

INTERNATIONAL REGULATORY UPDATE 25 – 29 APRIL 2022

- **CRR/BRRD: EU Council and Parliament reach provisional agreement on daisy chain proposal**
- **CRR: RTS on methods of prudential consolidation published in Official Journal**
- **Investment firms: EU Commission adopts RTS on fixed overheads requirement**
- **ESMA publishes final report on retail investor protection**
- **Banking Package: ECB publishes opinion on proposed CRD6**
- **FSB consults on supervisory and regulatory approaches to climate-related risks**
- **Transition Plan Taskforce publishes terms of reference**
- **Green finance: NGFS publishes market transparency report**
- **IOSCO reports on market data in secondary equity markets**
- **HM Treasury publishes policy paper on wholesale cash infrastructure**
- **FCA consults on side pockets in UK authorised retail funds**
- **House of Commons Treasury Committee consults on UK venture capital market**
- **SIs on taxation of securitisation companies published**
- **CSSF issues circulars and FAQs relating to outsourcing arrangements**
- **CSSF issues communiqué on monitoring of quality of transaction reports received under Article 9 of EMIR**
- **Banking (Capital) (Amendment) Rules 2022 gazetted**
- **SFC publishes REIT Code amendments**
- **SFC consults on changes to position limit regime**
- **MAS publishes Enforcement Report 2020-2021 and Enforcement Monograph**
- **Recent Clifford Chance briefings: Buy-side regulatory horizon scanner; Companies House reforms; and more. Follow this link to the briefings section.**

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CRR/BRRD: EU Council and Parliament reach provisional agreement on daisy chain proposal

The EU Council and Parliament have [reached a provisional agreement](#) on targeted amendments proposed by the EU Commission to the Capital Requirements Regulation (CRR) and the Bank Recovery and Resolution Directive (BRRD) aimed at improving institutions' resolvability.

Known as the 'daisy chain' proposal, amendments include:

- incorporating a dedicated treatment for indirect subscription of instruments eligible for internal minimum requirements for own funds and eligible liabilities (MREL);
- further aligning the treatment of global systemically important institutions (G-SII) groups with a multiple point of entry (MPE) resolution strategy with the treatment outlined in the Financial Stability Board's (FSB's) international total loss-absorbing capacity term (TLAC) sheet; and
- clarifying the eligibility of instruments in the context of the internal TLAC.

Following trilogues, the co-legislators have provisionally agreed to introduce:

- a revised deduction regime aimed at avoiding double-counting of MREL elements at the level of intermediate entities, as well as the addition of a review clause to take into account the impact on different types of banking group structures; and
- a transitional regime for MPE groups until end-2024.

The provisional agreement is subject to approval by the Council and Parliament before being formally adopted.

CRR: RTS on methods of prudential consolidation published in Official Journal

[Delegated Regulation \(EU\) 2022/676](#) setting out regulatory technical standards (RTS) under the Capital Requirements Regulation (CRR) specifying the conditions in accordance with which consolidation is to be carried out in the cases referred to in Article 18(3) to (6) and Article 18(8) CRR has been published in the Official Journal.

The RTS specify, among other things, the conditions that institutions must meet for the application of different methods of consolidation (i.e. full consolidation, proportional consolidation or the aggregation method) or the equity method, and the elements to be taken into account by competent authorities when considering the risk of step-in.

Delegated Regulation (EU) 2022/676 will enter into force on 16 May 2022.

Investment firms: EU Commission adopts RTS on fixed overheads requirement

The EU Commission has adopted a [delegated regulation](#) setting out regulatory technical standards (RTS) specifying the methodology for calculating the fixed overheads requirement (FOR) for investment firms under the Investment Firms Regulation (IFR).

In particular, the RTS specify:

- the elements to be deducted by investment firms from their total expenses used for the calculation of the FOR;

- additional deductions for commodity and emission allowance dealers; and
- the notion of material change.

Subject to scrutiny by the EU Council and Parliament, the delegated regulation will enter into force on the twentieth day following its publication in the Official Journal.

ESMA publishes final report on retail investor protection

The European Securities and Markets Authority (ESMA) has published a [final report](#) on certain retail investor protection topics under MiFID2. The report contains ESMA's technical advice to the EU Commission, following its July 2021 request for advice on legislative proposals implementing aspects of the retail investment strategy announced in the September 2020 Capital Markets Union (CMU) Action Plan.

In particular, the Commission sought ESMA's advice on:

- the identification of any significant overlaps, gaps, redundancies and inconsistencies between MiFID2 and other investor protection legislation governing disclosures directly addressed to retail clients;
- the use of, and solutions for, digital disclosures, including whether approaches should be integrated within the MiFID2 framework; and
- the risks and opportunities presented by digital tools and channels, such as robo-advice, online brokers and social media, as well as feedback on risk warnings for non-advised services and open finance.

ESMA's final recommendations include:

- requiring disclosure documents to be machine readable to support the development of searchable, publicly-available databases;
- defining 'vital information' and using digital techniques such as layering information to address information overload;
- developing a standard EU format for information on costs and charges, and aligning the disclosures under MiFID2 and the PRIIPs key information document;
- exploring whether ESMA and national competent authorities should require firms to use risk warnings for specific financial instruments; and
- addressing aggressive and misleading marketing communications and the use of potentially harmful online engagement practices, such as gamification.

The report has been submitted to the EU Commission for consideration.

Banking Package: ECB publishes opinion on proposed CRD6

The European Central Bank (ECB) has published an [opinion](#) on the EU Commission's proposed directive amending the Capital Requirements Directive (CRD) as regards supervisory powers, sanctions, third-country branches and ESG risk (CRD6).

The ECB notes its broad support for the Commission's banking reform package and sets out issues it considers of particular importance and proposed amendments, including:

- clarifying that there should not be any double counting of risks and unwarranted changes in prudential requirements;
- ensuring that the revised fit and proper framework is suitably proportionate;
- clarifying how to calculate assets for the purposes of assessing thresholds for third-country branches and enhancing the scope of reporting requirements to capture the direct provision of cross border investment services by third country groups and on a reverse solicitation basis;
- clarifying the list of core banking services that require third country undertakings to establish a branch or subsidiary within the EU, taking into consideration existing requirements and the impact on the liquidity of global financial markets;
- further coordination between existing and proposed supervisory powers, as well as additional supervisory powers on the amendment of credit institutions' articles of association, related party transactions and material outsourcing arrangements; and
- clarifying the disclosures process for small and non-complex institutions (SNCIs) and other institutions.

The ECB has also published a [blog post](#) summarising its opinion and noting some concerns in respect of the proposed amendments to the Capital Requirements Regulation (CRR3).

FSB consults on supervisory and regulatory approaches to climate-related risks

The Financial Stability Board (FSB) has published an interim [report](#) to assist supervisory and regulatory authorities in developing their approaches to monitor, manage and mitigate cross-sectoral and system-wide risks arising from climate change and to promote consistent approaches across sectors and jurisdictions. The report's recommendations focus on three areas:

- supervisory and regulatory reporting and collection of climate-related data from financial institutions;
- system-wide supervisory and regulatory approaches to assessing climate-related risks; and
- early consideration of other potential macroprudential policies and tools to address systemic risks.

Comments are due by 30 June 2022 and final recommendations will be published in Q4 2022.

Transition Plan Taskforce publishes terms of reference

The Transition Plan Taskforce (TPT), a new body launched by HM Treasury, comprising industry and academic experts, regulators and stakeholders from the third sector, has published its [terms of reference](#).

The TPT will work alongside international frameworks which are preparing guidance on transition plan disclosures, including the Glasgow Financial Alliance for Net Zero and the International Sustainability Standards Board. It

has a two-year mandate to develop good practice for transition plans and associated metrics and will initially report by the end of 2022.

Its key aims are:

- setting a robust standard and tackling greenwashing;
- taking forward work to develop transition planning templates suitable for incorporation into regulatory frameworks in the UK;
- developing appropriately detailed sectoral transition plan templates; and
- providing an example for the development of other jurisdictions' national standards and the development of international standards and norms.

Green finance: NGFS publishes market transparency report

The Network for Greening the Financial System has published a [report](#) on enhancing market transparency in green and transition finance. The report identifies the following three key considerations relevant to policymakers:

- enhancing market transparency about issuers' and investors' green and transition objectives;
- facilitating comparability and interoperability of taxonomies, frameworks, and principles; and
- accelerating efforts on disclosure and reporting.

IOSCO reports on market data in secondary equity markets

The Board of the International Organization of Securities Commissions (IOSCO) has published a [report](#) setting out some issues and considerations for regulators when reviewing the regulation of market data.

IOSCO notes that, as secondary markets have evolved, market data needs have changed and market participants in many jurisdictions have raised concerns about the costs, accessibility, fairness, and consolidation of market data. In December 2020, IOSCO published a report exploring these issues and asked for feedback on some of the concerns raised.

In its new report, IOSCO provides a summary of the comments received and offers a series of considerations for regulators when reviewing the regulation of market data provided by trading venues or OTC markets, including:

- pre-trade data (information about orders or quotations) and post-trade data (information about executions) are important in promoting transparency of trading;
- fair access to market data is important for providing market data to market participants; and
- where appropriate, consolidation may improve access to market data and may, in some circumstances, be useful in helping to reduce its costs, identify liquidity and compare execution quality in jurisdictions where there may be fragmented liquidity.

HM Treasury publishes policy paper on wholesale cash infrastructure

HM Treasury has published a [policy paper](#) setting out the UK Government's intention to create an oversight regime aimed at protecting the UK's wholesale cash infrastructure.

Following engagement with the industry and wider stakeholders, the Government intends to provide the Bank of England (BoE) with powers relating to:

- market oversight of entities providing wholesale cash activities or financial support in relation to these activities, or a critical service provider, in order to manage risks to the effectiveness, resilience and sustainability of the wholesale cash network; and
- prudential regulation of systemic entities (excluding wholly owned state entities), in order to manage risks to financial stability in the UK and to maintain confidence in the UK financial system.

In scope entities of either or both parts of the regime will be designated by HM Treasury following consultation with the BoE and the industry.

In relation to the market oversight element, the BoE will consult on and publish a statement on its regulatory approach setting out how it intends to use its powers.

The Government intends to legislate for the regime when Parliamentary time allows.

FCA consults on side pockets in UK authorised retail funds

The Financial Conduct Authority (FCA) has published a consultation paper ([CP22/8](#)) on rules and guidance to allow authorised fund managers (AFMs) of UK authorised retail funds with exposure to Russian, Belarusian and Ukrainian assets to establish separate unit classes for those assets (side pockets) alongside units relating to the fund's other liquid investments.

The proposed rules are intended as a limited emergency measure in response to the Russian invasion of Ukraine and could allow:

- new investors to enter the fund without getting exposure to affected investments;
- existing investors to redeem their units relating to liquid assets; and
- some funds to end their current suspension of dealing.

The consultation closes on 16 May 2022.

House of Commons Treasury Committee consults on UK venture capital market

The UK House of Commons Treasury Committee has launched an [inquiry](#) into and call for evidence on the venture capital industry in the UK.

Written evidence is sought on, among other things:

- opportunities and threats to the industry, such as the ability of firms to source financing to scale up;
- the extent of co-operation between start-ups and established industry;

- the operation and effectiveness of the regulatory regime(s) concerning venture capital;
- the merits of policy proposals for strengthening the market, such as opening new pools of capital for venture capital investment, improving talent through education and attracting talent through the visa system;
- the role of key bodies, such as the British Business Bank and the Advanced Research and Invention Agency; and
- the operation and effectiveness of current tax incentives.

Comments are due by 7 June 2022.

SIs on taxation of securitisation companies published

The Securitisation Companies and Qualifying Transformer Vehicles (Exemption from Stamp Duties) Regulations 2022 ([SI 2022/464](#)) and the Taxation of Securitisation Companies (Amendment) Regulations 2022 ([SI 2022/465](#)) have been made and laid before Parliament.

This follows a consultation held by HM Revenue & Customs (HMRC) on the draft SIs in December 2021.

SI 2022/464 provides an exemption from all stamp duties on the transfer of certain types of loan notes issued as part of securitisation and insurance-linked securities arrangements.

SI 2022/465 amends the Taxation of Securitisation Companies Regulations 2006 to address uncertainty in the application of the securitisation tax regime to retained securitisation arrangements by amending one of the qualification conditions.

Both SIs come into force on 17 May 2022.

CSSF issues circulars and FAQs relating to outsourcing arrangements

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has published:

- [Circular 22/805](#) regarding the revised European Banking Authority (EBA) guidelines on outsourcing arrangements (EBA/GL/2019/02), the publication of Circular CSSF 22/806 on outsourcing arrangements and the repeal or amendments of certain CSSF circulars;
- [Circular 22/806](#) on outsourcing arrangements;
- [Circular 22/807](#) updating Circular CSSF 12/552, as amended by circulars CSSF 13/563, CSSF 14/597, CSSF 16/642, CSSF 16/647, CSSF 17/655, CSSF 20/750, CSSF 20/759 and 21/785 on central administration, internal governance and risk management; and
- a list of [questions and answers](#) in relation to a number of key aspects of Circular CSSF 22/806 on outsourcing arrangements (FAQs).

These texts will modify the framework applicable to supervised entities when resorting to outsourcing arrangements, in accordance with the EBA guidelines and other European Supervisory Authority (ESA) guidelines. Circular 22/805 lists the changes to the framework, e.g. the application of Circular 22/806, the amendment of several CSSF circulars either (i) as of 30 June 2022 or (ii) at a later date, and the repeal of other CSSF circulars.

Circular CSSF 22/806 contains in a single document the supervisory requirements on outsourcing arrangements related to information and communication technology that were previously disseminated in individual circulars.

The circular is divided into three parts: the first part sets out the requirements in relation to outsourcing arrangements and includes definitions, scope of application, general principles and applicable governance requirements; the second part is dedicated to specific requirements for ICT outsourcing arrangements relying or not on a cloud computing infrastructure and the third part provides for the entry into force of the circular.

Circular CSSF 22/806 will complement the framework on internal governance arrangements by specifying guiding principles and laying down additional detailed requirements that supervised entities must observe when resorting to outsourcing arrangements. Therefore, Circular CSSF 22/806 should be read together with those relevant legal provisions and the CSSF circulars on central administration, internal governance and risk management as applicable to supervised entities, including Circular 12/552 as amended by Circular CSSF 22/807. The FAQs are intended to provide further clarity on the supervisory expectations of the competent authority.

Circulars CSSF 22/805 and 22/806 and the FAQs are addressed to:

- all credit institutions and professionals of the financial sector within the meaning of the Law of 5 April 1993 on the financial sector (FSL);
- all payment institutions and electronic money institutions within the meaning of the Law of 10 November 2009 on payment services (LPS);
- all investment fund managers subject to Circular CSSF 18/698;
- all undertakings for collective investment in transferable securities subject to Part I (UCITS) of the law of 17 December 2010 relating to undertakings for collective investment (UCITS Law) which designate a management company within the meaning of the UCITS Law;
- all central counterparties (CCPs), including Tier 2 third country CCPs, complying with the relevant requirements of EMIR;
- all approved publication arrangements (APAs) with a derogation and authorised reporting mechanisms (ARMs) with a derogation within the meaning of the FSL;
- all market operators operating a trading venue within the meaning of the FSL;
- all central securities depositories (CSDs); and
- all administrators of critical benchmarks.

Circular CSSF 22/807 updating Circular CSSF 12/552 is addressed to all credit institutions and professionals performing lending operations.

Circulars CSSF 22/806 and 22/807 will apply from 30 June 2022, except for points 59 and 60 of Circular CSSF 22/806 on prior notification which will apply with immediate effect for ICT outsourcing only.

CSSF issues communiqué on monitoring of quality of transaction reports received under Article 9 of EMIR

The CSSF has issued a [communiqué](#) on the monitoring of the quality of transaction reports received under Article 9 of the European Market Infrastructure Regulation (EMIR).

The communiqué concerns the obligation for counterparties and central counterparties (CCPs) to report to trade repositories (TRs) the details of any derivative contract they have concluded and of any modification or termination of the contract as set out in Article 9 of EMIR. It provides information on the quality and completeness campaigns that the CSSF conducted during the year 2021, as well as on the topics that are the subject of dedicated campaigns during the year 2022.

Regarding the Data Quality Campaigns 2021:

- European Securities and Markets Authority (ESMA) EMIR Data Quality Review (ESMA EMIR DQR) 2021 – the ESMA EMIR DQR experience is set out in the ESMA data quality report which covers the progress made to date in improving EMIR data quality for regulatory and supervisory use and concludes that, while good progress has been made, additional efforts are needed by National Competent Authorities (NCAs) and ESMA to further improve EMIR data quality;
- CSSF Data Quality Action Plan 2021 (CSSF DQAP 2021) – the most commonly identified reporting weaknesses made by entities to TRs identified by the CSSF are the following: use of client codes instead of LEIs; incorrect identification of the CCP; reconciliation; inconsistencies in reporting; absence of reporting of some fields; abnormal/unusual values reported; late valuation/confirmation of trades; and rejection rates.

Regarding the Data Quality Campaigns 2022:

- ESMA EMIR DQR 2022 – ESMA will further focus on the enhancement of the data quality and supervisory convergence which will lead to an increase in data quality exercises performed by NCAs, including those by the CSSF. The CSSF will continue to participate in the ESMA EMIR DQR and request justifications from the top entities identified, as well as continue to follow up on the issues identified during the previous ESMA EMIR DQR exercises; and
- CSSF DQAP 2022 – the CSSF continues to monitor the data quality issues identified in 2021 and will continue to perform data quality controls leveraging tools and practices experienced in the previous years.

Regarding the monitoring, the CSSF warns entities to ensure that they report the details of any derivative contract they have concluded and of any modification or termination of the contract following Article 9 of EMIR. Any entity failing to comply with this obligation is deemed to have committed a serious breach of the reporting obligation.

Moreover, the CSSF has emphasised that the fact that a transaction report was accepted by the TR does not necessarily mean that the submitted report was complete and correct.

Banking (Capital) (Amendment) Rules 2022 gazetted

The Hong Kong Government has gazetted the [Banking \(Capital\) \(Amendment\) Rules 2022](#) (BCAR) to implement an international capital standard for banks promulgated by the Basel Committee on Banking Supervision (BCBS).

The BCAR mainly seek to implement the capital requirements for banks' equity investments in funds published in 2013 (and revised in 2019) by the BCBS. The standard forms part of the Basel III reform package introduced in the aftermath of the global financial crisis to enhance the resilience of banks against future shocks. Specifically, it contributes to the broader international effort to strengthen the oversight and regulation of shadow banking activities, including those conducted through funds, by ensuring that banks' exposures to funds are supported by adequate capital.

The BCAR were tabled before the Legislative Council at its sitting on 27 April 2022, for negative vetting, and will come into operation on 1 July 2022.

SFC publishes REIT Code amendments

The Securities and Futures Commission (SFC) has issued a [circular](#) setting out the consequential amendments to the Code on Real Estate Investment Trusts (REIT Code) which dovetail with changes to the Code of Conduct for Persons Licensed by or Registered with the SFC (Code of Conduct) in relation to bookbuilding and placing activities.

According to the SFC, the amendments to the REIT Code provide that Chapter 3A of the Listing Rules and the other Listing Rule provisions relating to the sponsor-overall coordinator, overall coordinator and other capital market intermediaries will apply in the case of offerings involving bookbuilding activities for interests in a REIT by a new REIT applicant or an SFC-authorized REIT.

The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), has published an [information paper](#), as well as a set of [frequently asked questions](#) (FAQs), concerning the consequential Listing Rule amendments on bookbuilding and placing activities in equity capital market transactions and sponsor coupling to complement the SFC's new Code of Conduct provisions. The HKEX notes that it will also introduce some housekeeping Listing Rule amendments that do not involve a change in policy direction.

The REIT Code amendments will be gazetted on 29 April 2022 and will become effective on 5 August 2022. New requirements will be applicable to authorisation applications for REITs to be submitted or re-filed on or after 5 August 2022.

SFC consults on changes to position limit regime

The SFC has published a [consultation paper](#) on proposed changes to the position limit regime for listed futures and options contracts.

The SFC has been regularly reviewing its position limit regime requirements to ensure the regime remains appropriate and relevant to the Hong Kong financial market. In 2017, in response to market developments, the cap on the excess position limit which may be authorised by the SFC was increased from 50% to 300% of the statutory position limit and the prescribed limit for stock options contracts from 50,000 to 150,000 contracts. New excess position limits regimes for index arbitrage activities, asset managers and market makers of exchange-traded funds were also introduced.

The proposed changes aim to address developments in the Hong Kong securities and futures markets since the 2017 amendments and align the requirements with the SFC's regulatory policies and objectives. Amongst other things, views are sought on:

- how the statutory prescribed limits and reporting requirements should be applied to unit trusts and sub-funds under an umbrella fund;
- reportable positions in contracts traded on holiday trading days; and
- the inclusion of a broader range of contracts which may be authorised by the SFC for excess positions.

The consultation also sets out amendments to the Securities and Futures (Contracts Limits and Reportable Positions) Rules to reflect proposed changes along with changes to the Guidance Note on Position Limits and Large Open Position Reporting Requirements.

Comments are due by 27 June 2022.

MAS publishes Enforcement Report 2020-2021 and Enforcement Monograph

The Monetary Authority of Singapore (MAS) has published its latest [enforcement report](#), providing updates on enforcement matters in the financial markets, highlighting key outcomes and outlining priorities for the future. In particular, the highlights of the report, covering the period July 2020 to December 2021, are as follows:

- enforcement outcomes – the MAS imposed SGD 2.4 million in composition penalties for anti-money laundering and countering the financing of terrorism control breaches and SGD 150,000 in civil penalties. 20 prohibition orders were also issued against unfit representatives. Further, together with the Attorney-General's Chambers, the MAS successfully secured the criminal convictions of seven individuals for market misconduct or related offences;
- enhancing the effectiveness of enforcement – the MAS introduced enhanced prohibition order powers in the Financial Services and Markets Bill 2022 in the Parliament and consulted on proposals to strengthen its investigative powers under the MAS-administered Acts. It also continued to engage the industry on efforts to identify potential mis-selling and other misconduct early by using data analytics to detect red flags;
- major ongoing case updates – the MAS has introduced a new section in the report providing updates on ongoing high-profile cases, as well as elaborated on its considerations in disclosing information regarding ongoing investigations; and
- outlining the MAS' enforcement priorities for 2022-2023, which include: enhancing effectiveness in pursuing breaches of corporate disclosure requirements, including through close collaboration with key regulatory and enforcement partners; stepping up focus on corporate finance advisory firms and fund management companies that fail to comply with business conduct requirements; pursuing strong enforcement actions against financial institutions for serious lapses in AML/CFT systems and controls; studying options for enhancing investors' recourse for losses due to securities market misconduct; and strengthening focus on holding senior

managers accountable for breaches by their financial institutions or subordinates.

The MAS has also published an Enforcement Monograph. The Monograph is intended to outline the approach that the MAS takes towards enforcement, the role that enforcement plays in the wider objective of financial industry oversight and the key areas of the MAS' enforcement practice and powers across the financial industry. It supersedes the 'Capital Markets Enforcement' Monograph (dated January 2016), which covered enforcement within the capital markets.

Contributed by Clifford Chance Asia, a Formal Law Alliance in Singapore between Clifford Chance Pte Ltd and Cavenagh Law LLP.

RECENT CLIFFORD CHANCE BRIEFINGS

Buy-side regulatory horizon scanner

The horizon scanner identifies and summarises key EU and UK regulatory initiatives that are likely to have an impact upon asset management firms providing services in the EU and the UK. It also sets out projected timelines for the finalisation of these regulatory developments, covering approximately the next 18 months to 2 years.

Our Spring 2022 version of the scanner reflects the latest developments on each initiative, as of April 2022, and includes new initiatives that are gathering momentum, such as MiCA, DORA and the UK's proposed investment product labels.

<https://www.cliffordchance.com/briefings/2022/04/buy-side-regulatory-horizon-scanner.html>

US and EU agree on framework for Privacy Shield replacement

On 25 March 2022, US President Biden and EU Commission President Ursula von der Leyen announced that the United States and EU Commission have agreed in principle to a Trans-Atlantic Data Privacy Framework. This new framework aims to address deficiencies identified by the Court of Justice of the European Union in Schrems II, which struck down the EU-US Privacy Shield over concerns regarding US surveillance programs and a lack of grievance mechanisms available to EU citizens. While the agreement is still 'in principle' and specific details have yet to be determined, if approved, this agreement will reimplement an important legal mechanism necessary to facilitate data transfers between the EU and US.

This briefing paper discusses the framework.

<https://www.cliffordchance.com/briefings/2022/04/us-and-eu-agree-on-framework-for-privacy-shield-replacement.html>

The growing risk of group litigation and class actions

Class actions have long been a feature of the legal landscape in the US, but there are clear indications that their reach is expanding.

This briefing paper discusses the key risks in relation to securities and shareholder litigation, claims arising from data breaches and data misuse, and climate change litigation.

<https://www.cliffordchance.com/briefings/2022/04/the-growing-risk-of-group-litigation-and-class-actions.html>

Confirmation of fundamental Companies House reforms

The Department for Business, Energy & Industrial Strategy (BEIS) has published a White Paper setting out the Government's final position on reforms to Companies House following a series of consultations. The most significant of these reforms relate to:

- identity verification and other measures relating to directors, persons with significant control (PSCs) and agents; and
- new powers for Companies House to query, reject and remove information submitted to it.

The Government has stated that it will introduce legislation to Parliament to give effect to the reforms in the coming months as part of a wider package of legislative proposals to tackle illicit finance. A transition period will provide existing directors, PSCs and other registrable individuals and entities a set amount of time to comply with the new requirements relating to identity verification. Those who do not comply by the end of the transition period may face criminal sanctions and be liable for civil penalties.

This briefing paper discusses the White Paper.

<https://www.cliffordchance.com/briefings/2022/04/confirmation-of-fundamental-companies-house-reforms.html>

COVID-19 and securitisation – locking down the lessons

In a briefing published in 2020 entitled 'FCA Payment Deferrals for Consumers and the Securitisation Market' we concluded that lessons would need to be learned from the first wave of the COVID-19 pandemic in the United Kingdom and that changes would need to be put in place to ensure that financings of consumer assets are robust enough to withstand the prevailing macro-economic headwinds.

This article offers a view as to what changes may be needed by drawing on patterns observed in the responses of market participants to the impact of COVID-19 and the measures taken by the UK Government and regulators to manage the pandemic on securitisation structures.

<https://www.cliffordchance.com/briefings/2022/04/covid-19-and-securitisation-locking-down-the-lessons.html>

SEC proposes to enhance protections for SPAC investors

The Securities and Exchange Commission (SEC) has proposed new rules and amendments that would enhance protections for investors in special purpose acquisition companies and subsequent business combination transactions between SPACs and private operating companies (de-SPAC transactions). In short, the proposed rules are designed to close perceived gaps between the regulatory requirements applicable to de-SPAC transactions and those for traditional initial public offerings. The SEC will accept public comments on this proposal until 31 May 2022 and 30 days following the publication of the proposing release in the Federal Register.

In her dissenting statement concerning this proposal SEC Commissioner Peirce expresses concern that a typical SPAC would not meet the proposal's

parameters without significant changes to its operations, economics, and timeline.

This briefing paper discusses selected aspects of this proposal likely to be of greatest interest to market participants and their potential impacts.

<https://www.cliffordchance.com/briefings/2022/04/sec-proposes-to-enhance-protections-for-spac-investors.html>

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