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Digital finance: EU Council adopts MiCA and AML/CTF measures for cryptoassets

The EU Council has adopted the Markets in Cryptoassets Regulation (MiCA) and the recast Regulation on information accompanying transfers of funds and certain cryptoassets.

MiCA establishes an EU regulatory framework for the issuance, offering, intermediation and dealing in cryptoassets, including licensing, conduct of business requirements and enhanced consumer protection, as well as a market abuse regime. The recast Regulation on information accompanying transfers of funds, which is part of a package of legislative amendments designed to strengthen the EU's anti-money laundering and counter terrorist financing (AML/CTF) rules, is intended to improve the traceability of cryptoasset transfers and the identification of suspicious transactions.

Commissioner McGuinness has previously indicated that it is anticipated that both texts will be published in the Official Journal by the end of June and enter into force in July 2023. This would see the provisions under MiCA in relation to stablecoins start to apply in July 2024, with the remaining provisions on issuers of other cryptoassets and cryptoasset service providers applying from January 2025, together with the transfer of funds rules.

Eurogroup issues meeting statement

The Eurogroup has issued an overview of the main results of its meeting held in Brussels on 15 May 2023.

Ministers discussed, among other things:

- the EU Commission's Spring economic forecast;
- challenges facing the euro area corporate sector in the context of heightened geopolitical tensions;
- the Banking Union, including the Single Resolution Board (SRB) bi-annual report, and a note on ECB Banking Supervision's activities and lessons learnt from recent market turmoil;
- progress on the digital euro project; and
- how to advance the Capital Markets Union.

UK-EU MoU on financial services cooperation published

The UK Government and EU Commission have published the joint text of a draft memorandum of understanding (MoU) on bilateral regulatory cooperation in financial services.

Among other things, the MoU will establish a Joint EU-UK Financial Regulatory Forum to serve as a platform to exchange views and facilitate dialogue on financial services issues.

The MoU was adopted by the EU Commission on 17 May 2023. Both HM Treasury and the Commission note an intention to sign the MoU once internal processes are complete. The UK Government also notes an intention to hold the first meeting of the Forum created by the MoU as soon as possible.

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MiFID2/MiFIR: Delegated Regulations published in OJ

Three Commission Delegated Regulations containing regulatory technical standards (RTS) under the Markets in Financial Instruments Regulation (MiFIR) and Directive (MiFID2) have been published in the Official Journal.

Commission Delegated Regulation (EU) 2023/944 and Commission Delegated Regulation (EU) 2023/945 containing RTS on equity transparency (RTS 1) and non-equity transparency (RTS 2) broadly seek to improve and further harmonise data quality for post-trade transparency reports, as well as to increase the level of pre- and post-trade transparency, particularly in view of the establishment of a consolidated tape.

Commission Delegated Regulation (EU) 2023/960 containing RTS on the tick size regime for shares, depository receipts and exchange-traded funds (RTS 11) align the application date of calculations of the average daily number of transactions (ADNT) set out in RTS 11 with the application date of other transparency calculations set out in revised RTS 1 to the first Monday of April each year, rather than on 1 April each year.

The Delegated Regulations will enter into force on 5 June 2023.

EU Commission reports on application of Payment Accounts Directive

The EU Commission has published a report on the application of the Payment Accounts Directive (2014/92/EU) (PAD).

The report has been adopted in response to Article 28 of the PAD, which required the EU Commission to provide a report on the application of the Directive by 18 September 2019. The report has been delayed due to the need to ensure that the Directive had been in application for a certain amount of time.

The EU Commission also notes that it has faced difficulties when preparing the report due to the lack of available and comparable data.

The report notes that the objective of the PAD is to foster the single market for retail financial services and in particular for payment accounts through:

- creating transparency and ensuring comparability of payment account fees – the report concludes that the PAD has ensured a minimum level of harmonisation in this area but that some aspects still require improvement, and that cross-border transparency and comparison are not yet possible due to differences in the terminology used and to language barriers;
- ensuring that consumers have access to payment accounts (with basic features) – the report concludes that this objective has generally been achieved, although additional measures could also be useful, in particular to raise consumers' awareness of their right to a payment account with basic features; and
- facilitating the switching of payment accounts – again, the report concludes that the aim of making it easier to switch seems to have been accomplished, and that measures to raise consumers' awareness of their right to switch could be useful.

In light of the conclusions of the report, the Commission has not presented any legislative proposal to amend the PAD at this time. The Commission has indicated that it intends to consider whether the PAD needs to be amended in further detail at a later stage and taking into account, in particular, the European Banking Authority (EBA) guidelines on the interaction between the PAD and anti-money laundering (AML) rules.

Investment firms: EU Commission adopts RTS on liquidity measurement under IFD

The EU Commission has adopted a Delegated Regulation laying down RTS on the specific liquidity measurement for investments firms under the Investment Firms Directive ((EU) 2019/2034) (IFD).

The draft RTS, which seek to establish a harmonised approach by competent authorities to setting increased liquidity requirements as a result of an investment firm's supervisory review and evaluation process (SREP), detail how liquidity risk and elements of liquidity risk are to be measured for the purposes of the liquidity risk assessment.

The Regulation will enter into force 20 days following publication in the Official Journal.

Investment funds: ESMA publishes opinion on undue costs

The European Securities and Markets Authority (ESMA) has published an opinion proposing amendments to the UCITS Directive and AIFMD relating to undue costs.

The opinion seeks to address divergent market practices identified as part of ESMA's 2021 common supervisory action (CSA) on UCITS costs and fees by clarifying the notion of due / undue costs for UCITS and alternative investment funds (AIFs) and providing national competent authorities (NCAs) with a stronger legal basis to take supervisory and enforcement actions.

In particular, ESMA suggests amending the UCITS Directive and AIFMD to:

- require management companies and AIFMs to assess the eligibility of costs by reference to the list of costs of investment funds (AIFs and UCITS) that should be disclosed as set out in the PRIIPs Regulation, as well as the investment policy of the fund;
- empower ESMA to develop RTS specifying which costs included in the PRIIPs list should be considered as undue, and under which conditions NCAs may authorise additional cost categories which are not included in the PRIIPs list;
- introduce obligations for fund managers to develop a structured pricing process that demonstrates all charged costs are due, including performing due diligence, identifying conflicts of interest, and costs not exceeding figures disclosed to investors in pre-contractual documentation; and
- requiring fund managers to reimburse or indemnify investors where undue costs have been charged.

ESMA suggests that the Commission take the opinion into account as part of its forthcoming retail investment strategy legislative package.

ESAs publish consolidated Q&As on SFDR and PRIIPs KID

The Joint Committee of the European Supervisory Authorities (ESAs), comprising the EBA, the European Insurance and Occupational Pensions Authority (EIOPA) and the ESMA, has published consolidated versions of its Q&As on:

- the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (SFDR) and the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288); and
- the Packaged Retail and Insurance-based Investment Products (PRIIPs) key information document (KID).

IFR: EBA completes roadmap with draft RTS on consolidation of investment firm groups

The EBA has published its draft RTS on the scope and methods of consolidation of an investment firm group under the Investment Firms Regulation (IFR).

The draft RTS complete the EBA's roadmap on delivering the IFD/IFR mandates set out in June 2020. They specify the scope and methods for the prudential consolidation, as well as the methodology for the consolidation of capital requirements and the rules applicable for minority interest and additional Tier 1 and Tier 2 instruments issued by subsidiaries in the context of prudential consolidation.

The RTS address four key aspects of consolidation, including:

- the scope of consolidation, including the types of entities in the scope and the types of relationships bringing entities in the scope;
- the methods of consolidation;
- the methodology for the prudential consolidation of the capital requirements; and
- the rules applicable for minority interest and additional Tier 1 and Tier 2 instruments issued by subsidiaries in the context of prudential consolidation.

The EBA has relied on the existing work regarding the prudential consolidation of credit institutions under the Capital Requirements Regulation (CRR), but the scope of consolidation for investment firm groups is more limited than that of banking groups and therefore calls for a closer alignment with Article 22 of the Accounting Directive.

SRB publishes MREL policy 2023 and MREL dashboard Q4 2022

The SRB has decided to maintain its policy on the calibration of MREL (total and subordinated component) with minimal changes.

The only change concerns the scope of entities subject to internal MREL, as previously announced. The SRB has reduced the size threshold for credit institutions considered as relevant legal entities from EUR 10 billion to EUR 5 billion, keeping the other thresholds unchanged, from now on. In light of the deduction framework for intermediate entities recently introduced by Daisy

Chain Regulation (2022/2036), the SRB may also decide to set internal MREL for certain intermediate financial holdings companies not subject to prudential requirements after a case-by-case assessment, where it is deemed instrumental to ensure a sound execution of the resolution strategy.

The SRB has also published its MREL dashboard for Q4 2022, which presents the evolution of MREL targets and shortfalls for resolution (external MREL) and non-resolution entities (internal MREL) as well as the level and composition of resources of resolution entities in that quarter. In addition, it highlights recent developments in the cost of funding and provides an overview of gross issuances of MREL-eligible instruments in Q4 2022.

G7 Finance Ministers and Central Bank Governors publish communiqué

G7 Finance Ministers and Central Bank Governors have published a communiqué following their meeting on Niigata, Japan on 11-13 May 2023. Representatives from the International Monetary Fund (IMF), the World Bank Group, the Organisation for Economic Cooperation and Development (OECD), and the Financial Stability Board (FSB) also attended the meeting.

Amongst other things, the G7 agreed to:

- continue to work closely with supervisory and regulatory authorities to monitor financial sector developments and stand ready to take appropriate actions to maintain financial stability and the resilience of the global financial system;
- address data, supervisory, and regulatory gaps in the banking system;
- support the FSB's ongoing efforts, including for bank prudential and resolution frameworks, to draw out lessons learned from the recent episodes and the consequent priorities for its future work to enhance financial stability; and
- continue to prioritise addressing vulnerabilities in non-bank financial intermediation (NBFI).

The Ministers and Central Bank Governors also expressed their support for the work of the FSB and standard-setting bodies (SSBs) on enhancing the resilience of NBFI, including promoting implementation of the FSB Money Market Fund policy proposals, addressing structural liquidity mismatches in open-ended funds, addressing vulnerabilities in NBFI leverage, and enhancing margining practices in centrally and non-centrally cleared markets.

Financial Services and Markets Act 2000 (Commodity Derivatives and Emission Allowances) Order 2023 made

The Financial Services and Markets Act 2000 (Commodity Derivatives and Emission Allowances) Order 2023 (SI 2023/548) has been made and published, together with an explanatory memorandum.

SI 2023/548 relates to the ancillary activities exemption that applies to firms trading commodity derivatives or emission allowances primarily for investment purposes or to support the firm's commercial business as set out in Schedule 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO). In particular, it:

- amends the RAO and the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 to remove the obligation for firms relying on the ancillary activities exemption to notify the FCA of their exemption annually, and removes reference to UK Commission Delegated Regulation (EU) 2017/592, which contains provisions for determining whether a firm's activity is ancillary to its main commercial business; and
- deletes article 72J of the RAO, which enables firms to carry on their business without obtaining authorisation if there is no data available to enable them to perform the test establishing when an activity is ancillary.

SI 2023/548 will come into force on 1 January 2025.

Treasury Select Committee reports on regulating crypto

The House of Commons Treasury Committee has published its report on regulating crypto, which concludes that cryptocurrencies pose significant risks to consumers and calls for consumer trading in unbacked cryptoassets to be regulated as gambling.

The report argues that cryptocurrencies have no intrinsic value and serve no useful social purpose, while consuming large amounts of energy and being used by criminals in scams, fraud and money laundering. The Committee is concerned that regulating consumer crypto trading as a financial service, as proposed by the Government, would create a 'halo' effect, leading consumers to believe this activity is safe and protected when it is not.

The report does, however, recognise that the technologies underlying cryptoassets may bring benefits to financial services, particularly for cross-border transactions and payments in less developed countries, and calls on the Government and regulators to keep pace with developments so that potentially productive innovations are not unduly constrained. It further argues that, because the future benefits of crypto remain unclear, the Government should take a balanced approach to supporting the development of cryptoasset technologies and avoid spending public resources on projects without a clear, beneficial use.

FCA consults on renumeration and enhancing proportionality for smaller dual-regulated firms

The Financial Conduct Authority (FCA) has published a consultation paper (CP23/11) on proposed changes to ensure remuneration rules for smaller, less complex dual-regulated firms are proportionate to the risks they pose to consumers and markets in the UK. The FCA is proposing changes to the proportionality thresholds and to exempt firms meeting the updated proportionality thresholds from the requirements relating to malus and clawback.

The FCA is also proposing some minor changes to the current rules to address some differences between the FCA Handbook and the PRA Rulebook.

Comments are due by 9 June 2023.

FCA seeks views on elements of new prospectus regime

The FCA has published four papers as part of its engagement and dialogue process seeking views on elements of a new public offers and admission to trading regime.

The engagement papers are based on a draft statutory instrument, published as part of the Edinburgh Reforms, which seeks to illustrate how implementation powers under the Financial Services and Markets Bill (FSMB) might be used to replace the current prospectus regime.

In particular, the papers set out and seek views on how the FCA may use its rule-making powers to improve:

- admission to trading on a regulated market (Paper 1);
- further issuances of equity on regulated markets (Paper 2);
- the use of forward-looking statements by issuers (Paper 3); and
- the regime for non-equity securities (Paper 4).

Written responses are due by 29 September 2023. The FCA intends to consult on specific rules in 2024.

Consumer duty: FCA writes Dear CEO letter for SIPP operator portfolio

The FCA has written a letter to the directors of firms allocated to its self-invested personal pension (SIPP) operator portfolio.

The letter sets out the FCA's concerns about harm in the SIPP operator portfolio which include:

- firm failures causing disruption of service for consumers or transferring additional costs to them;
- consumers not receiving fair redress when it is due (or not receiving it in a timely manner), particularly when firms have failed to conduct adequate due diligence; and
- pension scams and fraud, as well as consumers being allowed to make investments which should not be accepted in their SIPP, including non-standard assets which fail or become illiquid and lose all or most value.

The FCA has detailed priorities to address these harms in areas including redressing liabilities, financial resources and firm failures, due diligence, product governance, systems and data and consumer duty.

PRA publishes policy on model risk management principles for banks

The Prudential Regulation Authority (PRA) has published a policy statement (PS6/23) containing its final policy on model risk management (MRM) principles for banks.

PS6/23 provides feedback to the PRA's June 2022 consultation paper (CP6/22) in which it proposed that firms should adopt five principles which it considers to be key in establishing an effective MRM framework. The PRA has made changes to its supervisory statement (SS1/23) in light of the responses, including:

- narrowing the scope of expectations in SS1/23 to apply only to internal model (IM) firms, as the PRA is yet to publish its final definition of 'simpler-regime firms' under the Strong & Simple Framework;
- modifying the wording of Principle 2.2 to remove potential ambiguity in responsibilities of the senior management function (SMF) and clarify that more than one SMF may be appointed;
- replacing a reference to accounting with financial reporting and clarifying the intent is to ensure MRM reporting is available to the audit committee;
- modifying the wording in Principle 1.3 (c) on model tiering to clarify that firms can select the relevant factors to determine model complexity;
- clarifying that subsidiaries using models developed by their parent-group may leverage the outcome of the group's validation of the model if the conditions in Principle 2.6 (c) are satisfied;
- combining the expectation for models that recalibrate dynamically in (former) Principle 3.3 (d) with the (former) clause on model changes in Principle 3.3 (e);
- clarifying the expectation for model documentation of vendor models in Principle 3.5;
- modifying the principle on model adjustments (Principle 3.4) to acknowledge that model adjustments are an important risk management tool, and changes have been made to Principle 5.1 to recognise the need for proportionality; and
- modifying Principle 5.3 on escalation processes to be less prescriptive and more principles-based in line with CP6/22's intent.

The policy will take effect from 17 May 2024.

Fintech Decree: Text converting decree into law published in Official Gazette

Law No. 52 of 10 May 2023, which converts into law, with amendments, Decree-Law No. 25 of 17 March 2023 containing urgent provisions on the issuance and circulation of certain financial instruments in digital form and simplification of fintech experimentation (the Fintech Decree), has been published in the Official Gazette (No. 112 of 15 May 2023).

The Fintech Decree aligns the Italian national system to the provisions of Regulation (EU) 2022/858, which establishes a pilot regime for market infrastructures based on distributed ledger technology (DLT pilot regime).

The converted decree introduces a regulatory regime for the issuance of digital financial instruments and circulation through distributed ledger technology (DLT), thus ensuring that Italian operators are not at a competitive disadvantage compared to operators established in other EU Member States.

MAS issues Gambling Control Act Order 2023

The Monetary Authority of Singapore (MAS) has issued the Gambling Control Act Order 2023, which will be applicable to the following financial institutions (FIs):

- any bank licensed under the Banking Act 1970 (BA);

- any person licensed under the BA to carry on the business of issuing credit cards or charge cards in Singapore;
- any merchant bank licensed under the BA;
- any finance company licensed under the Finance Companies Act 1967; and
- any operator of a designated payment system under the Payment Services Act 2019.

Amongst other things, the Order provides that an FI will not:

- accept credit, or proceeds of credit, extended to or on behalf of, a 'Relevant Person';
- accept any cheque, bank draft, or similar instrument which is drawn by or on behalf of, or in favour of, a Relevant Person; and
- make or accept, any electronic funds transfer, or any funds transmission, to or from the Relevant Person. It also requires the FI to block payments, or otherwise prevent or prohibit transactions to the merchant category codes specified under para 3.1 (d) of this Order.

The identity of a 'Relevant Person' will be notified by the MAS to the FI from time to time.

The Order is effective from 22 May 2023. The MAS has indicated that the earlier Remote Gambling Act Order dated 15 July 2020 on the same subject is cancelled with effect from 22 May 2023.

MAS responds to feedback received on proposed amendments to Securities & Futures (Reporting of Derivatives Contracts) Regulations

The MAS has published its responses to the feedback it received on its July 2021 public consultation on proposed amendments to the Securities & Futures (Reporting of Derivatives Contracts) Regulations 2013 (SF(RDC)R).

Based on the feedback received, the MAS' key responses are as follows:

- the MAS intends to align its Unique Transaction Identifier (UTI) reporting requirements with the UTI Technical Guidance by amending the SF(RDC)R and issuing guidelines (Reporting Guidelines);
- the MAS will adopt the 'UTI Characteristics' for the reporting of UTI and these expectations will be set out in the Reporting Guidelines. The MAS has clarified that UTIs should be generated and reported for each reportable OTC derivatives contract, and not based on the reporting entity's position. Where a package trade constitutes multiple reportable OTC derivatives contracts, a UTI should be generated and reported for each contract in the package;
- the MAS will adopt 'Approach A' (following the waterfall steps set out in the UTI Technical Guidance) in determining the UTI generating entity, to ensure consistency with other major jurisdictions. Detailed UTI generation steps will be set out in the Reporting Guidelines;
- the Reporting Guidelines will reference 'agents of counterparties to the contract' instead of 'counterparties' when determining the UTI generating entity, in the situation where a reporting entity who is acting as agent of a

counterparty to an OTC derivatives contract has a reporting obligation under the SFA, and no counterparty to an OTC derivatives contract has a reporting obligation under the SF(RDC)R or in another foreign jurisdiction;

- reporting entities will be required to make reasonable efforts to provide or obtain the UTI (as applicable) in a timely manner. The MAS will allow the use of an interim-UTI if reporting entities are unable to obtain a UTI, subject to certain conditions;
- the MAS will make the following changes to the list of reportable data fields in the First Schedule to the SF(RDC)R: adding data fields for 'Package identifier', 'Asset class', and 'Contract type'; and removing data fields for 'Basket constituent unit of measure', 'Basket constituent number of units', 'Beneficiary 1' and 'Beneficiary 1 identity type'. The MAS will also update the descriptions to several of the data fields in the Reporting Guidelines to align with the latest published revisions made to the technical guidance on the harmonisation of critical OTC derivatives data elements (other than the unique transaction identifier and unique product identifier);
- the MAS will require the reporting of global UPI in the UPI field set out in the Reporting Guidelines, with the date for the adoption of global UPI to be in line with the rest of the changes to the SF(RDC)R;
- on reporting elements that relate to the direction of the trade, the MAS will require reporting from the reporting entity's perspective;
- the MAS has clarified that the exemption from reporting of collateral and margin information by reporting entities who are not counterparties to an OTC derivatives contract should not be extended to fund/real estate investment trust (REIT) managers executing OTC derivatives contracts on behalf of a fund/REIT that they manage; and
- reporting entities will be required to report foreign exchange (FX) swaps as two separate contracts, which will be linked by the data field 'FX swap link ID'. The MAS has clarified that the 'FX swap link ID' data field should only be reported for FX swaps. For other types of package trades, reporting entities should report the identifier linking the package trades under the 'Package identifier' data field.

The MAS intends to commence the reporting of revised reportable data fields including UPI (Revised Requirements) under the revised SF(RDC)R in October 2024.

To ensure that only one reporting format is adopted in the industry post-commencement of the Revised Requirements, the MAS will apply the re-reporting requirement to all OTC derivatives contracts outstanding as at the commencement date of the Revised Requirements. If there are changes to the existing reportable data fields for these outstanding OTC derivatives contracts, these updates must be reported under the new format based on the Revised Requirements within two business days of the variation.

The MAS will not require re-reporting of OTC derivatives contracts that have a maturity of less than 6 months from the commencement date of the Revised Requirements. This will be set out in Regulation 7(3) of the revised SF(RDC)R.

The MAS will also provide an exemption for the reporting of any information required under the revised SF(RDC)R that was not previously captured at the point of time when the specified derivatives contract was executed.

For the reporting of pre-existing contracts in transition between the current requirements and Revised Requirements (Transitional Trades), the MAS will continue to require such trades to be reported within two business days after their execution, change or termination.

The MAS will proceed with the adoption of the ISO 20022 XML message format for OTC derivatives reporting. The MAS has also clarified that it will adopt the 'one-phased approach' to implement the ISO 20022 XML message format requirements together with the Revised Requirements in October 2024.

RECENT CLIFFORD CHANCE BRIEFINGS

Re Avanti Communications Limited (in administration) – characterisation of security as fixed/floating

Re Avanti Communications Limited (in administration) is a helpful first instance case for secured lending and will be welcomed by borrowers and lenders. It consolidates the law on the characterisation of security as fixed/floating and clarifies that the existence of disposal permissions in respect of a secured asset will not automatically undermine fixed security over it.

This briefing paper considers the key points from the case and what it means for security going forward.

https://www.cliffordchance.com/briefings/2023/05/re-avanti-communications-limited--in-administration----character.html

China Hong Kong swap connect to launch on 15 May 2023

The People's Bank of China, the Hong Kong Monetary Authority and the Securities and Futures Commission jointly announced on 5 May 2023 that northbound trading under the mutual access arrangement between the Mainland and Hong Kong interest rate swap markets (generally known as the 'Swap Connect' programme) would commence on 15 May 2023.

This briefing paper discusses the programme.

https://www.cliffordchance.com/briefings/2023/05/china-hong-kong-swap-connect-to-launch-on-15-may-2023-.html

China moves to further regulate artificial intelligence – What businesses should know

On 11 April 2023, the Cyberspace Administration of China (CAC) published a consultation draft (the Administrative Measures for Generative Artificial Intelligence Services (the GenAI Measures) to regulate the rapidly developing field of generative artificial intelligence (AI).

This briefing paper highlights some key questions for businesses that are involved in the use or development of AI within or outside China.

https://www.cliffordchance.com/briefings/2023/05/china-moves-to-further-regulate-artificial-intelligence---what-b.html

Sovereign debt restructuring – Three New York Assembly active bills

At present, the New York State Assembly has three active bills relating to matters which, if passed into law, would have a material impact on the current process for the restructuring of sovereign debt. In respect of each Assembly bill there is currently also a related active 'same as' bill in the New York State Senate. These bills are described below:

- Assembly Bill A5290 dated 7 March 2023 and Senate Bill S5623 dated 9 March 2023, which would alter New York State law on champerty in respect of sovereign claims;
- Assembly Bill A2102A dated January 2023 and Senate Bill S5542 dated 8 March 2023, which would effectively impose a comprehensive sovereign debt restructuring mechanism through an amendment to the existing New York Banking Law through a new Article 7; and
- Assembly Bill A2970 dated 1 February 2023 and Senate Bill S4747 dated 14 February 2023, which would limit recoveries on sovereign claims to those which would have been applicable if they had been held by the US itself and those claims are the subject of one or more international initiatives in respect of the sovereign debt of an affected country.

The substance of the original Assembly Bill A2102 was a verbatim replica of Senate Bill S6627 of 10 May 2021, on which we produced a briefing dated May 2021. However, in late March 2023, an amendment to Assembly Bill A2102 was introduced and, as this was the first amendment, the new version published on 31 March 2023 is now referred to as A2102A.

This briefing starts with a description of the background circumstances which are likely to have influenced the promotion of these bills. That description draws heavily on the Overview section of our May 2021 briefing but is updated to reflect the most recent practical experience in the sovereign debt restructuring field.

https://www.cliffordchance.com/briefings/2023/05/sovereign-debt-restructuring---three-new-york-assembly-active-bi.html