

# CLIFFORD CHANCE

## INTERNATIONAL REGULATORY UPDATE 15 – 19 JANUARY 2024

- **EU Parliament adopts MiFIR2/MiFID3**
- **Delegated Regulation removing Cayman Islands and Jordan from list of high-risk third countries published in Official Journal**
- **EU Council and Parliament reach provisional agreement on AMLD6 and AMLR1**
- **Benchmarks Regulation: ECON Committee publishes draft report on proposed amendment regarding scope, use in the EU of benchmarks provided by a third country administrator, and reporting requirements**
- **DORA: ESAs publish draft technical standards for ICT and third-party risk management and incident classification**
- **CRR: EBA analyses specific aspects of NSFR framework**
- **CRR: EBA consults on amendments to RTS on prudent valuation**
- **Capital requirements: EBA consults on draft ITS specifying data collection for 2025 benchmarking exercise**
- **EBA consults on ESG risk management guidelines**
- **EBA publishes amended guidelines on money laundering and terrorist financing risk factors**
- **BCBS-IOSCO consult on good margin practices for non-centrally cleared markets**
- **BCBS, CPMI and IOSCO consult on transparency and responsiveness of initial margin in centrally cleared derivatives**
- **Bank of Italy publishes document on implementation of EBA guidelines on exchange mechanic**
- **CRD5: Bank of Italy updates supervisory provisions relating to IRRBB and CSRBB**
- **ACPR publishes operational document on implementation of bail-in resolution tool in France**
- **ACPR publishes work programme for 2024**
- **BaFin consults on guidance note on minimum number of managing directors under German Investment Institutions Act**
- **German Investment Institutions Ownership Control Ordinance published**
- **CSSF issues circular on practical rules concerning annual reporting by support PFSS and role and engagement of their external auditors**

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

To request a subscription to our Alerter: Finance Industry service, please [subscribe to our Client Portal](#), where you can also request access to the Financial Markets Toolkit and subscribe to publications, insights and events.

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

### International Regulatory Group Contacts

[Marc Benzler](#) +49 69 7199 3304  
[Caroline Dawson](#) +44 207006 4355  
[Steven Gatti](#) +1 202 912 5095  
[Rocky Mui](#) +852 2826 3481  
[Lena Ng](#) +65 6410 2215  
[Gareth Old](#) +1 212 878 8539  
[Donna Wacker](#) +852 2826 3478

### International Regulatory Update Editor

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

To email one of the above, please use [firstname.lastname@cliffordchance.com](mailto:firstname.lastname@cliffordchance.com)

Clifford Chance LLP,  
10 Upper Bank Street,  
London, E14 5JJ, UK  
[www.cliffordchance.com](http://www.cliffordchance.com)

- **CSSF publishes update to circular on implementation of stress test to assess interest rate risk arising from banking book activities**
- **Polish Financial Supervision Authority sets out position on management of risk associated with investment of assets of insurance capital funds in CoCos**
- **SFC defers margin requirements for non-centrally cleared equity options**
- **Financial Institutions (Miscellaneous Amendments) Bill 2024 moved for first reading in Singapore Parliament**
- **Recent Clifford Chance briefings: Sell Side Horizon Scanner Q1 2024, UK listing regime reform, and more. Follow this link to the briefings section.**

## **EU Parliament adopts MiFIR2/MiFID3**

The EU Parliament plenary session has adopted the [Regulation](#) and [Directive](#) amending the Markets in Financial Instruments Regulation and Directive (MiFIR2/MiFID3). This follows a provisional agreement between the Parliament and the EU Council on 29 June 2023.

The changes to the EU's trading rules are intended to increase the global competitiveness of the EU's capital markets and give investors access to the market data necessary to invest in financial instruments more easily. They will, among other things:

- establish EU-level 'consolidated tapes' or centralised data feeds for different kinds of assets, which are intended to make it easier for investors to access key information such as the price of instruments and the volume and time of transactions; and
- impose a general ban on payment for order flow (PFOF), while providing Member States with a discretion to allow the practice in their territory until 30 June 2026.

The two pieces of legislation still need to be formally approved by the EU Council before they can be published in the Official Journal.

## **Delegated Regulation removing Cayman Islands and Jordan from list of high-risk third countries published in Official Journal**

[Commission Delegated Regulation \(EU\) 2024/163](#) amending Delegated Regulation (EU) 2016/1675 as regards the deletion of the Cayman Islands and Jordan from the table in point I of the Annex has been published in the Official Journal.

Table I of the Annex to Delegated Regulation (EU) 2016/1675 identifies third countries that have strategic deficiencies in their anti-money laundering and counter-terrorist financing (AML/CTF) regimes that pose significant threats to the financial system of the EU.

The update reflects the removal of the countries by the Financial Action Task Force (FATF) in October 2023 from its 'grey' list of 'Jurisdictions under Increased Monitoring'.

The Delegated Regulation will enter into force on 7 February 2024.

## **EU Council and Parliament reach provisional agreement on AMLD6 and AMLR1**

The EU Council and Parliament have [reached](#) a provisional political agreement on the sixth directive on AML/CFT (AMLD6) and an AML regulation (AMLR1).

The provisional agreement for AMLR1:

- expands the list of obliged entities to cover the majority of the crypto sector, certain professional football clubs and agents, and traders of luxury goods;
- introduces specific enhanced due diligence measures for cross-border correspondent relationships for cryptoasset service providers (CASPs); business relationships with high net-worth individuals which involve the handling of a large amount of assets; and occasional transactions and business relationships involving high-risk third countries, as identified by the Financial Action Task Force;
- sets an EU-wide limit of EUR 10,000 for cash payments and requires obliged entities to identify and verify the identity of a person who carries out an occasional cash transaction between EUR 3,000 and EUR 10,000; and
- clarifies that beneficial ownership is based on two components (ownership and control) and that both need to be analysed to identify all the beneficial owners of a legal entity or across types of entities. The agreement sets the beneficial ownership threshold at 25%.

The provisional agreement for AMLD6:

- introduces requirements around the verification of information submitted to central beneficial ownership registers, including granting those in charge of the registers the power to carry out inspections of registered legal entities' premises;
- expands the scope of those allowed to access the registers to persons of the public with legitimate interest;
- allows for competent authorities to access real estate registers through a single access point;
- introduces new supervisory measures for the non-financial sector, including the establishment of AML/CFT supervisory colleges; and
- grants Financial Intelligence Units (FIUs) greater powers to analyse and detect instances of money laundering and terrorist financing, including ensuring they have access to information on beneficial ownership, bank accounts, land or real estate registers and certain high value goods.

The texts will now need to be finalised and formally approved before their publication in the Official Journal.

The proposed legislation forms part of the EU Commission's July 2021 AML/CTF legislative package. The Council and Parliament reached political agreement on another aspect of the package, the regulation establishing the European Anti-Money Laundering Authority (AMLA), in December 2023.

## **Benchmarks Regulation: ECON Committee publishes draft report on proposed amendment regarding scope, use in the EU of benchmarks provided by a third country administrator, and reporting requirements**

The EU Parliament's Committee on Economic and Monetary Affairs (ECON) has published its [draft report](#) on the EU Commission's proposed Regulation to amend the Benchmarks Regulation (BMR) as regards the scope of the rules for benchmarks, the use in the EU of benchmarks provided by an administrator located in a third country, and certain reporting requirements.

The EU Commission published its legislative proposal in October 2023 alongside its 2024 work programme.

## **DORA: ESAs publish draft technical standards for ICT and third-party risk management and incident classification**

The Joint Committee of the European Supervisory Authorities (ESAs), comprising the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), has published final draft technical standards under the Digital Operational Resilience Act (DORA). The draft technical standards are intended to enhance the digital operational resilience of the EU financial sector by strengthening financial entities' information and communication technology (ICT) and third-party risk management and incident reporting frameworks.

The joint final draft technical standards include:

- [regulatory technical standards](#) (RTS) on ICT risk management framework and on simplified ICT risk management framework;
- [RTS](#) on criteria for the classification of ICT-related incidents;
- [RTS](#) to specify the policy on ICT services supporting critical or important functions provided by ICT third-party service providers (TPPs); and
- [implementing technical standards](#) (ITS) to establish the templates for the register of information.

The draft technical standards have been submitted to the EU Commission for adoption.

## **CRR: EBA analyses specific aspects of NSFR framework**

The EBA has published a [report](#) analysing specific aspects of the net stable funding ratio (NSFR) framework.

In the report, the EBA evaluates the materiality of the specific items analysed and assesses the impact of possible changes to the current prudential treatment. The analysed items include derivative contracts, securities financing transactions and unsecured transactions with a residual maturity of less than six months with financial customers, holding of securities to hedge derivative contracts.

According to the report, a change in the regulatory treatment of the analysed items would generate costs of compliance but would probably not have material effects on credit institutions. It also finds that the current prudential

treatment is aligned with other jurisdictions, and that any changes would therefore jeopardise harmonisation. The EBA has concluded that changes to the current legislation are not necessary.

### **CRR: EBA consults on amendments to RTS on prudent valuation**

The EBA has published a [consultation paper](#) on targeted amendments to Commission Delegated Regulation (EU) 2016/101, which sets out RTS on the prudent valuation of fair-valued financial instruments under the Capital Requirements Regulation (CRR).

The proposed amendments are intended to promote a more harmonised application of the RTS and reduce the observed variability of additional value adjustments (AVAs) under the core approach. They also introduce rules for the application of the prudent valuation framework in extraordinary circumstances under CRR3, including conditions for determining the presence of extraordinary circumstances, and rules for the calculation of AVAs under those circumstances.

Alongside the consultation, the EBA is carrying out a quantitative impact study to calibrate certain aspects of the proposed amendments.

Comments are due by 16 April 2024. A public webinar will take place on 4 March 2024.

### **Capital requirements: EBA consults on draft ITS specifying data collection for 2025 benchmarking exercise**

The EBA has published a [consultation paper](#) on its draft ITS under the Capital Requirements Directive (CRD4) on the benchmarking of credit risk, market risk and IFRS9 models for the 2025 exercise.

The changes compared to the data collection for 2024 include new templates for market risk, with instructions, for the collection of the internal model approach (IMA) risk measures under the fundamental review of the trading book (FRTB). The EBA is also proposing to reshape market portfolio and to expand the validation portfolios for the alternative standardised approach (ASA). For credit risk, only minor changes have been proposed.

Comments are due by 27 March 2024. A public hearing is scheduled for 28 February 2024.

### **EBA consults on ESG risk management guidelines**

The EBA has launched a [public consultation](#) on draft guidelines on the management of ESG risks. The draft guidelines set out requirements for institutions for the identification, measurement, management and monitoring of ESG risks, including through plans aimed at addressing the risks arising from the transition towards an EU climate-neutral economy.

Comments are due by 18 April 2024. A public hearing is scheduled for 28 February 2024.



## **EBA publishes amended guidelines on money laundering and terrorist financing risk factors**

The EBA published a [final report](#) setting out amendments to its money laundering and terrorist financing (ML/TF) risk factor guidelines. The amendments expand the scope of the guidelines to cover ML/TF risks associated with CASPs.

In particular, the revised guidelines:

- contain cryptoasset and CASP-specific risk factors;
- provide guidance for credit and financial institutions on the ML/TF risks associated with customers that are providing cryptoasset services, but which are not regulated under the Markets in Cryptoassets Regulation (MiCA);
- provide guidance for CASPs on the factors they should consider when assessing the ML/TF risks associated with their business relationships; and
- provide guidance on the mitigating measures CASPs should apply in situations where the ML/TF risk is increased, or in lower risk situations (to the extent that this is permitted by national law).

The guidelines will be translated into the official EU languages and published on the EBA's website. Competent authorities will then have two months in which to report whether they are compliant with the guidelines. The guidelines will apply from 30 December 2024.

## **BCBS-IOSCO consult on good margin practices for non-centrally cleared markets**

The Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) have published a [consultation paper](#) on streamlining variation margin (VM) processes and initial margin (IM) responsiveness of margin models in non-centrally cleared markets.

The consultation follows the BCBS-CPMI-IOSCO Margin Group's September 2022 review of margining practices which identified six areas for further policy work in the area. The BCBS-IOSCO have carried out work in two of these areas through the Working group of Margining Requirements (WGMR) including exploring the need to streamline VM processes in non-centrally cleared markets and investigating the responsiveness of IM models in non-centrally cleared markets.

The consultation sets out eight recommendations for good market practices to enhance market functioning but does not propose any policy changes to the BCBS-IOSCO frameworks. The recommendations, among other things:

- aim to address challenges that could inhibit a seamless exchange of VM during a period of stress; and
- highlight good practices for market participants to smoothly implement initiatives to ensure the calculation of IM is consistently adequate for contemporaneous market conditions.

Comments are due by 17 April 2024.

## **BCBS, CPMI and IOSCO consult on transparency and responsiveness of initial margin in centrally cleared derivatives**

The BCBS, the Committee on Payments and Market Infrastructures (CPMI) and the IOSCO have published a [consultation paper](#) setting out their policy proposals for addressing transparency and responsiveness of IM in centrally cleared markets.

The consultation follows the BCBS-CPMI-IOSCO Margin Group's September 2022 review of margining practices which identified six areas for further policy work in the area. The six categories of work were allocated across a number of international groups, with the BCBS-CPMI-IOSCO Margin Group conducting further work into increasing transparency and evaluating the responsiveness of IM models to market stresses.

The consultation sets out ten policy proposals including:

- requiring central counterparties (CCPs) to make margin simulation tools available to all clearing members and their clients;
- imposing minimum requirements for margin simulation tools functionality;
- making margin model documentation available to clearing members at a level that can enable them to understand key aspects of the CCP's margin model and its approach to risk management;
- public disclosure of anti-procyclicality (APC) tools used in CCPs' models;
- requiring CCPs to provide additional breakdowns of margin-related data through public quantitative disclosures (PQDs);
- disclosure of a new standardised measure of margin responsiveness;
- requiring CCPs to identify and define an analytical and governance framework appropriate to their business lines and risk profile;
- having clear governance and public disclosure procedures in place where CCPs make use of discretion to override margin model requirements;
- requiring clearing members to ensure their clients have sufficient understanding of their margin requirements; and
- requiring clearing members to disclose additional metrics to CCPs of which they are members on a quarterly basis.

Comments are due by 16 April 2024.

## **Bank of Italy publishes document on implementation of EBA guidelines on exchange mechanic**

The Bank of Italy has published a [document](#) intended to implement the EBA guidelines on the publication of the write-down and conversion and bail-in exchange mechanic (EBA/GL/2023/01), with which it had declared its intention to comply on 30 May 2023.

Amongst other things, the document sets out the operating procedures that would be applied as a result of the exercise of the power of impairment or conversion and bail-in to Italian banks, pursuant to a resolution programme adopted by the Single Resolution Board, or a resolution measure adopted by the Bank of Italy (as the case may be).

## **CRD5: Bank of Italy updates supervisory provisions relating to IRRBB and CSRBB**

The Bank of Italy has, with [Update No. 44 of Circular No. 285 of 17 December 2013](#), updated its circular on supervisory provisions by transposing CRD5 with regard to the rules on interest rate risks for banking book (IRRBB) and credit spread risk arising from non-trading book activities (CSRBB).

In particular, the update amends the supervisory provisions on the prudential control process, as well as those relating to the system of internal controls, in line with the revised CRD5 framework including, amongst others, the EBA guidelines on IRRBB and CSRBB.

## **ACPR publishes operational document on implementation of bail-in resolution tool in France**

The Autorité de contrôle prudentiel et de résolution (ACPR) has published an [operational document](#) presenting its approach when implementing the bail-in resolution tool, pursuant to the EBA guidelines to resolution authorities on the publication of the write-down and conversion and bail-in exchange mechanic (EBA/GL/2023/01). The document presents the general aspects of a bail-in and the operational procedures applicable for its implementation, from the preparation of decisions to the end of the resolution procedure. In particular, the document includes the following information:

- the scope of the bail-in tool, the main principles governing its use and the valuation requirements that enable authorities to calibrate it;
- the role and responsibilities of the various parties involved in the implementation of a bail-in (e.g. the SRB, the resolution college of the ACPR, the AMF, the banking entity subject to a resolution procedure, etc.); and
- the operational procedures applicable for the implementation of a bail-in, notably the preparatory and execution stages.

The ACPR defined several scenarios to study the implementation of a bail-in of different categories of instruments and different types of transactions (total reduction, partial reduction, total conversion and partial conversion).

The ACPR's document focuses on the situation of banking institutions considered as 'important' and in respect of which the SRB is competent. The ACPR has specified that in the event of a bail-in implemented in respect of an institution in respect of which it is itself competent, the general aspects and operational procedures described in the document will also be relevant.

## **ACPR publishes work programme for 2024**

The ACPR has [published](#) its work programme for 2024. The programme is based on the risk mapping of the French financial system drawn up by the ACPR and the Banque de France. It incorporates the supervisory priorities of the Single Supervisory Mechanism (SSM), the Single Resolution Board (SRB), the EBA and the EIOPA, to which the ACPR's agents contribute.

The Supervisory College of the ACPR has adopted the following four priorities:

- maintaining and strengthening the safety and soundness of the banking and insurance sectors in the face of macroeconomic, financial and geopolitical risks;



- rectifying structural vulnerabilities and being proactive in identifying, preventing and supervising new and developing risks;
- identifying and rectifying the risks of misconduct and maintaining a high quality of AML/CFT arrangements; and
- continuing to modernise and increase the efficiency of the ACPR and contributing to the Banque de France's strategic plan.

The Resolution College of the ACPR has adopted the following three priorities:

- following the SRB's 2028 strategy, which the SRB will announce on 13 February 2024;
- strengthening expertise in insurance resolution; and
- pursuing a strategy of influence in banking resolution and insurance and CCP resolution.

### **BaFin consults on guidance note on minimum number of managing directors under German Investment Institutions Act**

The German Federal Financial Supervisory Authority (BaFin) has [published](#) a draft guidance note on the minimum number of managing directors required under the German Investment Institutions Act (WpIG), in order sufficiently to enforce the requirement under Article 9 paragraph 6 subparagraph 1 of MiFID2 that investment firms must in principle have two managing directors.

The guidance note sets out criteria which, if met, require an investment firm to have at least two managing directors in order to fulfil the statutory requirements regarding the professional suitability and availability of the management and the organisation of the investment firm pursuant to section 20 paragraphs 1 and 2 WpIG and section 41 no 1 WpIG. In particular, BaFin defines two risk criteria that generally require the management of an investment firm by two directors: the scope of the investment firm and the complexity of its business model.

The guidance note is to apply to all investment firms that already hold a licence under the WpIG after the expiry of a one-year transition period from the publication date, and to companies that submit an application for the granting or extension of such licence from the publication date.

Comments are due by 18 March 2024.

### **German Investment Institutions Ownership Control Ordinance published**

The German Investment Institutions Ownership Control Ordinance (WpI-IKV) in relation to the WpIG has been [published](#) in the German Federal Gazette.

The WpIG implements the Investment Firms Directive (EU) 2019/2034 (IFD) into German national law. The WpI-IKV sets out the notification requirements applicable to persons and companies that intend to acquire a qualifying holding in an investment institution. It enters into force on 16 January 2024.

## **CSSF issues circular on practical rules concerning annual reporting by support PFSs and role and engagement of their external auditors**

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has published its [Circular CSSF 24/850](#) on practical rules concerning the descriptive report and the self-assessment questionnaire to be submitted on an annual basis by support professionals of the financial sector (PFS) as well as on the engagement of the approved statutory auditors (réviseurs d'entreprises agréés, REAs) of support PFSs and practical rules concerning the management letter and the separate report to be drawn up on an annual basis.

The circular is addressed to all support PFS supervised by the CSSF and applies to all PFS exercising one or several support PFS activities as defined in Articles 29-1 to 29-6 of the Law of 5 April 1993 on the financial sector and classified as 'I' by the CSSF.

The circular introduces a self-assessment questionnaire to be completed on an annual basis by support PFSs and to be submitted to the CSSF as a replacement of the risk assessment report currently required under Circular CSSF 12/544. The self-assessment questionnaire represents the result of an in-depth review of the objective and content of the information the CSSF requests to receive on the support PFS' self-assessment and management of the risks to which they may expose the financial sector. It takes into account regulatory developments and the main points that the CSSF intends to bring to the support PFSs' attention.

The circular also broadly details the role and engagement of REAs in the context of the statutory audit of support PFSs. Moreover, it establishes a specific regulatory framework applicable to the management letter, and also introduces a separate report. The separate report includes the specific procedures that the CSSF requests the REA to perform in relation to the support PFSs' self-assessment questionnaire. Both documents must be drawn up by the support PFSs' REAs on an annual basis.

Finally, the circular adapts and simplifies the descriptive report to be provided on an annual basis by support PFSs and repeals Circulars CSSF 12/544 and CSSF 19/727 following the introduction of the new supervisory tools by the circular.

The instructions in the circular must be complied with in their entirety for financial years closing on 31 December 2023 (the first year of application) or after 31 December 2023. All financial years closing as of this date will therefore fall within the scope of the circular.

## **CSSF publishes update to circular on implementation of stress test to assess interest rate risk arising from banking book activities**

The CSSF has published [Circular CSSF 24/849](#) updating Circular CSSF 08/338 (as amended by Circulars CSSF 16/642 and 20/762) on the implementation of a stress test in order to assess the interest rate risk arising from CSRBB pursuant to Article 53-7(4) of the Law of 5 April 1993 on the financial sector (FSL).

The circular is addressed to all Luxembourg law credit institutions and CRR investment firms as well as Luxembourg branches of third country credit institutions and CRR investment firms.

The circular is intended to draw the attention of the addressees to the changes to Circular CSSF 08/338 which take account of the EBA guidelines on interest rate risks for banking book (IRRBB) and credit spread risk arising from CSRBB (guidelines issued on the basis of Article 84 (6) of Directive 2013/36/EU specifying criteria for the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of credit spread risk, of institutions' CSRBB) (EBA/GL/2022/14).

The changes to Circular CSSF 08/338 are shown in tracked changes in the annex to the circular. In particular, the changes concern:

- an update of the legal references relating to the supervisory tests relating to outliers (SOT) on IRRBB;
- the inclusion of provisions which were previously included in the EBA guidelines 2018/02, notably section 4.5 and the annex thereof;
- the changes of the modalities of the calculation of the development of the economic value of equity (EVE); and
- the supplementary requirements relating to the modalities of calculation of the net interest income (NII).

The circular also notes that Circular CSSF 08/338 (as amended by the circular) will cease having effect when the RTS specifying the supervisory shock scenarios, the common modelling and parametric assumptions and what constitutes a large decline and the ITS modifying Commission Implementing Regulation (EU) 2021/451 as regards IRRBB reporting enter into force. This will include any methodological derogation to institutions which are a subsidiary of a group with their parent company located in a third country or which are branches the head office of which is located in a third country in accordance with point 7 of Circular CSSF 08/338.

### **Polish Financial Supervision Authority sets out position on management of risk associated with investment of assets of insurance capital funds in CoCos**

The Polish Financial Supervision Authority has [issued](#) a position on the management of the risk associated with investing the assets of insurance capital funds (ICFs) in contingent convertibles (CoCos) instruments and other assets dependent on the value of CoCos instruments.

The PFSA notes that a substantial exposure of ICFs' assets in deposits exposed to the risk associated with CoCos may negatively affect the security, profitability and liquidity of ICFs' investments, as well as the ability to correctly evaluate a participation unit in insurance capital funds.

The PFSA takes a negative view of the possibility of creating, distributing and offering insurance products from ICFs, which directly assume the possibility of indirect and substantial exposure to the risk associated with CoCos.

In addition, the PFSA argues, among other things, that it is not desirable to create, distribute and offer insurance products from ICFs that provide for the possibility of directly investing ICFs' assets in instruments or contracts that are

CoCos, issued or concluded by financial institutions that are not subject to prudential requirements under European Union law.

## **SFC defers margin requirements for non-centrally cleared equity options**

The Securities and Futures Commission (SFC) has issued a [circular](#) to inform licensed corporations that it will defer the effective date of its margin requirements for non-centrally cleared single-stock options, equity basket options and equity index options (collectively, non-centrally cleared equity options) by two years to 4 January 2026, to align with the latest global developments. These requirements were originally scheduled to take effect on 4 January 2024 when such margin requirements were expected to become effective in the United Kingdom and the European Union.

On 18 December 2023, the UK published amendments to the Binding Technical Standards 2016/2251 to extend the temporary exemptions for single-stock equity options and index options from the UK bilateral margining requirements from 4 January 2024 until 4 January 2026. In addition, the European Supervisory Authorities on 20 December 2023 published joint draft RTS under the European Market Infrastructure Regulation (EMIR), proposing an extension to the equity option exemption from bilateral margining by two years until 4 January 2026.

The SFC notes that Paragraph 7(e) of Part III of Schedule 10 to the Code of Conduct for Persons Licensed by or Registered with the SFC will be amended accordingly and gazetted in due course.

## **Financial Institutions (Miscellaneous Amendments) Bill 2024 moved for first reading in Singapore Parliament**

The [Financial Institutions \(Miscellaneous Amendments\) Bill 2024](#) (FIMA Bill) has been moved for its first reading in the Singapore Parliament.

The FIMA Bill amends the Financial Advisers Act 2001 (FAA), the Financial Services and Markets Act 2022 (FSMA), the Insurance Act 1966 (IA), the Monetary Authority of Singapore Act 1970 (MAS Act), the Payment Services Act 2019 (PS Act), the Securities and Futures Act 2001 (SFA), and the Trust Companies Act 2005 (TCA).

Amongst other things, the Bill is intended to:

- enhance and widen the investigative powers of the Monetary Authority of Singapore (MAS) under the FAA, the IA, the PSA, the SFA and the TCA and provide for investigative powers of the MAS under the FSMA;
- empower the MAS to regulate through directions under the SFA, the conduct of certain additional businesses by holders of capital markets services licence which may pose contagion risks to their businesses in regulated activities;
- clarify that a person previously regulated under the FAA, the SFA or the TCA, and who has ceased to be regulated under the relevant Act, can be reprimanded by the MAS for misconduct, if the person was a regulated person at the time of the misconduct;
- enhance, widen and clarify the powers of the MAS under the FAA, the SFA and the TCA relating to the appointment, disqualification and removal of

certain officers of various financial institutions (FIs), the appointment of external auditors of FIs, and the control of FIs;

- provide under the FAA, the SFA and the TCA for service of documents by email, provide under the SFA for the manner of service of a written notice of meeting to participants of a collective investment scheme constituted as a unit trust under certain circumstances, and provide under the FAA, the SFA and the TCA for an electronic service provided by the MAS for the service of documents; and
- make it an offence for a person who is not an individual to fail to take due care to ensure that information provided to the MAS under the FAA, the SFA and the TCA is not false or misleading (whether or not the information is false or misleading in a material particular) and clarify when the duty not to provide false information arises.

The Bill also introduces miscellaneous amendments to certain other Acts under the MAS's purview which are:

- consequential from the introduction of new processes;
- clarificatory or technical in nature; and
- meant to update the provisions or remove certain administrative constraints.

The Bill follows the MAS's July 2021 public consultation on proposals to enhance its investigative and other powers under the MAS-administered Acts.

When passed, the Financial Institutions (Miscellaneous Amendments) Act 2024 will come into operation on a date that the Minister appoints by notification in the Gazette.

## **RECENT CLIFFORD CHANCE BRIEFINGS**

### **Clifford Chance Sell Side Horizon Scanner Q1 2024**

Clifford Chance has prepared a sell-side regulatory horizon scanner providing a high-level overview of key ongoing and expected EU and UK regulatory developments relevant to banks and investment firms.

The tracker identifies and summarises key legislative and non-legislative developments that are likely to have an impact on banks and investment firms providing services in the EU and UK. Developments are grouped firstly according to whether they are EU or UK developments and, within those categories, into the following four topics:

- markets related developments;
- ESG developments;
- prudential developments; and
- cross-sector developments.

The horizon scanner also sets out projected timelines for the finalisation and implementation of the relevant developments, covering approximately the next 18 months to 2 years.

This horizon scanner has been prepared as of January 2024. It does not constitute legal advice and is not intended to provide an exhaustive list of all provisions or requirements applicable to such firms during this period.

<https://www.cliffordchance.com/briefings/2024/01/sell-side-regulatory-horizon-scanner-q1-2024.html>

## **UK listing regime reform – getting ready**

The Financial Conduct Authority (FCA) confirmed in December 2023 that it intends to introduce a radically restructured UK listing regime, which will make it more straightforward to list in London. The package of reforms also has the potential to reduce the complexity involved in maintaining a listing in the UK and make it simpler for listed companies to participate in transformative M&A and be more competitive in auction processes. The continuing obligations to which companies are subject, and their listing segment, will be modified. The final rules are expected to take effect in Autumn 2024, two weeks after their publication. Issuers undertaking transactions which straddle the regime coming into effect will not be expected to comply with obligations that no longer apply.

This briefing paper discusses the proposed changes.

<https://www.cliffordchance.com/briefings/2024/01/uk-listing-regime-reform--getting-ready.html>

## **FCA decisively moves ahead on overhauling the UK listing regime**

On 20 December 2023, the FCA published a consultation paper (CP23/31) as a sequel to its consultation paper published in May 2023 (CP23/10) and laid down a definite roadmap for the introduction of the new listing regime in early H2 2024.

The new consultation paper confirms that the FCA intends to effect very significant reforms to the listing regime, including:

- a single listing segment for commercial companies with less onerous eligibility requirements than currently applicable to premium listings; and
- revamping the continuing obligations of listed companies to move towards a disclosure-driven notification framework.

The new consultation paper is the culmination of the FCA's 'once in a generation' overhaul of the UK listing regime that began in 2020 with the UK Listings Review by Lord Hill and gives companies considering an IPO in London a clear sense of the regulatory direction of travel and enables them to start contemplating the steps for an IPO under the new regime.

This briefing discusses the proposed reforms to the UK listing regime.

<https://www.cliffordchance.com/briefings/2024/01/fca-decisively-moves-ahead-on-overhauling-the-uk-listing-regime.html>



# CLIFFORD CHANCE

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

[www.cliffordchance.com](http://www.cliffordchance.com)

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

© Clifford Chance 2022

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

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

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

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

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

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

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