

INTERNATIONAL REGULATORY UPDATE 04 – 08 NOVEMBER 2019

- **Securitisation Regulation: RTS on homogeneity of underlying exposures published in Official Journal**
- **EU Commission publishes results of supervisory reporting fitness check**
- **Working group on euro risk-free rates publishes recommendations for fallback provisions in contracts referencing EURIBOR**
- **Capital Markets Union: EU Council adopts reforms on benchmarks, investment firms, covered bonds, sustainability disclosures and SME growth markets**
- **NPLs: EBA reports on progress in banks' asset quality**
- **EBA publishes 2020 EU-wide stress test methodology and draft templates**
- **MiFID2: ESMA consults on position limits in commodity derivatives**
- **Islamic Financial Services Board consults on revised capital adequacy standard**
- **Equator Principles Association sets out results of consultation on EP4**
- **FCA writes open letter to fund managers on effective liquidity management**
- **MiFID2: FCA publishes statement on inducements and research**
- **French decree on intermediaries in banking operations and payment services published**
- **Prospectus Regulation: CONSOB issues notice regarding ESMA guidelines on risk factors**
- **Shareholder Rights Directive 2: Consob consults on proposed implementing provisions**
- **CRR: Bank of Spain issues circular on threshold of significance of overdue credit obligations**
- **FinSA and FinIA to come into effect on 1 January 2020**
- **HKMA issues circular to provide guidance on use of artificial intelligence applications**
- **SFC adopts new approach to virtual asset trading platforms**

Clifford Chance's International Regulatory Update is a weekly digest of significant regulatory developments, drawing on our daily content from our Alerter: Finance Industry service.

To request a subscription to our Alerter: Finance Industry service, please email [Online Services](#).

If you would like to know more about the subjects covered in this publication or our services, please contact:

International Regulatory Group Contacts

[Chris Bates](#) +44 (0)20 7006 1041

[Gareth Old](#) +1 212 878 8539

[Marc Benzler](#) +49 69 7199 3304

[Steven Gatti](#) +1 202 912 5095

[Paul Landless](#) +65 6410 2235

[Mark Shipman](#) + 852 2826 8992

[Donna Wacker](#) +852 2826 3478

International Regulatory Update Editor

[Joachim Richter](#) +44 (0)20 7006 2503

To email one of the above, please use `firstname.lastname@cliffordchance.com`

Clifford Chance LLP,
10 Upper Bank Street,
London, E14 5JJ, UK
www.cliffordchance.com

- **National Assembly passes legislation regarding implementation of Asia Region Funds Passport**
- **Korean government establishes legal basis to promote peer-to-peer lending**
- **National Assembly passes new legislation on financial benchmarks**
- **Banking (Amendment) Bill 2019 moved for first reading in Singapore Parliament**
- **Recent Clifford Chance briefings: EU sustainable finance action plan, Shareholders' Rights Directive, and more. Follow this link to the briefings section**

Securitisation Regulation: RTS on homogeneity of underlying exposures published in Official Journal

[Delegated Regulation \(EU\) 2019/1851](#) setting out regulatory technical standards (RTS) on the homogeneity of the underlying exposures for both asset-backed commercial paper (ABCP) and non-ABCP securitisations has been published in the Official Journal.

The RTS set out asset categories as well as a list of homogeneity factors available for the majority of the asset categories, reflecting market practice. Homogeneity is a key element in investors' assessment of the underlying risks and assists investors in performing their due diligence.

The Delegated Regulation will enter into force on 26 November 2019.

EU Commission publishes results of supervisory reporting fitness check

The EU Commission has published the findings of its [fitness check](#) of EU supervisory reporting requirements in the financial sector. The review, announced in October 2017, assessed whether reporting objectives are set correctly, whether the requirements meet the objectives, whether they are consistent across the different legislative acts, and whether the costs and burden of supervisory reporting are reasonable and proportionate.

Amongst other things, the review found that:

- EU supervisory reporting requirements have improved supervisors' ability to monitor systemic risk in the single market and any developments that might pose a risk to financial stability;
- the requirements are used by supervisors to address market abuse and other risks to market integrity and investor protection, allowing supervisors to conduct more detailed and accurate data analyses of the supervised entities;
- benefits of the EU's supervisory reporting requirements are difficult to quantify, and a quantitative comparison of costs and benefits is not possible;
- reporting is not as efficient as it could be, and there are problems with coherence between reporting frameworks; and

- requirements are not consistent across reporting frameworks, adversely impacting efficiency and the quality and usability of the data.

The fitness check concludes that EU-level supervisory reporting requirements are broadly effective but that problems remain in the development process, adoption, set-up and implementation of the requirements.

The fitness check has identified a number of areas for further work:

- improving the design of Level 1 legislation and clear and consistent empowerments for the European Supervisory Authorities (ESAs) to develop the necessary technical standards and better consideration of timelines;
- a possible further review of what data supervisors need, for what purpose and what data they already have access to;
- a greater use standards, including for identifiers and data formats;
- increased coordination and cooperation between stakeholders, from the early design phase to data sharing between authorities; and
- the potential for technological developments (RegTech and SupTech) to provide new opportunities to collect, transmit, access and process large amounts of data more efficiently and effectively.

Working group on euro risk-free rates publishes recommendations for fallback provisions in contracts referencing EURIBOR

The working group on euro risk-free rates has published a [set of recommendations](#) for fallback provisions in contracts for cash products and derivative transactions referencing EURIBOR.

The recommendations support compliance with the EU Benchmarks Regulation (BMR) and are intended to enhance legal and commercial certainty. Amongst other things, the working group recommends that:

- market participants incorporate fallback provisions in all new financial instruments and contracts referencing EURIBOR;
- legacy financial instruments and contracts referencing EURIBOR that were entered into after 1 January 2018 and fall within the scope of the BMR should be covered by robust written plans prepared by supervised entities;
- for legacy contracts which do not contain appropriately worded fallback provisions, to the extent practicable, market participants should introduce EURIBOR fallback provisions or enhance existing provisions when such financial instruments and contracts are next amended or updated; and
- where no specific fallback provisions are recommended, market participants may wish to consider including generic language in their fallback provisions.

Capital Markets Union: EU Council adopts reforms on benchmarks, investment firms, covered bonds, sustainability disclosures and SME growth markets

The EU Council has adopted a set of legislative reforms, which are intended to help progress towards the Capital Markets Union, including:

- a [regulation on sustainability-related disclosures in the financial services sector](#);
- a [regulation amending the Benchmarks Regulation as regards EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks](#);
- a [regulation](#) and [directive](#) on new prudential requirements and supervisory arrangements for investment firms;
- a [regulation](#) and [directive](#) on new rules regarding harmonised product requirements and the supervision of covered bonds; and
- a [regulation on SME growth markets](#).

The texts are expected to be signed during the week of 25 November 2019 and published in the Official Journal shortly thereafter.

NPLs: EBA reports on progress in banks' asset quality

The European Banking Authority (EBA) has published a [report](#) on trends in asset quality of the EU banking sector and taking stock of progress made on tackling non-performing loans (NPLs).

The EBA reports on a significant improvement over the last four years and identifies three pillars that determined the overall reduction in NPLs:

- supervisory attention and political determination to address the NPL issue effectively;
- banks' efforts to enhance their NPL management capabilities; and
- positive economic growth, lower unemployment, low interest rates and positive development in EU real estate markets.

The EBA notes that dispersion of NPL ratios across countries remains wide, and that countries with high NPL ratios have a larger share in past-due buckets of one year and more. Older NPLs are harder to cure, considerably devalued and pose a significant risk to those banks that have an increased share of assets on their balance sheets.

The report takes stock of ongoing initiatives to tackle NPLs both at EU and at Member State level and indicates possible areas where further action is needed.

EBA publishes 2020 EU-wide stress test methodology and draft templates

The EBA has published the [final methodology](#) and [draft templates](#) for the 2020 EU-wide stress tests along with the key milestones of the exercise. The methodology and templates cover relevant risk areas and incorporate feedback received during the discussion with the industry in the summer of 2019.

Similar to the 2018 exercise, the 2020 EU-wide stress test is a bottom-up exercise with constraints, including a static balance sheet assumption. The

exercise is primarily focused on the assessment of the impact of risk drivers on the solvency of banks.

A draft version of the stress test templates has also been published, along with a [template guidance document](#). The draft templates can still be subject to minor technical adjustments before final publication.

The stress test exercise will be formally launched in January 2020 and the results published by 31 July 2020.

MiFID2: ESMA consults on position limits in commodity derivatives

The European Securities and Markets Authority (ESMA) has launched a [consultation](#) on position limits and position management in commodity derivatives.

Under MiFID2, the EU Commission is required to report to the Parliament and Council on the impact of position limits and position management on liquidity, market abuse and orderly pricing and settlement conditions in commodity derivatives markets.

Building on responses to ESMA's May 2019 call for evidence, the consultation provides an initial assessment of the impact of position limits and position management on commodity derivatives markets and seeks feedback on ESMA's proposed amendments to the existing regime.

The consultation also seeks feedback on ESMA's proposal to revise the technical advice provided to the Commission on the delegated acts to be adopted under MiFID2 on position reporting by categories of position holders by revising the minimum number and size of open positions to be met by commodity derivatives, emission allowances and derivatives to be subject to weekly position reports by the relevant trading venue.

ESMA expects to deliver a final report to the Commission by end-March 2020.

Islamic Financial Services Board consults on revised capital adequacy standard

The Islamic Financial Services Board (IFSB) has launched a consultation on its [exposure draft](#) on a revised capital adequacy standard (ED-RCAS) for institutions offering Islamic banking services (IIFS).

The IFSB intends to align the IFSB capital adequacy standard (IFSB-15) with global capital standards; particularly the Basel III final reforms. The ED-RCAS includes enhancements to the IFSB-15, with the aim of making it more comprehensive and in tune with global best practice in terms of regulatory capital adequacy framework. The ED-RCAS also aims to:

- assist IIFS and their supervisory authorities in the implementation of a capital adequacy framework that will ensure effective coverage of risk exposures of IIFS and allocation of appropriate capital to cover these risks;
- provide enhanced guidance on the maintenance of high-quality regulatory capital components by IIFS, which comply with Shari'ah rules and principles;
- enhance the guidance provided by the earlier IFSB capital adequacy standards;

- provide enhanced guidance on the capital adequacy treatment of an IIFS's involvement in Sukuk issuance and securitisation processes in various capacities;
- address some specific concerns in the course of implementation of the earlier IFSB capital adequacy standards and guidance notes; and
- adapt international best practices relating to capital adequacy for IIFS.

Comments are due by 2 January 2020.

Equator Principles Association sets out results of consultation on EP4

The Equator Principles Association has published a [report](#) setting out the key findings and recommendations arising from its consultation on the draft text of the Equator Principles four (EP4).

The EPs are intended to serve as a common baseline and framework for financial institutions to identify, assess and manage environmental and social risks of project finance and certain corporate loan transactions. The EP4 draft text proposed changes in four key areas:

- the scope of applicability of the EPs;
- applicable standards in designated vs. non-designated countries;
- human rights and social risk; and
- climate change.

For each topic, the consultation sought feedback from stakeholders on the ambition level, clarity of language, feasibility, and adoptability of the proposed changes. BSR, the non-profit organisation running the consultation on behalf of the Equator Principles Association, then made recommendations to the Association in light of the feedback.

Amongst other things, respondents:

- were supportive of the goal of expanding the scope of the EPs to cover a larger quantity of bank transactions;
- questioned whether there was a need to distinguish between designated and non-designated countries;
- expressed concern about the feasibility of the application of the International Finance Corporation (IFC)'s performance standards to designated countries on a subjective basis;
- recommended that the EPs adopt the United Nation's guiding principles on business and human rights as an overarching standard;
- requested that Principle 6 (Grievance Mechanism) was better aligned with international best practice;
- called for further expansion in the area of climate change; and
- requested clarification in a number of areas, such as definitions and the application of certain principles.

The Equator Principles Association intends to launch the final EP4 in Q4 2019.

FCA writes open letter to fund managers on effective liquidity management

The Financial Conduct Authority (FCA) has published an [open letter](#) to the chairs of authorised fund managers (AFMs) regarding effective liquidity management. The letter urges AFMs to ensure that their open-ended funds are able to fulfil redemption requests from investors through suitable portfolio compositions, effective fund governance and investors' redemption rights, and by using liquidity tools appropriately, particularly during times of market volatility and stress.

In September 2019 the FCA published PS19/24 on illiquid assets and open-ended funds, which outlined measures to strengthen the regulatory framework. Although the new rules introduced in PS19/24 do not come into force until September 2020, the letter asks AFMs to consider whether it would be in investors' interests to adopt some of the measures, such as improved liquidity management, ahead of their in force date.

The letter asks AFMS to consider their obligations on portfolio composition, asset eligibility, and liquidity management, and to review their fund's liquidity management arrangements against the FCA's February 2016 good practice paper on liquidity management for investment firms.

MiFID2: FCA publishes statement on inducements and research

The FCA has issued a [statement](#) welcoming the extension of the US Securities and Exchange Commission's (SEC's) no-action relief relating to MiFID2 inducements and research provisions.

The SEC has extended its staff 'no action letter', which addresses the potential conflict between US legislation and MiFID2, until 3 July 2020. Broker-dealers subject to the US regime may receive payments for unbundled research from firms subject to MiFID2 or equivalent rules of EU Member States without being considered an investment adviser under US law under the extended period of no-action relief. This will also apply to UK firms in the event of the UK withdrawing from the EU before or during the extended period.

The FCA plans to carry out further work within the next two years to assess firms' ongoing compliance with its rules and developments in the market for research.

French decree on intermediaries in banking operations and payment services published

A French [decree](#) relating to intermediaries in banking operations and payment services (IOBSPs) has been published in the French Official Journal. The decree broadens the type of entities IOBSPs may conduct business with.

The decree, adopted pursuant to the French loi Pacte, amends certain provisions of the Monetary and Financial Code regarding IOBSPs in order to enable them to deal with crowdfunding platforms, insurance companies (in the context of their lending activities) and management companies (in the context of their AIF management activities).

The decree entered into force on 31 October 2019.

Prospectus Regulation: CONSOB issues notice regarding ESMA guidelines on risk factors

On 1 October 2019, ESMA published its guidelines on risk factors under the Prospectus Regulation on its website in all the official EU languages. The guidelines are intended to encourage adequate, targeted and more optimised disclosure of risk factors in an easily analysable, succinct and understandable form, by assisting the competent authorities in their examination of the specificity and relevance of risk factors and their categorisation.

In accordance with paragraph 3 of Article 16 of the ESMA Regulation ((EU) No 1095/2010), Consob has now notified ESMA of its [compliance with these guidelines](#), integrating them into its supervisory practices.

Shareholder Rights Directive 2: Consob consults on proposed implementing provisions

The Italian Legislative Decree (no. 49/2019) transposing the Shareholder Rights Directive 2 (SHRD 2), which amends Directive 2007/36/EC regarding the encouragement of the long-term commitment of shareholders, into Italian primary legislation has been published.

In order to complete the process of implementation of SHRD 2, Consob has been mandated, within 180 days of the above Legislative Decree coming into force, to adopt second level provisions with a view to updating its existing regulations.

The new set of proposed provisions will consolidate and amend the following Consob regulations:

- Regulation no. 11971/1999 on issuers;
- Regulation no. 20249/201 on markets;
- Regulation no. 17221/2010 on related parties.

Comments are due by 1 December 2019.

CRR: Bank of Spain issues circular on threshold of significance of overdue credit obligations

The Bank of Spain has published its [Circular 3/2019](#), of 22 October 2019, exercising the power conferred by the Capital Requirements Regulation (CRR) to define the threshold of significance of overdue credit obligations for credit institutions of lesser significance.

On 21 November 2018, the European Central Bank (ECB) adopted Regulation (EU) No 2018/1845 on the exercise of the power provided for in Article 178(2)(d) of the CRR to define the threshold of significance of overdue obligations. The provisions of the regulation apply exclusively to significant institutions under the direct supervision of the ECB.

The Bank of Spain circular is applicable to less significant Spanish credit institutions under the direct supervision of the Bank of Spain and intended to complete the legal framework. The significance threshold is based on two components: (i) a limit of the sum of all aggregate amounts of the overdue credit obligations of the relevant debtor against the credit institution, and (ii) a limit of the amount of the overdue credit obligation in relation to the aggregate debt exposure of such debtor in the balance of the credit institution.

The circular entered into force on 11 November 2019.

FinSA and FinIA to come into effect on 1 January 2020

The Federal Council has set the [effective date](#) for the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) and their implementing ordinances to 1 January 2020.

The FinSA contains provisions regarding the offering of securities and other financial instruments, as well as on providing financial services. It also makes it easier for clients to assert their legal claims. The FinIA will introduce coordinated supervision for the various categories of financial institutions (portfolio managers, managers of collective assets, fund management companies and securities firms). Parliament adopted the acts in June 2018.

The implementing provisions for the FinSA and the FinIA are contained in the Financial Services Ordinance (FinSO), the Financial Institutions Ordinance (FinIO) and the Supervisory Organisation Ordinance (SOO).

HKMA issues circular to provide guidance on use of artificial intelligence applications

The Hong Kong Monetary Authority (HKMA) has issued a [circular](#) to provide guidance to the banking industry on the use of artificial intelligence applications. The circular sets out high-level principles on artificial intelligence, which have been developed having regard to sound industry practices and similar principles formulated by leading overseas authorities.

The HKMA conducted a survey in the third quarter of 2019 on the use of artificial intelligence by banks and noted that:

- many banks are adopting or planning to adopt artificial intelligence applications;
- the scope of artificial intelligence usage is expanding from customer-facing services (e.g. chatbots and personalised marketing) to internal processes and risk management areas (e.g. operational automation, cyber and fraud risk management); and
- the growing use of artificial intelligence presents not only opportunities but also new risk management challenges to banks.

The HKMA expects banks to take the principles set out in the circular into account when designing and adopting their artificial intelligence and big data analytics applications. It also advises banks to apply these principles in a proportionate manner that reflects the nature of their artificial intelligence applications and the level of risks involved.

The HKMA has indicated that, as international regulatory standards and industry developments regarding the use of artificial intelligence are evolving rapidly, it will keep the principles under periodic review and provide further guidance to banks as and when appropriate. Specifically, the HKMA plans to issue separate guidance on the principles relating to consumer protection aspects involved in the use of artificial intelligence applications.

SFC adopts new approach to virtual asset trading platforms

The Securities and Futures Commission (SFC) has issued a [position paper](#) to set out a new regulatory framework for virtual asset trading platforms. The

new regulatory framework is aligned with the recommendations of international standard setting bodies and intended to help investors identify trading platforms which agree to be regulated or supervised.

The position paper emphasises that the SFC will only grant licences to platform operators which are capable of meeting robust regulatory standards. These standards are comparable to those which apply to licensed securities brokers and automated trading venues but also incorporate additional requirements to address specific risks associated with virtual assets.

Under the new regulatory framework, platforms which operate in Hong Kong and offer trading of at least one security token may now apply to be licensed by the SFC. In addition, licensed platforms will be placed in the SFC Regulatory Sandbox for a period of close and intensive supervision. The SFC has no power to grant a licence to or supervise platforms which only trade virtual assets or tokens which do not qualify as securities under Hong Kong law.

The SFC has clarified that virtual assets traded on licensed platforms will not be subject to the same kind of regulation which applies to traditional offerings of securities or collective investment schemes.

The SFC has also issued a [statement](#) warning investors about the risks associated with the purchase of virtual asset futures contracts, on the basis that they are largely unregulated, highly leveraged and subject to extreme price volatility.

National Assembly passes legislation regarding implementation of Asia Region Funds Passport

The Financial Services Commission (FSC) has [announced](#) that the National Assembly has passed its proposal to revise the Financial Investment Services and Capital Markets Act for the implementation of the Asia Region Funds Passport (ARFP). The ARFP is a multilateral framework to support the development of an Asian region funds management industry by introducing streamlined processes for registering passport funds in different member economies.

The revised law is intended to improve market access for both domestic fund managers looking to offer passport funds offshore and foreign fund managers wanting to offer passport funds in Korea. Under the revision, publicly offered local funds can apply to be registered as a passport fund in Korea, and they will be eligible to offer them in other member economies. Conversely, foreign passport funds, which will be subject to local laws and regulations, can apply to offer their funds in Korea after a simplified registration process.

The FSC has indicated that the revision to implement the ARFP will take effect six months after its public announcement.

Korean government establishes legal basis to promote peer-to-peer lending

The FSC has [announced](#) that the National Assembly has passed an Act on online investment-linked financing. The new legislation is intended to remove the legal uncertainties on peer-to-peer lending, promote the stable development of the peer-to-peer lending industry and provide adequate protection for both lenders and borrowers.

The new legislation establishes a legal basis for the operation of peer-to-peer lending businesses and the regulatory oversight role of the FSC. The key provisions of the legislation set out that:

- peer-to-peer lending firms must be registered with the FSC and have at least 500 million won in capital;
- peer-to-peer lending firms must publicly disclose information related to transaction structure, financial management status, loan size, delinquency rate, etc.;
- interest on peer-to-peer loans will not exceed 24% under the Credit Business Act;
- high-risk practices, such as lending to peer-to-peer businesses and largest shareholders, lending loans prior to raising funds from investors, and maturity mismatch between investment and loan, will be prohibited;
- a peer-to-peer lending ceiling will be established for both borrowers and lenders;
- peer-to-peer lending firms will abide by a set of guidelines to provide investors with information to help make investment decision and protect investors in the event of bankruptcy or embezzlement; and
- the FSC and the FSS will assume the regulatory oversight role over the peer-to-peer lending industry.

The FSC has indicated that the specifics of the new legislation will be publicly announced before the end of 2019 in order to speed up the registration and application process for the peer-to-peer lending firms during the second half of 2020. In the meantime, the Korean government will communicate with market participants and experts in the process of determining the specifics of the enforcement decree.

National Assembly passes new legislation on financial benchmarks

The FSC has [announced](#) that the National Assembly has passed a new bill to regulate financial benchmarks. The new legislation is intended to ensure the validity and credibility of financial benchmarks in response to global regulatory moves in which major jurisdictions including the European Union are introducing regulations on financial benchmarks, and strengthen the management and supervision of financial benchmarks.

Amongst other things, the key features of the new legislation include the following:

- the designation of ‘critical benchmarks’ – the FSC may designate benchmarks that have a significant impact on financial market stability, consumer protection and the real economy as ‘critical’ benchmarks;
- administrator of critical benchmarks – the FSC may designate entities which determine, publish and provide critical benchmark as ‘administrators’;

- obligations of administrators – under this provision, administrators will be required to:
 - establish a committee to deliberate on matters regarding establishing and revising operational rules, collecting input data, calculating and determining critical benchmarks;
 - disclose details about operational rules and management of conflict of interest on their websites; and
 - review the validity of their operational rules at least every two years and disclose the results;
- cessation of provision of critical benchmarks – any administrator who intends to cease the provision of critical benchmarks for unexpected reasons will be required to post a public announcement on the reasons and the date of cessation for more than 20 days and report to the FSC six months before the date of cessation;
- obligation of users – contributors of input data and administrators will be prohibited from engaging in distortion or manipulation of input data and benchmarks and other unlawful activities; and
- inspection and punitive measures – the FSC oversees the compliance of the Financial Benchmark Act by administrators and may impose punitive measures against violations of laws such as administrative orders, punitive fines and penalties.

The FSC has indicated that the new legislation will take effect in November 2020. Meanwhile, the government will continue to work with the EU for an approval that the new legislation is deemed equivalent to the EU's Benchmark Regulation.

Banking (Amendment) Bill 2019 moved for first reading in Singapore Parliament

The [Banking \(Amendment\) Bill 2019](#) has been moved for its first reading in the Singapore Parliament.

The Monetary Authority of Singapore (MAS) consulted the industry and public on significant policy changes and draft legislative amendments for banks and merchant banks in February 2019 and May 2019 respectively. Based on the feedback received from the consultations, the MAS has made refinements, where appropriate, in finalising the Bill.

Amongst other things, the Bill is intended to amend the Banking Act to:

- remove the divide between the Domestic Banking Unit and the Asian Currency Unit for banks and merchant banks and make consequential changes to prudential requirements;
- consolidate the prudential regulation of merchant banks under the Act and subject merchant banks to a licensing regime under the Act;
- strengthen supervisory oversight over relevant services such as the outsourcing arrangements of banks and merchant banks;
- expand the grounds for revoking the licences of banks and merchant banks;

- empower the MAS to impose stable funding requirements on banks and merchant banks;
- impose on banks and merchant banks requirements with respect to their related party transactions;
- impose on credit card and charge card licensees requirements for the approval of appointment of their controllers, the chairman and board of directors, and senior management; and
- make refinements to provisions governing the disclosure of customer information.

The Banking (Amendment) Bill 2019 will come into operation on a date that the Minister appoints by notification in the Gazette.

RECENT CLIFFORD CHANCE BRIEFINGS

The EU sustainable finance action plan – status table – progress and next steps

The European Commission launched its action plan on financing sustainable growth in March 2018. This plan is comprehensive and ambitious, with three broad aims: (1) to reorient capital flows towards a more sustainable economy; (2) to maintain sustainability in risk management; and (3) to foster transparency and long-termism. These aims are scoped in further detail in 10 separate action points. Some of the action points have been more fully realised than others, but the progress made since the publication of the action plan is impressive and reflects the EU's commitment to the sustainability and low carbon transition agenda.

The breadth of the action plan and the pace of development can make tracking progress on specific points challenging.

This status table aims to draw together the different strands of the action plan and reflect progress made to date on each of the 10 action points.

<https://www.cliffordchance.com/briefings/2019/10/the-eu-sustainable-finance-action-plan-status-table-progress-and-next-steps.html>

ILPA releases its model limited partnership agreement

On 30 October 2019, the International Limited Partner Association published a model limited partnership agreement for the private equity industry. ILPA is a global organisation dedicated to advancing the interests of limited partners in private equity funds.

This briefing paper discusses the model agreement.

<https://www.cliffordchance.com/briefings/2019/10/ilpa-releases-its-model-limited-partnership-agreement.html>

UK election law – how are businesses restricted during the 2019 general election campaign?

The UK is holding a general election on 12 December 2019. UK election law regulates what individuals and companies can do and say during the period before the general election.

Many businesses will wish to discuss the potential impact of different general election outcomes with their clients and counterparties. Other businesses,

such as investment managers and investment banks, may wish to circulate research papers to a wider audience. Some businesses may wish to actively participate in the political debate and/or make donations. All of these activities may be constrained by UK election law.

This briefing paper summarises the law and asks what it means in practice for business in the run-up to the election.

<https://www.cliffordchance.com/briefings/2019/10/uk-election-law--how-are-businesses-restricted-during-the-2019-g.html>

New legislation implementing revised Shareholders' Rights Directive in the Netherlands

On 5 November 2019, a law implementing the revised Shareholders' Rights Directive was adopted by the Upper House of the Dutch Parliament. Key changes relate to the remuneration policy and disclosure thereof (regarding both managing and supervisory directors) and related party transactions. Further, it introduces certain transparency obligations for institutional investors and rules to facilitate shareholder identification. The law will take effect no later than 1 January 2020. The law mainly applies to companies incorporated under Dutch law (NVs and BVs) whose shares are admitted to trading on a regulated market in the European Union.

This briefing paper discusses the most important topics of the law and key changes to current legislation and market practice.

<https://www.cliffordchance.com/briefings/2019/11/new-legislation-implementing-revised-shareholders--rights-direct.html>

New rules will allow third-country investment firms to access Polish trading venues

Polish law sets out the rules under which investment firms from third countries (i.e. non-EU/EEA countries) may provide investment services in Poland. The parliament has adopted new regulations that will provide for the terms on which third-country firms that do not provide investment services in Poland will be able to access Polish trading venues.

This briefing paper discusses the new regulations.

<https://www.cliffordchance.com/briefings/2019/11/new-rules-will-allow-third-country-investment-firms-to-access-po.html>

To be, or not to be, a Hong Kong SFC licensed virtual asset trading platform – Some of the key regulatory requirements under the new regulatory framework

Just over a year ago, the SFC announced it was exploring a conceptual framework for the potential regulation of virtual asset (VA) trading platform operators. During the Hong Kong Fintech Week 2019 the SFC has just given the green light to grant licences to VA trading platform operators under the SFC's regulatory sandbox initiative, which is great news for the crypto industry.

The new regulatory framework will be available to VA trading platforms that operate in Hong Kong and offer trading of at least one security token. The details on the new regulatory framework and accompanying licensing conditions and terms and conditions for VA trading platforms are set out in SFC's position paper published on 6 November 2019.

This briefing note discusses some of the key regulatory requirements under the new regulatory framework.

<https://talkingtech.cliffordchance.com/en/industries/fintech/to-be--or-not-to-be--a-hong-kong-sfc-licensed-virtual-asset-trad.html>

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street,
London, E14 5JJ

© Clifford Chance 2019

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street,
London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest • Casablanca • Dubai • Düsseldorf • Frankfurt • Hong Kong • Istanbul • London • Luxembourg • Madrid • Milan • Moscow • Munich • Newcastle • New York • Paris • Perth • Prague • Rome • São Paulo • Seoul • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

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