INTERNATIONAL REGULATORY UPDATE
11 – 15 MARCH 2024

- **Eurogroup issues statement on future of Capital Markets Union**
- **EU Parliament adopts first reading position on proposed Regulation on reporting requirements in financial services and investment support**
- **AMLD4: EU Commission reports on implementation**
- **CRD4: ITS on supervisory disclosure and benchmarking exercise published in Official Journal**
- **EU Commission adopts Delegated Regulations simplifying ESMA's supervisory fees**
- **CRR: EU Commission adopts RTS on assessments of internal models for market risk**
- **CRR: EU Commission adopts RTS on KIRB calculations for underlying exposures in securitisation transactions**
- **DORA: EU Commission adopts RTS on classifying cyber incidents, ICT risk management and use by financial entities of ICT third-party service providers**
- **IFR: EU Commission adopts RTS on scope and methods for prudential consolidation of investment firm groups**
- **EU Commission adopts amending ITS on supervisory reporting for IRRBB**
- **MiCA: EBA publishes draft RTS on complaints handling procedures for asset referenced token issuers**
- **HM Treasury publishes policy paper and draft SI on payment service contract termination rule changes**
- **HM Treasury consults on improving effectiveness of Money Laundering Regulations**
- **PRA publishes policy statement on solvent exit planning for non-systemic banks and building societies**
- **ACPR issues recommendations on cyber risk coverage**
- **CSSF publishes communiqué on payment of variable remuneration in class 2 investment firms**
- **CSSF publishes communiqué on update of Reporting Handbook and new eDesk procedure for IPU threshold monitoring**

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

Clifford Chance LLP,
10 Upper Bank Street,
London, E14 5JJ, UK
www.cliffordchance.com

- **Financial Institutions (Miscellaneous Amendments) Bill 2024 passed in Singapore Parliament**
- **MAS publishes revised guidelines on online distribution of life policies with no advice**
- **Ministry of Communications and Information provides update on introduction of Digital Infrastructure Act**
- **Recent Clifford Chance briefings: New York Assembly Bill and privately placed high-yield bonds. Follow this link to the briefings section.**

Eurogroup issues statement on future of Capital Markets Union

The Eurogroup in inclusive format has issued a statement on the future of the Capital Markets Union in preparation for the next European legislative term of 2024-2029.

The statement highlights the need for open, well-functioning, and integrated European capital markets and identifies three priority areas for action:

- architecture – developing a competitive, streamlined and smart regulatory system, allowing funds to be better channelled into innovative EU businesses, with greater liquidity, risk taking and risk sharing together with higher resilience and financial stability;
- business – ensuring better access to private funding for EU businesses to invest, innovate and grow in the EU; and
- citizens – creating better opportunities for EU citizens to accumulate wealth and improve financial security, by increasing direct and indirect retail participation through access to profitable investment opportunities.

Under these three headings, the Eurogroup in inclusive format highlights a number of measures to be taken forward during the next European legislative term, including:

- developing the EU securitisation market to allow for the efficient and transparent transfer of risks to parties best equipped to carry those risks;
- further supervisory convergence of capital markets across the EU;
- reassessing the regulatory framework to reduce regulatory burden and transaction costs for market participants;
- targeted convergence of national corporate insolvency frameworks;
- further harmonising accounting frameworks in a targeted manner;
- increasing the attractiveness of capital market funding for companies through better integrated market infrastructure in the EU and through further convergence and harmonisation of listing requirements across European exchanges;
- fostering equity financing through well-designed national corporate tax systems to ensure EU companies have access to diversified sources of funding;

- improving conditions for institutional, retail, and cross-border investment in equity, in particular in growth/scale up venture capital;
- enhancing the usability of the EU sustainable finance framework and supporting stakeholders with its implementation; and
- developing attractive cost-effective and simple cross-border investment/savings products for retail investors.

EU Parliament adopts first reading position on proposed Regulation on reporting requirements in financial services and investment support

EU Parliament has adopted its position at first reading on the proposed Regulation amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support.

The EU Commission published its legislative proposal in October 2023 as part of its 2024 work programme and its commitment to reduce burdens associated with reporting requirements by 25%.

The proposal will be followed up by the new Parliament after the European elections in June 2024.

AMLD4: EU Commission reports on implementation

The EU Commission has submitted a report to the EU Parliament and Council on the implementation of the fourth Anti-Money Laundering Directive (AMLD4). The report draws on information gathered from two surveys of Member States, contributions from the European Banking Authority (EBA), and a study carried out by the Council of Europe.

Among other things, it covers:

- the actions the Commission has taken to prevent and address emerging threats to the EU financial system since the implementation of AMLD4;
- potential follow-up actions required to address national obstacles to effective anti-money laundering and counter terrorist financing (AML/CTF) supervision;
- progress related to information access for, and exchange between, competent authorities and Financial Intelligence Units (FIUs);
- the Commission's efforts to monitor Member States' compliance with AMLD4;
- the feasibility of specific measures on the collection of beneficial ownership information of corporate and other legal entities incorporated outside of the EU;
- the proportionality of the enhanced due diligence measures with regard to politically exposed persons; and
- adherence to the fundamental rights and principles recognised by the EU Charter of Fundamental Rights.

The Commission notes that many of the issues identified in the implementation of AMLD4 have already been address by the proposed AML/CFT legislative package issued in 2021.

CRD4: ITS on supervisory disclosure and benchmarking exercise published in Official Journal

Commission Implementing Regulation (EU) 2024/348 and Commission Implementing Regulation (EU) 2024/796 amending implementing technical standards (ITS) under the Capital Requirements Directive (CRD4) have been published in the Official Journal.

Commission Implementing Regulation (EU) 2024/348 amends the ITS regarding benchmark portfolios, reporting templates and reporting instructions for reporting referred to in Article 78(2) of CRD4. Internal approaches used for the calculation of own funds requirements for market and credit risk are subject to an annual assessment by competent authorities. The amendments introduced reflect revisions proposed by the EBA in June 2023 for the 2024 benchmarking exercise.

Commission Implementing Regulation (EU) 2024/796 amends the ITS specifying the format, structure, contents list and annual publication date of the supervisory information to be disclosed by competent authorities in accordance with Article 143(1) of CRD4. The amendments introduced reflect changes made by CRD5, and the removal of information relating to investment firms that are not subject to the CRR following the adoption of equivalent ITS for investment firms under the Investment Firms Directive (IFD).

The Implementing Regulations will enter into force on 28 March 2024.

EU Commission adopts Delegated Regulations simplifying ESMA's supervisory fees

The EU Commission has adopted five Delegated Regulations on the harmonisation of certain aspects linked to fees charged by the European Securities and Markets Authority (ESMA).

The Delegated Regulations relate to fees charged by ESMA to:

- trade repositories under the European Market Infrastructure Regulation (EMIR);
- trade repositories under the Securities Financing Transactions Regulation (SFTR);
- benchmark administrators under the Benchmarks Regulation;
- credit rating agencies (CRA) under the CRA Regulation; and
- securitisation repositories under the Securitisation Regulation.

The Delegated Regulations are intended to harmonise and simplify technical aspects of ESMA's fee system so that the fees charged and their collection are less complex and more uniform across sectors.

The Delegated Regulations will enter into force on the twentieth day following their publication in the Official Journal and will apply from 1 January 2025.

CLIFFORD CHANCE

CRR: EU Commission adopts RTS on assessments of internal models for market risk

The EU Commission has adopted a Delegated Regulation containing regulatory technical standards (RTS) on the assessment methodology under which competent authorities verify an institution's compliance with the requirements to use an internal model approach (IMA) for market risk under the Capital Requirements Regulation (CRR).

The RTS identify elements to be assessed by a competent authority when granting approval to use an IMA to compute the own funds requirements for market risk, including the assessment of:

- qualitative requirements;
- the internal risk-measurement model used to compute the expected shortfall measure and the stress scenario risk measure; and
- the internal default risk model used to compute the additional own funds requirement for default risk.

The Delegated Regulation will enter into force 20 days after its publication in the Official Journal, with the exception of some Articles which will apply from 1 January 2025 and 1 January 2026.

CRR: EU Commission adopts RTS on KIRB calculations for underlying exposures in securitisation transactions

The EU Commission has adopted a Delegated Regulation containing RTS specifying the conditions under which institutions are allowed to calculate capital requirements for the pool of underlying exposures in securitisation (KIRB).

The RTS specify the conditions to allow credit institutions to calculate KIRB for the pools of underlying exposures in line with the CRR provisions on the internal ratings based (IRB) approach for the calculation of capital requirements for purchased receivables, in particular with regard to:

- internal credit policy and models for calculating KIRB for securitisations;
- use of different risk factors relating to the underlying pool and, where sufficient accurate or reliable data on the underlying pool is not available, of proxy data to estimate probability of default (PD) and loss given default (LGD); and
- due diligence requirements to monitor the actions and policies of sellers of receivables or other originators.

The Delegated Regulation will enter into force 20 days after its publication in the Official Journal.

DORA: EU Commission adopts RTS on classifying cyber incidents, ICT risk management and use by financial entities of ICT third-party service providers

The EU Commission has adopted three Delegated Regulations containing RTS supplementing the Digital Operational Resilience Act (DORA), specifying:

- the criteria for the classification of ICT-related incidents and cyber threats, setting out materiality thresholds and specifying the details of reports of major incidents;
- the detailed content of the policy regarding contractual arrangements on the use of ICT services supporting critical or important functions provided by ICT third-party service providers; and
- ICT risk management tools, methods, processes, and policies and the simplified ICT risk management framework.

This follows the adoption of Delegated Regulations supplementing the DORA with provisions relating to ICT third-party service providers on 22 February 2024.

If there are no objections from the Parliament or Council, the Delegated Regulations will enter into force on the twentieth day following their publication in the Official Journal.

IFR: EU Commission adopts RTS on scope and methods for prudential consolidation of investment firm groups

The EU Commission has adopted a Delegated Regulation containing RTS on the scope of and methods for prudential consolidation of investment firm groups under the Investment Firms Regulation (IFR). This follows a consultation on the draft RTS launched by the EBA in June 2020.

The RTS are intended to ensure that the proposed regulatory requirements ensure a proportionate and technically consistent framework for prudential consolidation of investment firm groups. The RTS cover four key aspects:

- the scope of prudential consolidation;
- the methods for prudential consolidation;
- the methodology for prudential consolidation; and
- the rules applicable to minority interests and additional Tier 1 and Tier 2 instruments issued by subsidiaries as part of prudential consolidation.

The Delegated Regulation will enter into force 20 days after its publication in the Official Journal.

EU Commission adopts amending ITS on supervisory reporting for IRRBB

The EU Commission has adopted an Implementing Regulation amending the ITS on supervisory reporting with respect to the Interest Rate Risk in the Banking Book (IRRBB).

The ITS are intended to provide quality data to supervisors to monitor institutions' IRRBB and the implementation of the EBA's policy package published in October 2022. As proportionality has been a key consideration when developing the ITS, they include simplified templates for the reporting by small and non-complex institutions (SNCIs) and for other institutions.

The Implementing Regulation shall enter into force 20 days after its publication in the Official Journal and shall apply from 1 September 2024.

MiCA: EBA publishes draft RTS on complaints handling procedures for asset referenced token issuers

The EBA has published the final draft RTS that set out the requirements, templates and procedures for handling complaints received by issuers of asset referenced tokens (ARTs), under the Markets in Cryptoassets Regulation (MiCA).

This follows a consultation on draft RTS launched in July 2023. Following feedback received, the EBA decided to make a small number of targeted amendments with the aim to provide greater clarity and to further align with the European Supervisory Markets Authority (ESMA), in relation to requirements on languages, data protection and procedure for submitting an electronic complaint.

The draft RTS set out requirements related to the complaints management policy and function, the provision of information to holders of ARTs and other interested parties, templates, recordings, languages, the procedure to investigate complaints and to communicate the outcome of the investigations to complainants, and specific provisions for complaints handling involving third-party entities.

HM Treasury publishes policy paper and draft SI on payment service contract termination rule changes

HM Treasury (HMT) has published a policy paper and draft statutory instrument (SI) on changes to the rules on provider-initiated terminations of payment service contracts.

The draft Payment Services (Contract Terminations Amendment) Regulations 2024 make amendments to the Payment Services Regulations 2017 (PSRs) to impose new requirements in relation to payment service framework contracts concluded for an indefinite period, terminated by a payment service provider. In particular, the SI:

- increases the minimum termination notice period from two months to 90 days;
- requires payment service providers to explain the reasons for the termination so that the payment service user can understand why their particular contract has been terminated;
- provides for other information requirements, for example in relation to the service user's rights to complain;
- clarifies that the new requirements may not be avoided by the parties agreeing that the contract has been discharged; and
- amends the Payment Accounts Regulations 2015 to bring the notice period and requirements to give reasons into line as appropriate with the new requirements in the PSRs.

Technical comments on the draft SI are due by 14 April 2024, and HMT intends to lay this legislation before Parliament in Summer 2024.

HM Treasury consults on improving effectiveness of Money Laundering Regulations

HMT has launched a consultation on improving the effectiveness of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs), which place requirements on a range of businesses to identify and prevent money laundering and terrorist financing. The consultation is part of a wider programme intended to reduce money laundering, which was set out in the Economic Crime Plan 2023-26. The consultation covers four core themes:

- making customer due diligence more proportionate and effective;
- strengthening system coordination;
- providing clarity on the scope of the MLRs; and
- reforming registration requirements for the Trust Registration Service.

The consultation is open to regulated businesses and their customers, supervisory bodies, law enforcement agencies, civil society organisations and members of the public.

In parallel with the consultation, the Treasury is running a survey on the cost of compliance with the MLRs, which is open to a range of regulated businesses, including large firms, SMEs and sole traders.

Comments are due by 9 June 2024.

PRA publishes policy statement on solvent exit planning for non-systemic banks and building societies

The Prudential Regulation Authority (PRA) has published a policy statement (PS5/24) setting out the final policy and providing feedback to responses to its consultation paper (CP10/23) on solvent exit planning for non-systemic banks and building societies.

PS5/24 contains the PRA's final policy, as follows:

- Chapter 7 of the Recovery Plans Part of the PRA Rulebook (appendix 1);
- supervisory statement (SS2/24) on solvent exit planning for non-systemic banks and building societies (appendix 2); and
- updated supervisory statement (SS3/21) on the PRA's approach to new and growing banks (appendix 3).

Following feedback received to CP10/23, the PRA made changes to the final policy in SS2/24 to further clarify its expectations, including:

- paragraph 1.3: elaboration of a firm's solvent exit planning for the transfer and/or repayment of all deposits; and the removal of a firm's Part 4A PRA permission;
- paragraph 2.7: clarifying that a firm's solvent exit indicators are intended to inform a firm as to when it may need to initiate a solvent exit, but they are not automatic triggers for a solvent exit;
- paragraph 2.18 and annex A: adding examples of stakeholders in a firm's solvent exit planning on communication;

- paragraph 2.25: clarifying that a firm may perform assurance activities internally or externally, as the firm considers appropriate; and
- paragraph 3.7: providing further details on what a firm should consider regarding exit valuations.

Chapter 7 of the Recovery Plans Part of the PRA Rulebook comes into force on 1 October 2025. Firms are expected to meet the expectations in SS2/24 by 1 October 2025.

ACPR issues recommendations on cyber risk coverage

Following a survey of the management by insurers of insurance guarantees implicitly covering cyber risks, the French insurance supervisory authority, the Autorité de contrôle prudentiel et de résolution (ACPR), has issued a press release recommending that insurers:

- identify all the cyber insurance cover they provide, and, where appropriate, clarify relevant contractual provisions to eliminate any legal ambiguity;
- verify that they control the risk arising from implicit cyber insurance covers that have been provided; and
- conduct an exhaustive financial assessments of risks covered, including in case of systemic event, for all the cyber insurance covers, regardless of whether they are implicit or explicit, primary or ancillary, optional or not.

CSSF publishes communiqué on payment of variable remuneration in class 2 investment firms

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has published a communiqué on the payment of variable remuneration in class 2 investment firms (non-SNI IFR IFs) and findings of non-compliance during the EBA's benchmarking exercise on remuneration practices for financial year 2022.

The communiqué notes that, in 2023, the CSSF collected data within the framework of the benchmarking exercise on remuneration practices led by the EBA for the financial year 2022. The sample used for the exercise included non-SNI IFR IFs, selected in compliance with the provisions of paragraph 13 of the EBA guidelines on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034 (EBA/GL/2022/07).

When examining the reports submitted by non-SNI IFR IFs, the CSSF noticed certain breaches of their legal obligations regarding the awarding and payment of variable remuneration to individuals identified as material risk takers (MRTs), detailed in Article 38-22(3) and (4) of the Luxembourg law of 5 April 1993 on the financial sector, as amended (FSL).

The communiqué is intended to highlight these instances of non-compliance in order to remind the entities of their legal obligations in this area, as well as to inform the market about the measures undertaken by the CSSF as a response to the detected breaches.

The communiqué therefore begins by summarising the applicable legal rules and then provides details on the breaches the CSSF has observed by certain entities. These concern the inappropriate application based on the proportionality principle of certain derogations foreseen in the FSL and occurred either at an institutional level generally or at an individual MRT level.

As a result, the CSSF has emphasised that it is necessary that all entities ensure that the conditions foreseen under Article 38-22(3) and (4) of the FSL are met in order to avoid any situation of non-compliance when awarding and paying variable remuneration to their MRTs. This point may, in particular, be carefully examined during the annual, central and independent evaluation of their remuneration policies (Article 38-20(1)(7) of the LSF). In addition, should any breach be detected, the CSSF must be informed without delay, and remedial measures must be taken immediately.

Considering that the breaches detected by the CSSF could derive from serious governance issues, the CSSF has informed the financial sector that it will continue to monitor the proper application of the rules applicable to the awarding and payment of variable remuneration within the entities. It has also warned that failure to comply with these rules may result in strict measures, up to and including sanctions.

CSSF publishes communiqué on update of Reporting Handbook and new eDesk procedure for IPU threshold monitoring

The CSSF has published a communiqué to announce an updated version of the Reporting Handbook for investment firms (v.1.3), which integrates details with respect to the requirement to submit final versions of some EU reporting templates and the introduction of the Intermediate Parent Undertaking (IPU) Threshold Monitoring module.

The communiqué refers back to a circular email sent to all investment firms on 14 December 2023, which announced that the mandatory annual submission by investment firms of the newly introduced IPU threshold monitoring had entered into force. This IPU reporting is intended to verify, on the basis of the total assets of third country groups in the European Union, whether the threshold for establishing an IPU has been exceeded or not.

Supervised entities that are part of a third country group shall therefore submit to the CSSF the IPU threshold monitoring reporting (U 01.00 template (Annex II)) with reference date 31 December 2023 in XBRL format (see taxonomy established by the EBA), by 12 May 2024 at the latest for the first time. The CSSF further draws the attention of supervised entities to the fact that the U 02.00 template will have to be included with a negative filing indicator (= FALSE).

The CSSF has opened the data collection of the IPU Threshold monitoring reporting from investment firms belonging to third country groups, on behalf of the EBA, from 12 March 2024.

The Q4 2023 IPU report must be submitted through one of the following channels:

- via the submission of the XBRL file in the dedicated eDesk process; or
- via an API solution (S3 protocol), allowing the flow to be automated.

In case of questions related to prudential reporting requirements, the CSSF asks supervised entities to contact ifd@cssf.lu. For any technical question (i.a. related to the submission of the XBRL file), supervised entities should contact ifreport@cssf.lu.

Financial Institutions (Miscellaneous Amendments) Bill 2024 passed in Singapore Parliament

The Financial Institutions (Miscellaneous Amendments) Bill 2024 (FIMA Bill) has been passed in the Singapore Parliament.

The FIMA Bill is intended to enhance and harmonise the investigative powers of the Monetary Authority of Singapore (MAS) across six MAS-administered Acts: 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).

In its second reading on 7 March 2024, the Singapore Government highlighted that the FIMA Bill will introduce amendments to:

- strengthen evidence gathering capabilities through the introduction, in the FSMA, IA, PS Act and TCA (Other MAS-administered Acts), the power to require persons to appear before a MAS officer for examination and statement-recording for the purpose of investigation;
- remove the requirement in the SFA and the FAA for the MAS to first issue orders to a suspect to produce information and show that the suspect has failed to comply with such orders, before the MAS can enter premises without a warrant that are believed to be occupied by the suspect. A similar power to enter premises without a warrant will be extended to the Other MAS-administered Acts;
- introduce provisions in the Other MAS-administered Acts to empower the MAS to obtain a warrant to search premises and seize evidence;
- facilitate the transfer of evidence by amending the current transfer of evidence provisions in the SFA and the FAA to help facilitate the exchange of information between the MAS and the police, public prosecutor or other law enforcement agencies; and
- empower the MAS to issue legally binding directions to Capital Market Services Licence (CMSL) holders and their representatives in relation to their conduct of unregulated businesses in order to mitigate risks posed to its regulated businesses; and
- fine tune various provisions of the Acts, including clarifying the MAS' reprimand powers; removing references to certain physical licences; and providing for definitions necessitated by the amendments made by the FIMA Bill.

Additional amendments under the FIMA Bill will enhance the MAS' supervisory powers under the SFA, FAA and TCA by:

- introducing MAS approval requirements for locally incorporated recognised market operators and recognised clearing houses (i) before appointing their chief executive officers and directors and/or (ii) acquiring control in capital markets financial institutions;
- consolidating the grounds for removal of a director or key management official into a single ground of not being 'fit and proper';

- clarifying that the MAS' approval need only be sought before a person obtains control of a regulated entity and not in the early stages of negotiations for acquisition; and
- requiring Approved Exchanges, Approved Clearing Houses, Approved Holding Companies, and Licensed Trade Repositories (as defined in the SFA, FFA and TCA) to obtain the MAS' approval for the appointment of their external auditors on an annual basis. The MAS will also have powers to direct these entities to remove or replace their appointed auditors, where the appointed auditors are unable to discharge their duties satisfactorily.

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

MAS publishes revised guidelines on online distribution of life policies with no advice

The MAS has revised its Guidelines No. FAA-G15 on The Online Distribution of Life Policies with No Advice, which set out safeguards that licensed and exempt financial advisers should put in place when distributing life policies online without the provision of advice.

Amongst other things, the guidelines have been revised to:

- modify the definitions of 'direct life insurer', 'Direct Purchase Insurance Products' (DPI), 'exempt financial adviser', and 'life policy' mentioned under paragraph 6;
- amend paragraph 11 to guide financial advisers to encourage their clients to visit the compareFIRST web portal, consider the different types of DPI and other types of life policies available, and whether the life policy is suitable for their financial circumstances and needs, before buying a life policy via an online direct channel; and
- amend paragraph 12 to clarify that the safeguards set out under paragraph 11 may not be applicable for all types of life policies sold via an online direct channel.

Ministry of Communications and Information provides update on introduction of Digital Infrastructure Act

The Ministry of Communications and Information (MCI) has announced that the inter-agency Taskforce on the Resilience and Security of Digital Infrastructure and Services is studying the introduction of a Digital Infrastructure Act (DIA) to enhance the resilience and security of key digital infrastructure and services.

Announced in January 2024, the Taskforce is an inter-agency effort led by the MCI, and comprises members from the Smart Nation Group, the Cyber Security Agency of Singapore, the Infocomm Media Development Authority, and the Government Technology Agency. Its primary objective is to uphold public trust and confidence in digital infrastructure and services by reviewing the evolving landscape of resilience and security risks to digital infrastructure and services and recommending measures and policies to mitigate cybersecurity risks and raise resiliency standards in Singapore.

The DIA is intended to complement the Singapore Government's other regulatory levers, such as the Cybersecurity Act, which focuses on mitigating cyber-related risks. It will go beyond cybersecurity to address a broader set of resilience risks faced by digital infrastructure and service providers, ranging from misconfigurations in technical architecture, to physical hazards such as fires, water leaks, and cooling system failures.

The MCI has indicated that the Taskforce is also formulating the requirements that regulated entities would be subject to under the DIA, and will continue to consult industry players and other relevant stakeholders as it develops its proposals. It will seek to balance trade-offs, such as those between risk mitigation and compliance costs, and between tailoring interventions to Singapore's context and accounting for global operations of many providers.

The Taskforce is also exploring non-regulatory measures to complement Singapore's laws. These could include providing guidance to digital infrastructure and service providers on best practices for resilience and security to ensure business continuity.

RECENT CLIFFORD CHANCE BRIEFINGS

Behind closed doors – Navigating privately placed high-yield bonds

Companies are increasingly looking for faster and easier routes than traditional underwritten offerings to market their debt securities. With an annual deal flow of over USD 100 billion, the debt private placement market is an attractive alternative to underwritten offerings, although nascent in the context of European high-yield issuances (with European market volume of less than EUR 4 billion in 2022).

This briefing paper discusses some of the current approaches to privately placed high-yield bonds and their practical and legal basis.

https://www.cliffordchance.com/briefings/2024/03/behind-closed-doors--navigating-privately-placed-high-yield-bond.html

Sovereign debt restructuring – Active New York Assembly Bill providing for a new comprehensive sovereign debt restructuring mechanism and a limit on recoveries on sovereign debt

In our client briefing of May 2023 we referred to three active bills in the New York Assembly which, if enacted, would have had a material impact. Those three bills lapsed in the last session of the New York Assembly.

An amended version of one of those bills has now effectively become active again in the current session of the New York Assembly.

This briefing paper discusses the latest developments in the New York Legislature regarding attempts to provide for a new comprehensive sovereign debt restructuring mechanism and a limit on recoveries on sovereign debt issued under New York law.

https://www.cliffordchance.com/briefings/2024/03/sovereign-debt-restructuring--active-new-york-assembly-bill-prov.html

CLIFFORD

CHANCE