to apply prudential standards to banks that are not internationally active. Following this, the MAS has confirmed that it will not proceed with the proposed amendments to MAS Notice 1111. The existing risk-based capital requirements under the MAS Notice 1111 will continue to apply to Singapore-incorporated merchant banks.

The MAS will consider the appropriateness of the revised Basel capital standards for merchant banks, and consult the industry on any proposed revisions.

MAS consults on outsourcing by banks and merchant banks

The MAS has launched a public consultation on outsourcing by banks and merchant banks.

In September 2014, the MAS consulted on a proposed outsourcing notice setting out minimum standards for financial institutions' (FIs') management of outsourcing arrangements. The proposed requirements were in line with the MAS' expectation that an FI is to manage outsourcing arrangements as if the services were conducted by the FI.

Taking into consideration the feedback received, and the variation in scale and nature of how outsourcing is utilised by different classes of FIs, the MAS will adopt a more targeted approach to implementing the proposed outsourcing notice by issuing requirements for each class of FIs within the MAS' regulatory purview.

The MAS proposes to issue an outsourcing notice for banks and an outsourcing notice for merchant banks that will set out identical requirements for banks and merchant banks in respect of outsourcing arrangements which are material.

In this connection, the MAS is seeking comments on, amongst other things:

- the proposed amendment to the Banking Act to strengthen the MAS' oversight of outsourcing arrangements of banks;
- the proposal to strengthen the MAS' oversight of outsourcing arrangements of merchant banks;
- the proposed repeal of MAS Notice 634 and MAS Notice 1108, and the proposed requirement that banks and merchant banks must comply with the relevant Outsourcing Notice before they may disclose customer information to their service provider;
- the proposed revision to the definition of 'outsourcing arrangement' and the types of outsourcing arrangements to be considered a 'material outsourcing arrangement'; and
- the proposed transition period of 12 months.

The consultation closes on 8 March 2019.

MAS consults on proposed amendments to Banking Act

The MAS has launched a public consultation on proposed amendments to the Banking Act. The proposed amendments are aimed to strengthen the licensing and regulation of banks and credit card or charge card licensees, formalise existing supervisory requirements, and clarify other technical and administrative issues.

Amongst other things, the MAS is seeking comments on the following:

- the proposed expansion of grounds for revocation of bank licences;
- the powers for the MAS to approve 20 percent controllers and certain key appointment holders, and to remove certain key appointment holders, of credit card or charge card licensees;
- the proposed revision to the requirement for auditors to report material adverse developments affecting the banks' financial soundness to the MAS;
- the proposal that banks publish a notification statement in the local newspapers with the required content, if they opt to publish their accounts on their internet websites;
- the list of amendments set out in rows 7 to 12 of Annex B; and
- the draft legislative amendments set out in Annex C.

The consultation closes on 8 March 2019.

RECENT CLIFFORD CHANCE BRIEFINGS

Final Transitional Period Under DFS Cybersecurity Regulations Ends March 1, 2019

The New York State Department of Financial Services (DFS) reminded regulated entities last week that the final transitional period for DFS's Cybersecurity Regulations ends March 1, 2019. By that date, banks, insurance companies, and other financial service providers regulated by DFS will be expected to be fully compliant with DFS's Cybersecurity Regulations.

This briefing discusses the requirements.

https://www.cliffordchance.com/briefings/2019/02/final_transitionalperiodunderdfscybersecurit.html

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