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## **EU Commission consults on establishment of an EU green bond standard**

The EU Commission is gathering [feedback](#) from stakeholders to inform the establishment of an EU green bond standard (GBS).

The Commission's Technical Expert Group's (TEG's) June 2019 report set out ten recommendations for the establishment of an EU GBS based on current best market practices and feedback from stakeholders. The TEG also recommended the creation of an official voluntary EU GBS building on the new EU taxonomy, which provides a classification system for sustainable economic activities.

The EU GBS aims to address barriers identified in the current market by:

- reducing uncertainty about what constitutes green investment by linking it to the EU taxonomy;
- standardising verification and reporting processes; and
- establishing an official standard to which potential incentives could be linked.

The Commission is seeking input of a technical nature from stakeholders in the green bond market, particularly issuers, investor and related service providers, to assist it in taking the recommendations of the TEG forward.

Comments to the consultation are due by 2 October 2020.

The Commission has also published a set of [frequently asked questions](#) (FAQs) on the TEG's work on the EU taxonomy and the EU GBS, and how the Commission intends to take the content of those reports forward.

## **EU Commission consults on foreign subsidies white paper**

The EU Commission is seeking [views](#) on a [white paper](#) on levelling the playing field as regards subsidies granted by non-EU governments.

The paper covers services and investments as well as subsidies for goods, and sets out different approaches the Commission is considering in drafting legislative proposals aimed at addressing the regulatory gap in relation to:

- foreign subsidies distorting the internal market regarding;
- the general market operation of economic operators active in the EU;
- acquisitions of EU undertakings;
- public procurement procedures; and
- foreign subsidies in the context of access to EU funding.

The consultation closes on 23 September 2020.

### **EU Commission consults on minimum information for prospectus exemption in relation to public offerings during takeovers, mergers and divisions**

The EU Commission has published for [consultation](#) a draft Delegated Regulation to supplement the Prospectus Regulation as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division.

This follows [technical advice](#) published by the European Securities and Markets Authority (ESMA) in March 2019.

In accordance with the Prospectus Regulation, issuers may offer or admit securities connected with a takeover, merger or division without publishing a prospectus, provided that an alternative document, or 'exemption document' as defined in the draft regulation, is made available to investors which describes the transaction and the impact on the issuer.

Comments are due by 14 July 2020.

### **Sustainable finance: EU Parliament adopts Taxonomy Regulation**

The EU Parliament has adopted at second reading a [regulation](#) on the establishment of a framework or 'taxonomy' to facilitate sustainable investment.

The Taxonomy Regulation, which is intended to provide businesses and investors with a common language to identify those economic activities that are considered environmentally sustainable, is based on six EU environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

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

## **Capital Markets Union: ECON Committee publishes draft report on improving access to capital market finance and enabling retail investor participation**

The EU Parliament Economic and Monetary Affairs (ECON) Committee has published a [draft own-initiative report](#) calling for an EU Parliament resolution on further development of the Capital Markets Union (CMU).

Amongst other things, the proposed resolution calls for a set of measures relating to:

- financing business – including the removal of barriers to diversify funding sources for SMEs in order to promote SMEs' ability to access equity markets and targeted measures within securities market legislation to expedite recovery after the COVID-19 pandemic;
- promoting long-term and cross-border investments and financial products – including amending Member State tax frameworks to reduce tax obstacles to cross-border investments;
- market architecture – calling for supervisory convergence to promote a common European model guided by the European Securities and Markets Authority (ESMA) to reduce existing obstacles to cross-border financial operations;
- retail investors – calling for amendments to legislation to ensure access to independent advice by financial intermediaries; and
- digitalisation – requesting the creation of a pan-European sandbox for financial services to enhance the innovation and competitiveness of the sector.

## **ESMA publishes revised 2020 work programme and 2019 annual report**

The European Securities and Markets Authority (ESMA) has published a revised version of its [2020 annual work programme](#) and its 2019 [annual report](#).

In its annual report, ESMA reflects on its key achievements in 2019, which include the implementation of the Single Rulebook, product intervention measures and other work on investor protection, and its work to prepare for Brexit.

ESMA's updated 2020 work programme notes that, since March 2020, significant resources have been allocated away from its planned work set out in its original 2020 programme, published in September 2019, in response to the COVID-19 pandemic. Following an assessment, ESMA has added additional activities to respond to the consequences of the COVID-19 pandemic on financial markets relating to:

- supervisory convergence – continue to work with national competent authorities (NCAs) to ensure a coordinated European response to the crisis, particularly in the areas of short selling, transparency and reporting obligations;
- risk assessment – ensure it continues to provide appropriate and timely risk assessments as part of the EU's response to the crisis;

- Single Rulebook – extend the consultation period for some consultations in order to allow market participants to be able to respond while they had/have to also ensure business continuity plans; and
- direct supervision – focus on engaging with credit rating agencies under its direct supervision to assess the impact of COVID-19 on their operations and to assess the possible impact of ratings actions.

### **EBA calls for input on impact of de-risking**

The European Banking Authority (EBA) has issued a [call for input](#) to understand the scale and drivers of de-risking at EU level and its impact on customers. The call aims to understand why financial institutions decide not to service a particular customer or category of customers, known as de-risking, instead of managing the higher money laundering and terrorist financing risks (ML/TF) associated with them. De-risking affects particular sectors and customers across the EU, such as banks engaged in correspondent banking relationships, payment institutions, and NGOs.

The call forms part of the EBA's work to lead, coordinate and monitor the EU financial sector's anti-money laundering and combating the financing of terrorism (AML/CFT) efforts and is of interest to stakeholders across the financial sector and its users. The EBA wants to hear the experiences of all groups affected by de-risking. The call for input runs until 11 September 2020 and will inform the EBA 2021 opinion on ML/TF risks and potentially other policy outputs.

### **EBA publishes final technical standards on passport notifications**

The EBA has published [final draft](#) amending regulatory technical standards (RTS) and implementing technical standards (ITS) on passport notifications. The amending technical standards are intended to increase the quality and consistency of information to be provided by credit institutions notifying their home competent authorities when planning to open a branch in another Member State, as well as communications between home and host authorities.

The amendments are intended to address the following points:

- confirmation of the accuracy of intended start dates for each activity;
- the granularity of information on financial plans when establishing a branch; and
- additional information to be provided when terminating a branch.

### **EBA publishes first peer review of stress tests and resilience of DGSs**

The EBA has published its [first peer review](#) assessing the resilience of Deposit Guarantee Schemes (DGSs) based on the results of the DGS stress tests and has identified good practices and areas for improvement.

In the report, the results of 135 DGS stress tests performed by 32 DGSs from 27 EU Member States have been assessed, which cover:

- DGS' operational and funding capabilities;

- credit institutions' single customer view (SCV) files containing depositor information to prepare for a DGS payout; and
- cross-border cooperation between DGSs in case of cross-border branches.

The EBA has concluded that, using the grading system outlined in the [guidelines](#) on stress tests of DGSs, the overall resilience of DGSs across the EU is 'fair', which is the second-best result behind 'optimal'. This rating means that the identified shortcomings are isolated or can easily be addressed by the DGSs at the point of failure and are unlikely to affect the ability of DGSs to perform their tasks in line with the DGS Directive (DGSD).

The report has highlighted some shortcomings and provided early indications on how to improve and enhance the framework. The EBA found it difficult to compare the tests between the DGSs due to the divergence in the type of exercises performed and the way outcomes were reported. It has therefore provided early indications on how to enhance the comparability for future peer reviews.

The EBA has explored how to incentivise DGSs to perform special tests which would allow them to assess scenarios with severe business continuity problems, such as pandemics, power outages or significant operations disruptions, and outlines lessons learnt from a real-life payout case in one EU Member State that coincided with the COVID-19 pandemic.

### **EBA publishes revised standards to identify staff with material impact on institution's risk profile**

The EBA has published its [final draft](#) RTS on the criteria to identify all categories of staff whose professional activities have a material impact on an institution's risk profile (risk takers).

Risk takers will be identified based on the criteria laid down in the revised Capital Requirements Directive (CRD5) and those specified in the RTS, once the final draft has been adopted.

This follows a consultation launched in December 2019. Following feedback received to the consultation, the qualitative criteria have been revisited to enhance the application of proportionality. The definition of managerial responsibility has been revised taking into account that institutions of different sizes have different layers of hierarchical levels. The final draft RTS also clarify how the criteria should be applied on a consolidated, sub-consolidated and individual basis. Also, some flexibility in calculating the amount of remuneration for the application of the quantitative requirements has been introduced.

In terms of quantitative criteria, the revised CRD set out a threshold of total remuneration of EUR 500,000 combined with the average of the remuneration of members of the management body and senior management.

The final draft RTS retain the qualitative criterion that identify the staff with high levels of remuneration above EUR 750,000. In addition, the 0.3% of staff with the highest remuneration criterion has been amended to be applied only by institutions that have more than 1,000 staff in order to reduce the burden for small institutions.

## **Working group on euro risk-free rates recommends voluntary compensation for legacy swaption contracts affected by discounting transition to €STR**

The working group on euro risk-free rates has published a [recommendation](#) that counterparties voluntarily exchange compensation for legacy swaption contracts affected by the transition of central counterparty (CCP) discounting from the euro overnight index average (EONIA) to the euro short-term rate (€STR), which is planned for around 27 July 2020.

The recommendation is based on feedback received to a consultation launched in March 2020 on swaptions impacted by the CCP discounting transition to the €STR.

The working group recommends that market participants contact their swaptions counterparties to determine whether they intend to consider voluntary compensation. The working group acknowledges that the modalities for implementing voluntary compensation may vary. It has decided not to recommend one approach above others, as market feedback did not single out a preferred option. There was also no consensus around the scope of the swaption contracts to be compensated. The working group is also sharing additional information on what it sees as the most feasible and preferred options with market participants to assist them in making their own decisions.

The working group stresses that any agreement between counterparties to make adjustments to their contracts or exchange compensation, whether based on the working group recommendation or not, would be entirely voluntary.

## **BoE and PRA publish annual reports**

The Bank of England (BoE) and the Prudential Regulation Authority (PRA) have published their Annual Reports.

The BoE's [Annual Reports and Accounts](#) provide information on its activities and finances from 1 March 2019 to 29 February 2020 and include the PRA's statement of accounts for the same period. The review of 2019/20 summarises the co-ordinated work across monetary policy, macroprudential policy, and microprudential supervision and regulation to combat the challenges of COVID-19. It also details the progress made in delivering the BoE's Vision 2020 agenda.

The PRA's [Annual Report](#) also covers the period of 1 March 2019 to 29 February 2020 and includes a review outlining the work completed in pursuit of the PRA's 2019/20 strategic goals and statutory objectives. The PRA has launched a public consultation on its Annual Report, welcoming representations on:

- the PRA Annual Report;
- the way in which the PRA has discharged, or failed to discharge, its function during the period to which the report relates; and
- the extent to which, in the public's opinion, the PRA's objectives have been advanced and the PRA has considered the regulatory principles to which it must have regard when carrying out certain of its functions, and facilitated effective competition in the markets for services provided by PRA- authorised firms in carrying on regulated activities.

Comments are due by 18 September 2020.

## **BoE to produce SONIA Compounded Index**

The Bank of England has published its [response](#) to the [feedback received](#) to its [discussion paper](#) on how to support risk-free rate (RFR) transition in sterling markets through the provision of compounded SONIA.

There was near-unanimous support for the BoE's intention to produce a SONIA Compounded Index. Respondents agreed that an index could help to provide a standardised way of calculating compounded rates, particularly for less sophisticated counterparts who may not have access to detailed financial data. There was also a high degree of support for the proposed methodology, with a number of respondents citing the alignment with other similar RFR-based indices (in particular the SOFR Index) as positive for supporting international consistency.

The BoE confirms that it will produce the SONIA Compounded Index using the methodology described in the discussion paper, and intends to commence publishing in early August.

In the feedback received, there was a lack of consensus on both the usefulness of SONIA period averages and the conventions underpinning such rates, and consequently the BoE will not produce SONIA period averages at this time.

## **FCA consults on rules for marketing speculative illiquid securities to retail investors**

The Financial Conduct Authority (FCA) has issued a [consultation paper](#) (CP20/8) on making temporary rules on marketing certain high-risk investments permanent and extending them to some similar securities.

A temporary product intervention (TPI) for speculative illiquid securities (SISs) came into effect on 1 January 2020 and is due to expire after 12 months. The TPI restricts speculative mini-bonds and preference shares from being mass-marketed to retail investors and also improves disclosure of key risks and costs to those certified high net worth and sophisticated retail investors who are still eligible to receive promotions for these types of securities.

The FCA proposes to make the TPI permanent and also expand the scope of the rules to certain listed bonds.

The FCA has observed the harm posed by speculative mini-bonds start to migrate to certain listed bonds, which are currently excluded from the TPI. However, these listed bonds are not regularly traded and have similar features to SISs and so the FCA is proposing to bring them within scope of the TPI rules.

Comments to the consultation close on 1 October 2020. Subject to the feedback received, the FCA plans to publish final rules in a policy statement before the end of the year and intends that the rules making the TPI permanent will come into effect on 1 January 2021, so that the measures currently applying will continue as permanent rules, along with additional changes proposed.



## PSR publishes revised powers and procedures guidance

The Payment Systems Regulator (PSR) has published its revised [powers and procedures guidance](#) (PPG) and guidance on its [approach to the Interchange Fee Regulation](#) (IFR) following a public [consultation](#).

The revisions outline the PSR's current role and remit and how it collaborates with concurrent regulators and authorities. The guidance reflects developments in the PSR's processes and practices, for example decisions on making formal directions and conducting enforcement investigations. According to the PSR, there is now more useful information on how enforcement decisions, including settlement decisions, are made and greater clarity for those regulated by the PSR.

## Consob chairman encourages adoption of public cryptocurrencies

Paolo Savona, the chairman of the Italian securities regulator Consob, has addressed the market in the context of the [Annual Meeting](#) with the Financial Market. Savona devoted a large portion of his speech to the issue of cryptocurrencies. He advocated the adoption of publicly issued cryptocurrencies, citing the disentanglement of the system of payments from the realm of asset management among the benefits. At the same time, Savona cast doubt on the viability of privately issued cryptocurrencies, such as Facebook's Libra, on the grounds of the hybrid nature of private cryptocurrencies, which behave both as a means of payment and as financial instruments.

## Bank of Spain issues Circular 2/2020 on public and confidential financial reporting rules and on financial statement standards

The Bank of Spain has issued [Circular 2/2020](#), of 11 June, modifying Circular 4/2017, of 27 November, to credit institutions on public and confidential financial reporting rules and on financial statement standards. The main aim of the circular is to incorporate the changes relating to the reporting requirements applicable to credit institutions which were introduced by Commission Implementing Regulation (EU) 2020/429 and Regulation (EU) 2020/605 of the European Central Bank. The changes introduced by the circular include the following:

- to enhance transparency, the dissemination of public financial statements is conferred on the Bank of Spain, although they may also be released by associations of credit institutions, as has been the case until now;
- to incorporate the latest developments in international financial reporting rules adopted by the EU into the accounting and reporting criteria, rules 22 and 44 and Annex 9 of Circular 4/2017 are amended (including a new definition of 'business' which shall be used to determine whether the acquisition of a set of assets shall be treated as an acquisition of business or not);
- Rules 67 and Annex 4 of Circular 4/2017 have been modified; and
- some information requirements are simplified and some new information requirements are introduced to verify compliance with national standards or to collect statistical information.

## **Bank of Spain issues Circular 3/2020 on public and confidential financial reporting rules and on financial statement standards**

The Bank of Spain has issued [Circular 3/2020](#), of 11 June, modifying Circular 4/2017, of 27 November, to credit institutions on public and confidential financial reporting rules and on financial statement standards. Circular 3/2020 introduces changes as regards the credit-risk classification of forborne exposures which are intended to make adequate use of the flexibility already embedded in the existing regulatory framework as per the European Banking Association (EBA) recommendations of 12 March 2020 and 25 March 2020.

The circular allows for the rebuttal of the presumption that the granting of forborne exposures would always result in a significant increase in credit risk. Therefore, banks may classify restructured, refinanced or refinancing loans as performing, provided that the entity justifies not having identified a significant increase in credit risk since its initial recognition, notwithstanding the requirement that they should be identified as forborne exposures for their proper monitoring and risk management until the end of the minimum two-year trial period during which the holder must demonstrate good payment behaviour. Also, transactions of this type that are classified as performing under special monitoring may be reclassified as performing provided that the significant increase in credit risk has been reversed.

The changes introduced by the circular will be applied prospectively to all restructured or refinanced loans, including both operations carried out prior to the date of its first application and the new operations carried out after that date (in the context of COVID-19 or once this situation has been overcome).

## **Draft law implementing AMLD5 in Spain and modifying Law 10/2010 published for consultation**

A [draft law](#) implementing Directive (EU) 2018/843 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (AMLD5) has been published for consultation.

The draft Law is intended to strengthen the system for combatting money laundering and terrorist financing in Spain by implementing the provisions of AMLD5 and making certain improvements to the current Spanish Law 10/2010 in order to improve the effectiveness of the prevention mechanisms.

Among the main changes introduced by the Directive are:

- new obliged entities, including providers engaged in exchange services between virtual currencies and fiat currencies, and custodian wallet providers; and
- the reinforcement of the system for identifying the beneficial owner of legal entities.

The draft Law also improves the exchange of information between Spanish authorities and international institutions and includes further improvements for more effective prevention mechanisms.

Parliamentary approval of the legislative text is scheduled for the second half of 2020.

## **HKMA revises supervisory policy manual module on overview of capital adequacy regime for authorised institutions**

The Hong Kong Monetary Authority (HKMA) has issued a [revised version](#) of its supervisory policy manual (SPM) module titled 'CA-G-1: Overview of Capital Adequacy Regime for Locally Incorporated Authorized Institutions' as a statutory guideline under the Banking Ordinance. The SPM module has been revised mainly to:

- amend the guidance on the self-assessment of proposed capital instruments to be included within an authorised institution's capital base so as to align with the equivalent guidance in the Code of Practice 'Resolution Planning - LAC Requirements' (LAC-1);
- update the guidance in relation to capital buffer, revised securitisation framework, sovereign concentration risk, leverage ratio and interest rate risks in the banking book to reflect the current capital regime in Hong Kong (in terms of both legal framework and associated supervisory practices); and
- outline the HKMA's plan to implement the remaining Basel Committee on Banking Supervision capital standards, covering those in relation to the Basel III final reform package.

## **HKMA revises supervisory policy manual module on recovery planning**

The HKMA has issued a [revised version](#) of its supervisory policy manual (SPM) module titled 'RE-1: Recovery Planning' as a statutory guideline under the Banking Ordinance. The SPM module has been revised to incorporate the additional guidance relating to recovery planning set out in the HKMA's [circular](#) of 6 July 2017 (with appropriate modifications), and reflect the latest developments in related local and international standards and practices.

## **MAS responds to feedback received on proposed revisions to exemption framework for cross-border business arrangements of capital markets intermediaries**

The Monetary Authority of Singapore (MAS) has published its [responses](#) to the feedback it received on its December 2018 [public consultation](#) on the proposal to streamline the exemption framework for business arrangements between financial institutions in Singapore (Singapore Entities) and their foreign related corporations (FRC Framework), by moving from the current ex-ante approval approach to an ex-post notification approach for such business arrangements. Amongst other things, the MAS has clarified its proposals as follows:

- the MAS will proceed with the proposals on the scope of the FRC Framework. The financial advisory service of issuing or promulgating research analyses or reports concerning any investment product will be excluded from the proposed FRC Framework;
- Singapore Entities would need to notify the MAS of (i) the arrangement(s) with their FRC(s) within 14 days of commencement of the arrangement(s), and (ii) material changes to the arrangement(s) within 14 days of such changes occurring. The MAS intends to seek further comments on the

specific information to be submitted to it. The MAS expects Singapore Entities to have oversight of their FRC arrangements and ordinarily to be involved in decisions to change, or be kept apprised of material changes to arrangements with their FRCs;

- there will be no change to the MAS' expectations on the role of Singapore Entities in their business arrangements with their FRCs, as set out in existing guidelines;
- FRCs will be required to be licensed, authorised, regulated or supervised by a regulatory body in the foreign jurisdiction where the FRC is operating from in respect of the activities to be performed under the arrangement;
- the permissible clientele under the FRC Framework will continue to be restricted to non-retail customers, i.e. accredited investors, expert investors and institutional investors. The status of customers may be established at the point of onboarding, rather than at the marketing stage;
- Singapore Entities are expected to put in place policies and procedures to ensure adequate oversight of foreign representatives when they are conducting regulated activities in Singapore under the FRC arrangements. The MAS does not intend to restrict the number of days foreign representatives are allowed to visit Singapore. Physical chaperoning is one way of ensuring foreign representatives adhere to the applicable regulations when carrying out regulated activities under the FRC arrangement, but is not mandatory;
- Singapore Entities will be required to maintain or have access to records kept by the FRC that relate to the FRC Arrangement, and provide the MAS access to these records upon request. The records may be maintained and stored by the FRCs, subject to the Singapore Entity being satisfied that there are adequate policies and procedures for keeping these records, and access to the records is available on a timely basis;
- the annual auditor's certification may be provided by an independent assurance function such as the internal audit function within the Singapore Entity;
- arrangements approved under section 337 of the Securities and Futures Act fall outside the scope of the FRC Framework, and the proposed revisions to the FRC Framework will have no bearing on any such exemptions already granted;
- for business arrangements between Singapore Entities which are branches and their foreign head offices or foreign branches, the MAS intends to introduce a similar notification framework. The MAS plans to issue a consultation paper on its proposal in the third quarter of 2020; and
- Singapore Entities with existing arrangements will be required to comply with the revised boundary conditions under the proposed FRC Framework, including submitting an initial notification to the MAS of the list of FRC arrangements currently in place within a transition time of six months. Existing approvals granted under paragraph 9 of the Third Schedule to the SFA and paragraph 11 of the First Schedule to the FAA will expire at the end of six months, and the conditions imposed under those arrangements will no longer apply. They will be replaced by the boundary conditions under the proposed FRC Framework. Further, arrangements that are currently exempt under regulation 65 of the Securities and Futures

(Licensing and Conduct of Business) Regulations will be subject to the proposed FRC Framework.

## **ASIC releases guidance on administration of its product intervention power**

Following the responses to the feedback it received on its June 2019 public [consultation](#) on proposals for guidance on exercising the product intervention power, the Australian Securities and Investments Commission (ASIC) has released the [final version](#) of its regulatory guide titled 'Regulatory Guide 272: Product intervention power' (RG 272) to provide guidance on the administration of its product intervention power.

In particular, the new regulatory guide, RG 272, is intended to set out:

- the scope of the power, including products that can be subject to an intervention order and the types of orders ASIC may consider making;
- when and how ASIC may exercise the power, including how it may determine when consumer detriment is significant and how it may intervene; and
- the process for making an intervention order, including how ASIC may consult with affected parties, when an order will commence, the process by which an order can be extended, amended or revoked, and the consequences of breaching an order.

## **CFTC requests comments on proposed rule concerning commodity pool operators of offshore commodity pools**

The Commodity Futures Trading Commission (CFTC) has [published](#) a proposed rule on exemption from registration for certain foreign persons acting as commodity pool operators of offshore commodity pools. The CFTC is proposing to amend the conditions in regulation 3.10(c) under which a person located outside of the United States engaged in the activity of a commodity pool operator (CPO) in connection with commodity interest transactions on behalf of persons located outside the United States (collectively, an offshore commodity pool or offshore pool) would qualify for an exemption from CPO registration and regulation with respect to that offshore pool. Under the CFTC proposal, non-US CPOs may claim an exemption from registration with respect to qualifying offshore commodity pools, while maintaining another exemption from registration, relying on an exclusion, or registering as a CPO with respect to the operation of other commodity pools.

The CFTC is also proposing to add a safe harbor by which non-US CPOs of an offshore commodity pool may rely upon the proposed exemption in regulation 3.10(c) if they satisfy enumerated factors related to the operation of the offshore commodity pool. In addition, the CFTC is proposing to permit certain US control affiliates of a non-US CPO to contribute capital to such CPO's offshore pools as part of the initial capitalization without rendering the non-US CPO ineligible for the exemption from registration under regulation 3.10.

Comments are due by 11 August 2020.

## RECENT CLIFFORD CHANCE BRIEFINGS

### **What the MiFIR third-country regime means for UK-EU cross-border services**

UK and EU banks' passport rights to provide cross-border services between the UK and EU end on 31 December 2020.

This briefing, prepared in collaboration with UK Finance, discusses how the EU regime for cross-border services under the Markets in Financial Instruments Regulation (MiFIR) operates and the implications for UK firms if the European Commission makes an equivalence decision in respect of the UK under MiFIR, including the impact of the changes to the MiFIR regime applying from June 2021. It also discusses the implications for EU firms if the UK makes a corresponding equivalence decision in respect of the EU under the 'onshored' MiFIR as it forms part of UK law after the end of the Brexit transition period.

<https://www.cliffordchance.com/briefings/2020/06/what-the-mifir-third-country-regime-means-for-uk-eu-cross-border.html>

### **Algeria's move towards relaxing certain foreign investments restrictions**

In a response to the need to boost foreign investments in Algeria, the Supplemental 2020 Finance Law, promulgated on 4 June 2020, brings significant changes to the rules applying to foreign investments in Algeria by relaxing two major restrictions: (1) the 49/51 rule and (2) the State's pre-emption right for transfer of shares by or to foreign investors. Additionally, the Supplemental 2020 Finance Law introduces the right to use international financing.

This briefing discusses the Supplemental 2020 Finance Law.

<https://www.cliffordchance.com/briefings/2020/06/algeria-s-move-towards-relaxing-certain-foreign-investments-rest.html>

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