

INTERNATIONAL REGULATORY UPDATE 09 – 13 DECEMBER 2019

- EMIR 2.2 published in Official Journal
- Green finance: Regulations on sustainability-related disclosures in financial services sector and on low carbon benchmarks published in Official Journal
- CRR: Commission Implementing Regulation with regard to closely correlated currencies published in Official Journal
- Capital Markets Union: SME growth markets regulation published in Official Journal
- Sustainable Finance: EU Commission adopts European Green Deal
- Brexit: EU Commission publishes amendments to equivalence decision for UK CCPs
- ELTIF Regulation: ESMA issues final report on costs disclosure requirements
- ESMA publishes briefing on recognition of third-country benchmark administrators
- ESMA reports on treatment of suspicious transaction and order reports under MAR
- CRR: ESMA amends standard on main indices and recognised exchanges
- ESMA consults on procedural rules for imposing penalties on supervised entities
- EBA consults on amended standards for internal models benchmarking
- FSB reports on financial stability implications of BigTech and cloud services in finance
- CPMI reports on wholesale digital tokens
- Basel Committee consults on prudential treatment of cryptoassets
- FCA extends SM&CR to solo-regulated firms
- FCA publishes final rules on transferring assets between investment platforms
- CSSF launches survey on amount of covered deposits as of 31 December 2019

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- **CSSF issues communiqué on SCA requirements for e-commerce card payment transactions**
- **CSSF issues press release regarding PRIIPs assessment**
- **ACM consults on draft guidelines on protection of online consumers**
- **WIBID and WIBOR documentation adjusted to Benchmarks Regulation**
- **CNMV issues modified circular on liquidity contracts**
- **FINMA issues risk report**
- **SFC and HKMA issue joint circular regarding launch of annual survey on sale of non-exchange traded investment products**
- **FSC finalises measures to strengthen investor protection with regard to high-risk investment products**
- **Subsidiary legislation in respect of existing legislation to effect objectives of Payment Services Act 2019 gazetted**
- **Instruments issued under Payment Services Act 2019 finalised and published**
- **Recent Clifford Chance briefings: AMLD5, and the IFR/IFD regime. Follow this link to the briefings section**

EMIR 2.2 published in Official Journal

[Regulation \(EU\) 2019/2019](#) amending Regulation (EU) 648/2012 as regards the procedures and authorities involved for the authorisation of central counterparties (CCPs) and requirements for the recognition of third-country CCPs (EMIR 2.2) has been published in the Official Journal.

The Regulation will enter into force on 1 January 2020.

Green finance: Regulations on sustainability-related disclosures in financial services sector and on low carbon benchmarks published in Official Journal

[Regulation \(EU\) 2019/2088](#) on sustainability-related disclosures in the financial services sector and [Regulation \(EU\) 2019/2089](#) amending Regulation (EU) 2016/1011 with regard to EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks have been published in the Official Journal.

The regulation on sustainability-related disclosures introduces disclosure obligations on how institutional investors and asset managers integrate environmental, social and governance (ESG) factors in their risk processes. It will enter into force on 29 December 2019 and will apply from 10 March 2021.

Among other things, the low carbon benchmarks regulation extends the transitional period for critical and third country benchmarks until 31 December 2021. It entered into force on 10 December 2019.

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

[Commission Implementing Regulation \(EU\) 2019/2091](#) amending Implementing Regulation (EU) 2015/2197 laying down implementing technical standards (ITS) with regard to closely correlated currencies under the Capital Requirements Regulation (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 29 December 2019.

Capital Markets Union: SME growth markets regulation published in Official Journal

[Regulation \(EU\) 2019/2115](#) amending MiFID2, the Market Abuse Regulation (MAR) and the Prospectus Regulation as regards the promotion of the use of SME growth markets has been published in the Official Journal.

The regulation enters into force on 31 December 2019, and will apply from that date, except for the amendments to MAR in Article 1, which will apply from 1 January 2021.

Sustainable Finance: EU Commission adopts European Green Deal

The EU Commission has agreed on a [European Green Deal package](#) containing a number of initiatives aimed at making the EU carbon neutral by 2050.

Among these initiatives the EU Commission intends to present a revised sustainable finance strategy by Autumn 2020 focused on:

- strengthening the foundations for sustainable investment with the adoption of a taxonomy to classify environmentally sustainable activities;
- identifying sustainable investments and ensuring that they are credible by developing an EU green bond standard; and
- integrating climate and environmental risks into the financial system.

The EU Commission also intends to create the first European Climate Law by March 2020 to enshrine the 2050 climate neutrality objective in legislation.

As well as building on the International Platform on Sustainable Finance to attract more international investors, another key initiative set out by the European Green Deal is to present a Sustainable Europe Investment Plan to help support sustainable investments.

Brexit: EU Commission publishes amendments to equivalence decision for UK CCPs

The EU Commission has published draft amendments to Commission Implementing Decision (EU) 2018/2031 establishing temporary equivalence for the UK legal and supervisory frameworks for central counterparties. The modified Decision will now expire 12 months after a no-deal Brexit.

The Commission is expected to adopt the [draft Implementing Decision](#) within the next week and publication in the Official Journal is expected shortly thereafter.

ELTIF Regulation: ESMA issues final report on costs disclosure requirements

The European Securities and Markets Authority (ESMA) has published its [final report](#) on draft regulatory technical standards (RTS) to determine the costs disclosure requirements applicable to European long term investment fund (ELTIF) managers.

The final report gives an overview of the responses received to ESMA's March 2019 consultation on the draft RTS.

Because the draft RTS depend to a large extent on the cost section of the packaged retail and insurance-based investment products (PRIIPs) key information document (KID) which is currently being revised in the context of the review of the PRIIPs Delegated Regulation, the report does not include ESMA's final proposal for the draft RTS.

Once the review of the PRIIPs Delegated Regulation has concluded, ESMA will assess the most appropriate way to finalise the draft RTS and consider whether a second consultation on revised proposals is needed.

ESMA publishes briefing on recognition of third-country benchmark administrators

ESMA has published a [briefing](#) on the implementation of the recognition regime for benchmark administrators located in a third country without an equivalence decision under Article 32 of the Benchmarks Regulation.

The briefing aims to clarify:

- the determination of the Member State of Reference (MSR), including the use of the Financial Instruments Reference Database System (FIRDS) to identify the MSR where an administrator does not have affiliated supervised entities in the EU; and
- that the requirement for a cooperation arrangement to be in place between the administrator's home state supervisor and the competent authority in the EU MSR only applies to administrators which are subject to supervision in relation to their activity in provision of benchmarks.

ESMA notes that the briefing may be updated with additional topics.

ESMA reports on treatment of suspicious transaction and order reports under MAR

ESMA has published a [peer review report](#) on the supervision and enforcement of suspicious transaction and order report (STOR) requirements by national competent authorities (NCAs) under the Market Abuse Regulation (MAR). Under MAR, all investment firms, trading venues and individuals professionally arranging or executing transactions must submit STORs to their NCA so that the NCAs can analyse suspicious behaviour and promptly investigate possible cases of insider dealing or market manipulation.

Amongst other things, ESMA reports that the number of STORs submitted has increased significantly from 4,634 in 2016 (after MAR was introduced in July 2016), to 10,653 in 2017 and 11,130 in 2018. ESMA therefore calls on

national supervisors to do more to ensure financial participants assist in combatting market abuse. In its assessment of the NCAs' STOR supervision, ESMA found that, overall, the authorities are effective in their analysis of suspected market abuse reported in STORs but could do more to:

- ensure that all financial players subject to the STOR requirements, including wholesale market participants such as asset managers, are complying with the STOR requirements; and
- increase their focus on suspected non-reporting or poor reporting of STORs including, where appropriate, enforcing and sanctioning non-compliance.

CRR: ESMA amends standard on main indices and recognised exchanges

ESMA has published a [final report](#) on draft amendments to Implementing Regulation (EU 2016/1646), specifying the main indices and recognised exchanges under the CRR relevant to credit institutions and investment firms subject to prudential requirements and trading venues.

The amendments are intended to ensure that the most relevant criteria are applied to specify the main indices, and that the list of recognised exchanges is updated to reflect legislative and market structure changes.

The amended ITS provides for a new methodology to ensure that the main indices captured comprise instruments that are sufficiently liquid, and therefore can serve as adequate eligible collateral. In addition, ESMA's amendment will provide credit institutions and investment firms with the option to use, as eligible collateral, instruments traded on new European exchanges, as well as instruments traded on third-country exchanges, from those jurisdictions for which the EU Commission has adopted equivalence decisions under Article 25(4) of MiFID2 as now required under CRR2.

The EU Commission has three months to decide whether to endorse the amendments.

ESMA consults on procedural rules for imposing penalties on supervised entities

ESMA has launched a [consultation](#) on future procedural rules regarding penalties for third-country central counterparties (TC-CCPs), trade repositories (TRs) and credit rating agencies (CRAs).

The consultation deals with specific aspects of the procedural rules for imposing fines and penalties on TC-CCPs, TRs and CRAs, with the aim of aligning the three sets of rules.

ESMA is seeking feedback on a future technical advice on the rules to impose penalties and fines on TC-CCPs, TRs and CRAs, which builds on the existing enforcement framework regarding TRs and CRAs.

Comments are due 18 January 2020. ESMA intends to publish a final report and to submit the advice to the EU Commission in Q1 2020.

EBA consults on amended standards for internal models benchmarking

The European Banking Authority (EBA) has published a [consultation](#) on proposed draft amendments to the EU Commission's Implementing

Regulation on benchmarking of internal models. The draft ITS would adjust the benchmarking portfolios and reporting requirements in view of the planned 2021 EBA benchmarking exercise. The proposed changes relate to the introduction of IFRS 9 benchmarking templates amongst other topics.

Comments on the consultation are due by 13 February 2020.

FSB reports on financial stability implications of BigTech and cloud services in finance

The Financial Stability Board (FSB) has published two reports on the potential financial stability implications of the increasing involvement of BigTech firms in financial services and the use of cloud computing and data services for a range of functions at financial institutions.

In its [report on BigTech firms](#), the FSB notes that their entry into the market has numerous benefits, such as driving innovation, diversification and efficiency in the provision of financial services and increasing financial inclusion for emerging markets and small and medium-sized enterprises. However, BigTech firms also pose risks to financial stability. These include similar risks to those posed by traditional financial firms, such as operational risks and those associated with leverage, maturity transformation and liquidity mismatches. Rapid growth and subsequent market domination is another key risk, facilitated by BigTechs' access to significant resources and customer data. The FSB calls on regulators and supervisors to be mindful of the need for additional financial regulation and/or oversight of BigTech firms, and of their potential impact on the business models of incumbent firms.

In its [report on financial institutions' use of third-party cloud service providers](#), the FSB emphasises the benefits cloud services can bring, including allowing financial institutions to scale more quickly and operate more flexibly, and improving their resilience by creating geographically dispersed infrastructure and investing heavily in security. The challenges posed by cloud services include operational, governance and oversight risks, particularly in a cross-border context, and the difficulty of assessing whether the services are compliant with legal and regulatory obligations. The FSB concludes that the use of cloud services does not pose an immediate financial stability risk but that further work could be done among authorities to assess:

- the adequacy of regulatory standards and supervisory practices for outsourcing arrangements;
- authorities' ability to coordinate and cooperate when considering the use of cloud services by financial institutions; and
- the current standardisation efforts to ensure interoperability and data portability in cloud environments.

CPMI reports on wholesale digital tokens

The Committee on Payments and Market Infrastructures (CPMI) has published a [report](#) on the role of digital tokens as a means of settling wholesale transactions. Several potential applications for wholesale tokens are already being explored by the private sector. These include the use as an alternative payment method or for the payment leg of transactions involving other digital assets. The CPMI's report focuses in particular on digital tokens issued by identifiable issuers and denominated in sovereign currency, rather than stablecoins used for retail payments.

The report sets out some potential design choices for new digital token arrangements. It also highlights some key issues token developers should consider, including those surrounding availability, issuance and redemption, access, underlying assets/funds and claims, transfer mechanisms, privacy and regulatory compliance and interoperability.

Basel Committee consults on prudential treatment of cryptoassets

The Basel Committee on Banking Supervision (BCBS) has published a [discussion paper](#) on a range of issues related to the prudential regulatory treatment of cryptoassets. It notes that, given the immaturity, lack of standardisation, volatility and rapid growth of cryptoassets as an asset-class, they and their related services have the potential to impact financial stability and increase the risks faced by banks. The BCBS is seeking views on:

- the defining technological and economic features of cryptoassets and the different ways by which they derive their value;
- possible ways (direct and indirect) in which banks could be exposed to cryptoassets;
- general principles to guide the design of a prudential treatment for banks' cryptoasset exposures; and
- the BCBS's illustrative example of a potential prudential treatment for high-risk cryptoassets.

Comments are due by 13 March 2020.

FCA extends SM&CR to solo-regulated firms

The Financial Conduct Authority (FCA) has extended the [Senior Managers & Certification Regime \(SM&CR\) to solo-regulated firms](#).

From 9 December 2019 the SM&CR has applied to all FCA solo-regulated firms authorised under the Financial Services and Markets Act 2000 (FSMA), as well as EEA and third-country branches, meaning firms must:

- ensure all relevant staff are trained on the Conduct Rules;
- ensure all staff in certified roles are fit and proper to perform that role and are issued with a certificate; and
- submit data for the directory of certified staff and certain other individuals.

FCA publishes final rules on transferring assets between investment platforms

The FCA has published a [policy statement \(PS19/12\)](#) setting out rules that aim to make it easier for consumers to move their investments from one platform to another without cashing out.

In March 2019, the FCA issued CP19/12, which set out policy remedies from the its Investment Platforms Market Study (IPMS) that were designed to reduce the barriers to effective competition experienced by consumers who use platforms and similar services.

PS19/12 summarises the feedback received to the March 2019 consultation and the final rules which implement the FCA's policy decisions. Following

consideration of the feedback the FCA has decided to implement the rules it consulted on without amendment.

The new rules will come into force on 31 July 2020. Firms affected by the final rules are advised to ensure that the necessary changes are made by the implementation date.

The FCA is considering responses to the discussion question on exit fees and intends to issue a formal consultation in Q1 2020.

CSSF launches survey on amount of covered deposits as of 31 December 2019

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), acting in its function as Depositor and Investor Protection Council (Conseil de Protection des Déposants et des Investisseurs) (CPDI), has issued [Circular CSSF-CPDI 19/19](#) regarding a survey on the amount of covered deposits as of 31 December 2019.

The circular is addressed to all members of the Luxembourg deposit protection scheme, the Fonds de garantie des dépôts Luxembourg (FGDL), and in particular to all credit institutions incorporated under Luxembourg law, to the POST Luxembourg, and to Luxembourg branches of non-EU/EEA credit institutions.

The collected data is intended to enable the CPDI to establish the 2020 target level of the FGDL and to determine the contributions to the buffer of additional financial means referred to in Article 180 of the amended law of 18 December 2015 on the failure of credit institutions and certain investment firms.

The average amount of covered deposits calculated quarterly will be transmitted to the Single Resolution Board by 31 January 2020 and will be used to determine the Single Resolution Fund's annual target level.

The circular reminds its addressees that the provisions of Circular CSSF-CPDI 16/02 should be taken into account, in particular with regard to the exclusions of structures assimilated to financial institutions, as well as the treatment of omnibus accounts.

CSSF issues communiqué on SCA requirements for e-commerce card payment transactions

The CSSF has [issued a communiqué](#) regarding compliance with the strong customer authentication (SCA) requirements of Commission Regulation (EU) No 2018/389 for e-commerce card payment transactions.

The communiqué makes reference to the CSSF communiqué of 30 August 2019, in which the CSSF announced that it had made use of the flexibility offered by the EBA at EU level concerning the implementation by payment service providers (PSPs) of the SCA beyond 14 September 2019 for e-commerce card payments transactions.

The CSSF has informed these PSPs that they are expected to gradually implement the SCA requirements in order to be fully compliant with the SCA requirements for e-commerce card payments transactions under the Regulation by 31 December 2020 at the latest.

The CSSF will start the expected actions foreseen by the new timetable proposed by the EBA and it will regularly monitor the state of preparation of

the Luxembourg market and the progress made to ensure that this new deadline is met.

Finally, the CSSF has reminded PSPs that the liability regime provided for in Article 74 of Directive (EU) 2015/2366 on payment services (PSD2) applies without delay, i.e. issuing and acquiring PSPs are responsible for payment transactions and it is therefore in their own interest to migrate to solutions and approaches that comply with SCA requirements in an expedited way.

CSSF issues press release regarding PRIIPs assessment

The CSSF has issued a [press release](#) announcing the release of a new feature on the eDesk portal allowing the upload of CSV files in order to facilitate the online PRIIPs assessment exercise.

The new feature is aimed at credit institutions and investment firms incorporated under Luxembourg law and Luxembourg branches of credit institutions and investment firms having their registered office in an EU country or a third country.

Detailed information regarding the upload of these files can be found in the latest version of the PRIIPs user guide for credit institutions and investment firms, available on the CSSF website.

The CSSF has also decided to extend the deadline for completing this online assessment to 31 December 2019 at the latest for PRIIPs issued, sold or advised on between 1 January 2018 (date of application of Regulation 1286/2014) and 30 June 2019.

ACM consults on draft guidelines on protection of online consumers

The Netherlands Authority for Consumers and Markets (ACM) has [published](#) draft guidelines on the protection of online consumers for public consultation. The guidelines concern the issue of consumer manipulation and focus on the question at what point persuasion of online consumers turns into deception.

The Netherlands Authority for the Financial Markets (AFM) has endorsed the main principles of the draft guidelines and stated that many of the guidelines are also relevant for financial institutions. According to the AFM, one of the current trends and risks on the (financial) markets is the practice of using collected data in order to entice customers into making certain choices or purchases, even though these choices are not always in their interests, or may even be harmful. In its guidelines, the ACM gives its interpretation of the statutory standards regarding online deception. The objective of the guidelines is the protection of online consumers and the creation of a level playing field as businesses adhere to the rules.

The ACM has invited all interested parties to submit their opinions if they have any suggestions for improvement by 16 January 2020.

WIBID and WIBOR documentation adjusted to Benchmarks Regulation

GPW Benchmark has [completed](#) its work on adjusting to the Benchmarks Regulation the documentation necessary for applying for authorisation to perform the functions of an administrator of interest rate benchmarks, including critical benchmarks, as defined in the Benchmarks Regulation.

CNMV issues modified circular on liquidity contracts

The Spanish National Securities Market Commission (CNMV) has issued [Circular 2/2019](#), of 27 November, which modifies Circular 1/2017, of 26 April, on liquidity contracts.

Regarding the daily volume limit that a financial intermediary may negotiate under a liquidity contract, a new limit applicable to contracts for companies whose shares do not have a liquid market and are traded on a regulated market through a fixing trading system or on a multilateral trading facility is set out. In addition, the CNMV may exceptionally authorise its application to contracts for issuers whose shares are traded on a regulated market through the general trading system.

With respect to the conditions that must be observed by a financial intermediary in its operations during the auction periods, the restriction on the possibility of maintaining simultaneous purchase and sale orders for shares is removed, and an obligation to adopt the necessary measures to avoid their orders crossing in the opposite direction in the auction is established.

The circular will enter into force three months after its publication in the BOE, on 10 March 2020.

FINMA issues risk report

The Swiss Financial Market Supervisory Authority (FINMA) has [published](#) its first annual risk monitor report. The report provides an overview of what FINMA believes are the most important risks currently facing supervised institutions and describes the resulting focus of its supervisory activity.

FINMA has identified six principal risks affecting supervised institutions and the Swiss financial centre:

- the persistent low interest-rate environment;
- a possible correction on the real estate and mortgage market, especially in the investment property segment;
- cyberattacks;
- a disorderly abolition of LIBOR benchmark interest rates;
- money laundering; and
- increased impediments to cross-border market access, particularly in the EU.

The report also discusses the financial risks arising from climate change as one of the most important long-term risks identified by FINMA.

The report was previously only used internally as part of a risk-assessment tool. It will appear on an annual basis from now on.

SFC and HKMA issue joint circular regarding launch of annual survey on sale of non-exchange traded investment products

The Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) have [announced](#) that they will jointly launch an annual survey on the sale of non-exchange traded investment products by licensed corporations and registered institutions licensed or registered for Type 1 or

Type 4 regulated activity. The first joint annual survey will cover the period from 1 January to 31 December 2020.

The survey is intended to enable the regulators better to understand market trends, identify risks associated with the selling activities of intermediaries and coordinate their responses to address areas of common concern.

The survey covers the sale of non-exchange traded investment products such as collective investment schemes, debt securities, structured products, swaps and repos to individual professional investors, certain corporate professional investors and investors other than professional investors. However, transactions by institutional professional investors and corporate professional investors for which intermediaries have been exempted from the suitability obligation will be outside the scope of the survey.

The regulators expect intermediaries to submit completed questionnaires to the SFC electronically in the first quarter of 2021 for the first reporting period covering 1 January to 31 December 2020. Intermediaries should plan ahead for the survey including arranging for any necessary resources and system enhancements. The regulators will issue another circular in late 2020 to provide further information about submitting the questionnaires.

Following the launch of the survey, the biennial surveys by the SFC will no longer be carried out. The HKMA will review its survey on the sale of investment products to retail banking customers and communicate with registered institutions separately where appropriate.

FSC finalises measures to strengthen investor protection with regard to high-risk investment products

The Financial Services Commission (FSC) has [announced](#) a finalised plan to strengthen investor protection with regard to high-risk investment products. Taking into account opinions from the financial industry, the finalised plan includes detailed measures and amendments to the original plan announced in November 2019.

Amongst other things, the finalised measures set out provisions regarding:

- standards for the determination of ‘highly complex’ investment products;
- validity for classification of investors by risk appetite to ensure a more up-to-date classification;
- scope of unfair sales practice;
- clarification of business scope between fund managers and sellers; and
- limited permission for banks to sell ‘highly complex’ investment products.

Subsidiary legislation in respect of existing legislation to effect objectives of Payment Services Act 2019 gazetted

The Singapore Government has gazetted the following subsidiary legislation (in respect of existing payments legislation) to effect the objectives of the Payment Services Act 2019:

- [Payment Systems \(Oversight\) \(Withdrawal of Designation of Payment System\) \(Revocation\) Order 2019](#);
- [Payment Systems \(Oversight\) \(Exclusion of Single Purpose Stored Value Facilities\) \(Revocation\) Order 2019](#);

- [Payment Systems \(Oversight\) \(Revocation\) Order 2019](#);
- [Payment Systems \(Oversight\) \(Exemption\) \(Revocation\) Regulations 2019](#);
- [Payment Systems \(Oversight\) \(Revocation\) Regulations 2019](#);
- [Money-changing and Remittance Businesses \(Cancellation\) Notification 2019](#); and
- [Money-changing and Remittance Businesses \(Revocation\) Regulations 2019](#).

The subsidiary legislation will be effective from 28 January 2020.

Instruments issued under Payment Services Act 2019 finalised and published

Following responses from the industry regarding consultations on proposed regulations, notices on prevention of money laundering and countering the financing of terrorism (ML/CFT), and other payment services notices and guidelines (including reporting and disclosure requirements, technology risk management and cyber hygiene) conducted in April 2019, June 2019, and July 2019 respectively, the following [regulations, notices and guidelines](#) have been published to effect the objectives of the Payment Services Act 2019:

- Payment Services Act 2019 (Commencement) Notification 2019, which designates 28 January 2020 (except for provisions regarding amendments to the Credit Bureau Act 2016, Financial Holding Companies Act 2013 and Insolvency, Restructuring and Dissolution Act 2018) as the commencement date of the Payment Services Act 2019;
- Payment Services Regulations 2019;
- Payment Services (Exemption for Specified Period) Regulations 2019;
- Payment Services (Singapore Dollar Cheque Clearing System and Inter-bank Giro System) Regulations 2019;
- Payment Services (Saving and Transitional Provisions) Regulations 2019;
- Payment Services (Composition of Offences) Regulations 2019;
- Notice to Payment Services Providers (Specified Payment Services) on prevention of ML/CFT (PSN01);
- Notice on prevention of ML/CFT requirements to facilitate transition of existing stored value facility holders (PSN01A);
- Notice to payment services providers (digital payment token services) on prevention of ML/CFT (PSN02);
- Notice on reporting of suspicious activities and incidents of fraud (PSN03);
- Notice on submission of regulatory returns (PSN04);
- Notice on submission of statement of transactions and profit/loss (PSN04A);
- Notice on technology risk management (PSN05);
- Notice on cyber hygiene (PSN06);
- Notice on conduct (PSN07);
- Notice on disclosures and communications (PSN08);

- Notice on specified matters and forms (PSN09);
- Notice to exempt payment service providers on prevention of ML/CFT (PSN10);
- Amendments to the E-payments user protection guidelines; and
- Amendments to FSG-G01 Guidelines on fit and proper criteria.

The above regulations, notices and guidelines are effective from 28 January 2020, except for Notices PSN06 and PSN04 which are effective from 6 August 2020 and 1 January 2021 respectively. There will also be further amendments to E-payments user protection guidelines to apply to major payment institutions and exempt payment service providers, which will be effective from 5 September 2020.

RECENT CLIFFORD CHANCE BRIEFINGS

IFR/IFD: The new EU prudential regime for investment firms

The EU has adopted a new harmonised prudential regime that will apply to all investment firms authorised in the EU from June 2021. The new Investment Firm Regulation and Directive (IFR/IFD) will treat some firms as (or as if they were) credit institutions and subject them to the same prudential rules as deposit-taking banks, while imposing entirely new and potentially challenging capital, consolidation, reporting, governance and remuneration requirements on other investment firms. Firms need to act now to prepare for the application of the new regime.

This briefing paper discusses the new prudential regime.

<https://www.cliffordchance.com/briefings/2019/12/the-new-eu-prudential-regime-for-investment-firms--ifr---ifd.html>

IFR/IFD: New EU remuneration requirements for investment firms

The IFR/IFD regime includes a new and potentially onerous remuneration regime that will apply to many EU investment firms, including new rules for fixed and variable remuneration, new disclosure and reporting obligations and requirements for some firms to establish a remuneration committee. Firms need to act now to prepare for the application of the new regime.

This briefing paper discusses the new remuneration regime.

<https://www.cliffordchance.com/briefings/2019/12/ifr-ifd--new-eu-remuneration-requirements-for-investing-firms.html>

AMLD5 – Expanded trust registration requirement – Unexpected consequences for UK business

EU Member States are required to implement the Fifth EU Anti-Money Laundering Directive (AMLD5) by 10 January 2020. A key feature of AMLD5 is the requirement for all express trusts and their beneficial owners to be registered in a central national register, a radical departure from the current trust registration requirement which is limited to taxable trusts. This has far reaching consequences for both businesses and individuals in the UK as

trusts are an intrinsic part of English law. As 10 January draws ever closer, the UK has yet to publish its implementation legislation so exactly what is required remains to be seen.

This briefing paper considers what can be done in anticipation.

<https://www.cliffordchance.com/briefings/2019/12/amld5--expanded-trust-registration-requirement---unexpected-cons.html>

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