

EVIA & LEBA Monthly Compliance Meeting

0830 Wednesday 01st December 2021

[Virtual Meeting via MS Teams - Click here to join the meeting](#)
[+44 20 4526 6312.520155074#](#)

Phone Conference ID: 520 155 074# [[Find a local number](#)]

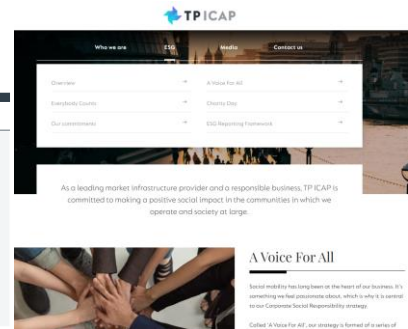
a. Matters arising

- i. [EVIA & LEBA Compliance Advisory; Regulatory Activities & Initiatives Grid](#); 0830 Wednesday 01st December 2021
- ii. [Monthly Compliance Group Conduct News Roundup; 01 December 2021](#)
- iii. [Market Watch 68; FCA renews focus on web-based trading platforms](#)
 1. [Monitoring gaps in fixed income and rates markets](#)
 2. [Next steps for firms and operators of web-based platforms](#)
- iv. [FCA fines Sunrise Brokers LLP £642,400 for serious financial crime control failings in relation to cum-ex trading](#)
 1. [Role of JMLSG Guidance](#)
 2. Implications for legacy conduct in merger and acquisitions
 3. [Trader Can't Nix Cum-Ex Fraud Extradition On Faulty Warrant](#)
- v. The Role for Disclosures
 1. [Environmental, Social, and Governance | TP ICAP](#)
 2. [ESG Reporting Framework | TP ICAP](#)
 3. Total amount of monetary losses as a result of legal proceedings with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other financial industry laws or regulations.
 4. Further possible disclosures: Training and Professionalism; ICARA; other?

Environmental
> Carbon emissions
> Energy use

Social
> Employee Diversity & Inclusion
> Charitable donations
> Staff turnover rates
> Share of temporary staff
> Employee training hours

Governance
> Incorporation of ESG Factors in Brokerage Activities
> Business Ethics – Professional Integrity
> Systemic Risk Management
> Promoting Transparent & Efficient Capital Markets
> Managing Conflicts of Interest
> Managing Business Continuity and Technology Risks
> Political contributions
> ESG fines



- vi. PFOF in the MiFIR Proposals
 1. [EU MiFIR2 CTP Discussion; Notes from ICMA Secondary Market Forum](#); 24 November 2021
 2. [Public Comment on the MiFIR Proposals within the Capital Markets union Package](#); 30Nov2021
 3. [Brussels plans central databases to boost capital markets; Brussels criticised over plan for capital markets databases](#); FT; 29Nov2021
 4. [MiFIR Refit & the EU Commission's Capital Markets Package of 25 November 2021](#)
 5. [AFM; No technical barriers for the implementation of a consolidated tape for fixed income](#); 22 November 2021

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- 6. [ClarusFT; Consolidated Tape; Don't let perfection be the enemy of good for derivatives](#); Chris Barnes November 24, 2021
 - 7. [File Note; EVIA Call with AFM](#); 15 November 2021
 - 8. [File Note; EVIA Call with AME](#); 15 November 2021
 - vii. [EVIA statement on the EC postponement of the of MBI provisions under CSDR](#)
 - viii. [Market Abuse and Market Manipulation Summit](#) (EVIA Panel Comments)
 - 1. [Market abuse remains Topical](#); 12 November 2021
 - ix. [DSB UPI Legal Terms and Conditions Consultation Paper_FINAL](#)
 - 1. [ANNA DSB Blurb on UPI - Ready for the unique product identifier \(UPI\) in two years](#); 09 Nov 2020
 - x. [ESMA publishes updated 2021 MiFIR validation rules](#)
 - xi. [Notes from JTAG Quarterly Call](#); 30 Nov 2021

b. Latest FCA Policy Development updates:

- i. [FCA authorisation post TPR; getting ahead of your landing slot](#); 05 November 2021
- ii. [EVIA; Note on FCA Handbook Transformation workshop](#); 18 November 2021
 - 1. *What do you like about the Handbook website?*
 - 2. *What do you dislike about the Handbook website?*
 - 3. *What improvements would you suggest for the Handbook website?*
 - 4. *What user navigational challenges do you face with the Handbook website? For example, routing to content from other parts of the Handbook.*
 - 5. *What interpretational challenges do you face with the Handbook website? For example, is the language understandable.*
 - 6. *What changes would you suggest to the visual format of the Handbook website? For example, accessibility*
- iii. [FCA and Bank sign joint MoU with FMSB](#)
 - 1. [Conversation with Alan Barnes at FCA](#)
- iv. [FCA sets out fees proposals for 2022/23 - FCA Regulatory fees and levies consultation; policy proposals cp21-33](#)
- v. [FCA reforms decision-making to tackle consumer harm](#)
- vi. [FCA confirms recognition of the revised FX Global Code and the Global Precious Metals Code](#)
- vii. [FCA; A strategy for positive sustainable change](#)

c. UK Government

- i. [HMT; FRF Review; Proposals for Reform; 09Nov2021](#) Final
- ii. [EVIA note on HMT_FCA FRF workshop at IRSG](#); 19 November 2021
- iii. [UK Financial Services Framework of the Future](#)
- iv. [Speech by John Glen MP, Economic Secretary to the Treasury, to the UK Finance Annual Dinner](#); 24Nov2021 ~> forward timings set out

d. IFPR – IFR (Op Risk and Resilience)

- i. [EVIA Notes and Slides from the FCA Technical & Implementation sessions on IFPR; November 30, 2021](#); 1000 & 1400
 - a. [FCA releases additional MIFIDPRU application forms under the IFPR](#); 25Nov2021
 - b. [FCA and EBA Reports and Forms on IFPR and IFD](#); 25Nov2021
- ii. [AFME position paper on how to further enable data sharing in European capital markets](#)

e. Conduct / Enforcement/ PFOF

- i. [FCA confirms recognition of the revised FX Global Code and the Global Precious Metals Code](#)
- ii. [FCA fines Sunrise Brokers LLP £642,400 for serious financial crime control failings in relation to cum-ex trading](#)
- iii. [ED&F Man Capital Markets fined \\$150,000 by US NFA](#); 12 October 2021
- iv.

f. AML / KYC/ Reg Tech

- i. JMLSG Update
- ii. [EVIA Compliance FATF and FinCen Updates for November 2021](#); *FATF Updates List of Jurisdictions with AML/CFT/CPF Deficiencies*
- iii. [Firms encouraged to consider implementation of FinCen priorities; 11 November 2021](#)
- iv. [FATF issues anticipated guidance on virtual currencies; 12 November 2021](#)
- v. [Infiltrate Extort Repeat; The Ransomware Pandemic](#)
- vi. [Note on RegTech Conference 2021](#); 17 November 2021
- vii. [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 3\) \(High-Risk Countries\) Regulations 2021](#)

h. ESG Topics, D&I & Disclosures

- i. [FCA: A strategy for positive sustainable change](#)
 1. We have released our new strategy for positive change.
 2. The themes of trust and transparency remain at the core of our strategy. We are also announcing a programme of work to support a market-led transition to a more sustainable economy. And we aim to embed climate and wider ESG considerations in everything we do.
 3. The International Sustainability Standards Board, launched today, is a game-changer. We will work with IOSCO and others to promote adoption of the new Board's global baseline sustainability reporting standards.

4. We support the Government's ambition to work towards making the UK the world's first net zero financial sector.
5. To help mobilise the capital needed to keep emissions in check, we need to build a trusted market and internationally consistent frameworks and standards.
6. [FCA acts to help investors make more informed ESG investment decisions](#)
- ii. [NCA Commitments of Support at COP 26](#); 12 November 2021
- iii. [COP Summary Note](#) (Corp Lon Green Horizons)
 1. [Unlocking the Potential of Carbon Markets To Achieve Global Net Zero - Full Report Consolidated](#)
 2. [AFME_SustainableFinance2021_06](#)

i. Energy & ACER

- i. [Notes on ACER REMIT OMP RMM Roundtable](#)
 - a. [Table-1-XML-Schema-Changes_27_10_2021_EN](#)
 - b. [1.a_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_Latest_updates_on_ARI_S_final\[1\]](#)
 - c. [1.b_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_Status_of_data_collection_final](#)
 - d. [2.a_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_TRUM_and_Annex_II_revision_final](#)
 - e. [2.b_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_New_FAQs_on_REMIT_transaction_reporting_final](#)
 - f. [3_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_Update_on_data_quality](#)
 - g. [4_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_Schema_changes](#)
 - h. [5_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_Potential_recommendations](#)
 - i. [6_Joint_AEMPs_OMP_s_RRM_s_RT_2021_11_16_High_wholesale_energy_prices_and_surveillance](#)
- ii. [ESMA Publishes Draft Commodity Derivative Technical Standards Under MIFID II Recovery Package](#); 23Nov2021
- iii. [ACER's Preliminary Assessment of Europe's high energy prices and the current wholesale electricity market design](#)
- iv. [Relevant takeaways from COP#26](#) [Energy; Finance; Carbon; Transport]
- v. [LEBA Carbon and Environmental Markets News Roundup; October & November 2021](#) [Weeks 43-45]
- vi. [REMITQuarterly_Q3_2021](#)

j. MiFID2.2/ MiFIR/ EMIR/ SFTR / CSDR

- i. [A new-eu-third-country-regime-for-banking-business](#); CliffordChance; Simon Crown; 04Nov2021
- ii. Changing Role of Counterparties:

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1. [BIS Papers No 119; Non-bank financial institutions and the functioning of government bond markets](#); by Egemen Eren and Philip Wooldridge; Monetary and Economic Department November 2021
 2. [EPTA Reports cite the Execution Landscape Being Fundamentally Reshaped as Asset Managers Transform From 'Liquidity Takers' To 'Liquidity Makers'](#)
 3. [BIS Statistical release; OTC derivatives statistics at end June 2021; Highest since 2019](#); 15Nov2021
- iii.

k. Benchmarks and LIBOR Topics

- i. [ClarusFT; SOFR Swaptions – Week One Update](#); Amir Khwaja; November 17, 2021
- ii. [FCA confirms rules for legacy use of synthetic LIBOR rates and no new use of US dollar LIBOR](#)
- iii. [LIBOR Transition; Market update; October 16 - 31, 2021](#)
- iv.

l. FX, Cryptoassets and Money Markets

- i. [EU Agreement on the Digital Finance Package, MiCA and DORA](#)
- ii. [BOE Statement on Central Bank Digital Currency next steps; BIS & Other CBDC Papers in November](#); On 9 November 2021
- iii. [B2C2, QCP Capital Execute Crypto NDF, Pioneering New Derivatives Market; Innovative product paves way for investment banks to enter crypto asset class](#); 10 November 2021
- iv. BIS WP; 05nov2021; [The motives and economic implications for CBDCs](#).
- v. [Coalition Greenwich - Stablecoins Rock the Boat, Clarity Needed to Calm the Waters - 2021-11-09](#)
- vi. [Client Alert PWG Stablecoins Report November 2021](#)
- vii. [The Banque de France has published a report on the outcome of its experiments relating to wholesale central bank digital currency \(W-CBDC\)](#); 10Nov2021
- viii. [Singapore FinTech Festival; Notes](#); Nov 2021
- ix. [BOE & FCA confirm recognition of the revised FX Global Code and the Global Precious Metals Code](#); 19 November 2021
- x. [Notes & Minutes on BOE and FCA FX Groups & Proceedings](#); 25 November 2021

m. International

- i. [SEC Chair Highlights Potential Areas for Reform across Four Markets](#); 03 November 2021
- ii. [October 2021 SEF Tracker](#)
- iii. [CFTC awards \\$200 million to whistle-blower](#); 05 November 2021
- iv. [SEC report on meme stocks suggests future market reforms](#); 12 November 2021

- v. [MAS updates cross-border approach for FRCs](#)
- vi. [SFC gives 9-month window to improve primary markets compliance](#); 05 November 2021

n. Regulatory Roadmap, Calendar and Weekly Roundups for June

- i. [EVIA Weekly News; Week 44; 01st November 2021 to 06th November 2021](#)
- ii. [EVIA Weekly News; Week 45; 08th November 2021 to 13th November 2021](#)
- iii. [EVIA Weekly News; Week 46; 15th November 2021 to 20th November 2021](#)
- iv. [EVIA Weekly News; Week 47; 22nd November 2021 to 27th November 2021](#)

Wholesale financial markets

This section contains 12 initiatives. They are aimed at improving the use of data and reducing the burden on firms whilst maintaining the highest standards of regulation and market efficiency, both with the ultimate aim of promoting competition.

Six of the initiatives in this Grid are new. This includes work to achieve the Chancellor's vision for financial services and wider Government priorities, such as changes to onshored EU legislation, the review of the UK Securitisation Regulation and work to

introduce the FMI Sandbox. The FCA has also included proposals to require greater transparency on the diversity of public company boards. Note that there are also diversity and inclusion initiatives in the multi-sector and pensions sections of the Grid.

One initiative has been completed since the May 2021 Grid: amendments to the Market Abuse Regime (MAR) were introduced in the Financial Services Act 2021 and came into force 29 June 2021.

Lead	Initiative	Expected key milestones	Indicative impact on firms	Oct Dec 2021	Jan Mar 2022	Apr Jun 2022	Jul Sep 2022	Oct 2022 Mar 2023	Post-Mar 2023	Consumer interest	Timing updated	New
BoE	Changes to the EMIR Derivatives Clearing Obligation The BoE is modifying the scope of contracts which are subject to the derivatives clearing obligation to reflect the ongoing reforms to interest rate benchmarks, including Libor.	End-November 2021: Policy statement 6 December 2021: changes to JPY Libor implemented 15 December 2021: changes to GBP IRS implemented H1 2022: BoE will consult on changes to the USD IRS clearing obligation.	L			E						
FCA	Primary Markets Effectiveness - UK Listings Review response The FCA has bought forward consultation and discussion items on reforms to improve the effectiveness of UK primary markets, which follows FCA policy review work and responds to Lord Hill's final UK Listings Review Report and recommendations published on 3 March 2021. Joint objective initiatives: Primary Markets Reform - UK Listings Review response >	Consultation Paper on special purpose acquisition companies (SPACs) - published 30 April 2021 (CP21/10), closed 28 May 2021. Policy Statement on SPACs - published 27 July 2021 (PS21/10). Consultation Paper on further Listing Rule changes- published 6 July 2021 (CP21/21), closed 14 September 2021. Policy Statement on Listing Rules changes - October-December 2021. Further engagement into 2022.	L									

FCA	<p>Scope of UK MiFIR Derivatives Trading Obligation</p> <p>We consulted on proposed changes to the scope of the UK MiFIR derivatives trading obligation (DTO) in July 2021 as UK liquidity has changed since the last review was carried out in 2017 by ESMA, particularly in light of Brexit and the LIBOR transition. We plan on publishing a statement with our final changes in early Q4.</p>	<p>Consultation paper: published July 2021, consultation period closed 25 August 2021. Next steps TBC.</p>	L		
FCA	<p>Assessing and using wholesale data</p> <p>Assessment of the use and value of data in wholesale financial markets, focusing on changes to business models, competitive dynamics, and how financial markets function.</p>	<p>Q4 2021: Publish Feedback Statement.</p>	L		
FCA	<p>Diversity and inclusion on public company boards and executive committees</p> <p>We are consulting on proposals to require greater transparency on the diversity of public company boards and executive management teams, including comply or explain targets on gender and ethnic diversity and standardised data to be disclosed on an annual basis.</p> <p>Associated initiatives: Future of Trusteeship: Diversity and Inclusion Working Group > Diversity in Financial Services ></p>	<p>Consultation Paper published 28 July 2021 Policy Statement likely in early 2022.</p>	L		
HMT	<p>HMT consultation on power to block listings on national security grounds</p> <p>This initial consultation asks for views on the scope of a proposed new targeted power to allow the Government to block a company's listings, if a listing presents a risk to national security. This power will reinforce that reputation and help us maintain the UK's status as a world-class destination for listings.</p>	<p>This consultation closed on 27 August 2021. The government will respond in due course.</p>	L		
HMT	<p>Review of the Securitisation Regulation</p> <p>HMT is legally obliged to review the Securitisation Regulation and lay a report before Parliament by 1 January 2022. To support this review, HMT has published a Call for Evidence to gather views on what is and isn't working in the Securitisation Regulation.</p>	<p>Call for evidence closed 2nd September. Report to be laid in Parliament by 1 January 2022.</p>	L		
HMT	<p>Primary Markets Reform - UK Listings Review response</p> <p>Consulting on changes to the UK prospectus regime, and establishing a group to consider what more can be done to improve the efficiency of further capital raising by listed companies. This is in response to the recommendations of Lord Hill's Listing Review. This initiative relates to the separate FCA initiative on primary markets effectiveness.</p> <p>Joint objective initiatives: Primary Markets Effectiveness - UK Listings Review response ></p>	<p>The consultation on the UK prospectus regime was published in July 2021 (closed in September). The government will respond in due course. The Secondary Capital Raising Review was established on 12 October 2021 and will report in Spring 2022.</p>	L		
FCA/ HMT	<p>UK MiFID conduct and organisational rules</p> <p>Changes to rules governing research and data to support best execution</p>	<p>Policy statement: Q4 2021</p>	L		

Lead	Initiative	Expected key milestones	Indicative impact on firms	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct 2022	Mar 2023	Post-Mar 2023	Consumer interest	Timing updated	New
FCA/ HMT	Wholesale Market Review Consulting on amendments to our regulatory regime that are aimed at reducing costs and burdens for firms while maintaining the highest standards of regulation and market efficiency.	FCA consultation on changes to UK MiFID conduct and organisational requirements published April 2021 and Policy Statement 2021 Q4. HMT consultation on Wholesale Markets Reform published July 2021 (closed in September). The government will respond in due course. Follow up FCA consultations published Q1 and Q2 2022 on changes that require amendments to FCA Handbook or Regulatory Technical Standards.	H										
BoE/ FCA/ HMT	FMI Sandbox The Financial Market Infrastructure (FMI) sandbox will support firms which want to use new technology, such as distributed ledger technology, to provide infrastructure services in financial markets. It will enable a more flexible and tailored approach to meeting requirements in current legislation, whilst appropriately balancing any risks to financial stability, market integrity and consumer protection. HM Treasury will work together with the Bank of England and the FCA to deliver this.	The government will provide further information in due course.	L										
BoE/ FCA/ HMT	EMIR REFIT Complete the implementation of the European Market Infrastructure Regulation (REFIT) to improve trade repository data and ensure that firms are able to access clearing services on fair and reasonable terms. We plan to consult on changes to UK EMIR to harmonise the derivative reporting requirements with international derivative reporting standards.	Q4 2021: Consultation paper of requirements for Trade Repositories and review of the UK EMIR reporting standards. Policy Statement Summer 2022.	L	E									

The key initiatives in the regulatory landscape

