


EVIA & LEBA Monthly Compliance Meeting

0830 Wednesday 07th July 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.  [FIA Tech Brokerage Update for EVIA - June 2021.pdf](#)
- ii.  [Viewpoint - FIA Tech grows up; 24 June 2021; By Walt Lukken, FIA President & CEO.pdf](#)
- iii. Standing Item: DCM/ Exchange Block Rules [FIA ongoing]:
 1. EU Open Access rules under MiFID2 [July 2021].
- iv. ANNA DSB
 1. UPI Service and Fee Consultation Closes this Friday – any views on the [second UPI fee model consultation paper](#) no later than 5pm UTC on Friday 9th July 2021.
 2. Comments on the assumptions made, and questions posed [in this second consultation paper](#), as well as provide any other comments that may be applicable.
 3. The final DSB consultation report pertaining to changes to the OTC ISIN and CFI service had no responses but is now [here](#). Changes approved by industry will be taken forward, with work commencing in 2022.
- v. [Kaizen's new Advisory Board](#) - [Mark Ibbotson](#), [David Lawton](#), [Ana Fernandes](#), Catherine Langlais, [Jonathan Herbst](#) and [David Nowell](#).

b. Latest FCA Policy Development updates:

- i. On 15 July, Nikhil Rathi will unveil his first Business Plan as the FCA's Chief Executive.
 1. In a speech, Nikhil will set out our role in a post-Covid, post-Brexit and increasingly post-carbon economy. He will also explain how we will keep pace with technological change that is shifting the relationship between consumers and firms, how we will adjust to economic challenges and a growing remit.
 2. Taking place over an hour this virtual session will be introduced by our Chairman, Charles Randell and the Q&A session will be chaired by Emma Stranack, Head of Transformation.
- ii. EVIA call with Tom Soden, new head and the rest of the Transaction Reporting on 18th June. Agenda:
 1. Introductions
 2. An overview of the legislative process (FCA's interaction with HM Treasury and Bank of England)
 3. FCA priorities
 4. Timeline for Consultation(s) relating to MiFID II/MiFIR
 5. Roadmap for change (possible areas of divergence / will UK MiFIR align with ESMA's recommended changes to MiFIR?)
 6. ESMA Q&As – FCA notes to UK market participants and TRs
 7. Top 5 TR failings - [Top Ten FCA Rejections.png](#) (FCA Transaction Reporting)
- iii.  [TACC Meeting - June 2021.pdf](#)
- iv. [Building a regulatory environment for the future; Speech by FCA CEO, Nikhil Rathi; 22June2021; City Week 2021.pdf](#)
 1. *Leaving the EU allows us to tailor our rules to better suit our markets, while ensuring appropriate safeguards and upholding high standards.*
 2. *We will rigorously review all firms seeking UK authorisation.*
 3. *Our partnerships have never been so important, which is why we are working to deepen existing partnerships and forge new ones.*

4. *We are proposing to extend our climate-related financial disclosure requirements to issuers of standard listed equity shares.*
 5. *We want views on selected ESG topics in UK capital markets and, separately, we are proposing new disclosure requirements for asset managers, life insurers and FCA-regulated pension providers.*
- v. EVIA Response to CP 21/9 Changes to UK MiFID's conduct and organisational requirements
 - vi.  [U.K. Financial Regulator Bars Crypto Exchange Binance Markets; NRF Podcast on the topic.pdf](#)
 1.  [Consumer warning on Binance Markets Limited and the Binance Group.pdf](#)
 - vii. On 6 June 2021, FCA updated its [webpage](#) regarding LIBOR transition
 1. [Speech: LIBOR – 6 months to go - Edwin Schooling Later, Director of Markets and Wholesale Policy on using the next few months to get conversion done](#)
 2. [CP21/19: Proposed decision under Article 23D BMR for 6 sterling and yen LIBOR settings](#)
 3. [Dear CEO letter: transition from LIBOR to risk-free rates](#): Dear CEO letter with the PRA explains that all firms must meet the set out milestones
 4. [FCA and Bank of England encourage switch to SOFR in US dollar interest rate swap markets](#): Market participants encouraged to switch from 26 July
 5. [FCA LIBOR powers in force under New Section 2 Powers of the FS Act: July2021](#)
 - viii. FCA keen to hear from firms that have moved from Gabriel to RegData and completed a submission. Your feedback is important in helping us improve your experience of the platform. Complete the survey <https://lnkd.in/d8hbTmT> [FCA formally [replaced Gabriel with RegData](#) on the 11th May]
 - ix. [PS21/6: Implementation of Investment Firms Prudential Regime \[PDF\]](#); This is the first Policy Statement we will issue to introduce the IFPR. It summarises feedback received to CP20/24, FCA response and sets out near-final rules
 - x. FCA; Market Watch 67; 28May2021 – STORs within equity market manipulation
 - xi. [Michael Findlay appointed Chair of the FCA's Markets Practitioner Panel](#)
 - xii. [CP21/16: Quarterly Consultation Paper No. 32](#)
 - xiii. [PS21/7: FCA regulated fees and levies 2021/22](#)
 1. In PS21/7 the FCA is publishing the 2021/22 periodic regulatory fees and levies for the FCA, Financial Ombudsman Service, Money and Pensions Service, Devolved Authorities and HM Treasury's expenses for tackling illegal money lending.
 2. The FCA also sets out its feedback on the responses received to its earlier consultation on fees and levies Consultation Paper 21/8: FCA Regulated fees and levies: Rates proposals 2021/22).
 3. Firms can use the FCA's online fees calculator to calculate their individual fees based on the final rates in PS21/7.
 4. The FCA will invoice firms from July 2021 onwards for their 2021/22 periodic fees and levies.
 - xiv.  [New FCA Consumer Duty: June 2021; 10 Things to Know.pdf](#)
 - xv. [FCA appoints David Anthony Scott as Interim General Counsel and Raj Parker as a senior legal adviser](#)
 - xvi. **FCA Handbook Notice No. 89**: On 25 June, the FCA published Handbook Notice No. 89 setting out changes to the handbook that the FCA board approved on 24 June, by the following instruments: (i) Training and Competence Sourcebook (Amendment No 9) Instrument 2021; (ii) FSCS (Miscellaneous Amendments) Instrument 2021; and (iii) Handbook Administration (No 56) Instrument 2021. [Notice →](#)

c. UK Government

- i. [The Financial Services Act 2021; The first step in shaping the UK's financial services regime post-Brexit.pdf](#)
- ii. [New HM Treasury papers on UK regulatory reform.pdf](#)
 1. [Sunak & HMT announce, 'A New Chapter for Financial Services': July 2021.pdf](#)
 2. [Sunak unveils post-Brexit City reforms; FT; 02July2021.pdf](#)
- iii. [UK and Singapore mark a new era of Financial Services Cooperation; MAS & HMT; 30 June 2021.pdf](#)
- iv. [UK Wholesale Markets Review: a consultation.](#)
 1. [UK Wholesale Markets Review – revolution, evolution, or damp squib](#)
 2. [JH noting no UK international markets access plan.m4a](#)
 3. Clarifying the regulatory perimeter for trading venues
 4. The end of the share trading obligation and the double volume cap
 5. Greater flexibility for SME listings
 6. A return to qualitative criteria for Systematic Internalisers and the Ancillary Activity Test
 7. Transparency for Bonds and Derivatives Markets
- v. [CCS0521556086-001_Mansion_House_Strategy_Document_FINAL.pdf](#)
- vi. [andrew-bailey-speech-at-the-mansion-house-financial-professional-services-event.pdf](#)
- vii. [andy-haldane-speech-at-the-institute-for-government-on-the-changes-in-monetary-policy.pdf](#)

d. IFPR – IFR (Op Risk and Resilience)

- i. [PS21/6: Implementation of Investment Firms Prudential Regime \[PDF\]](#); This is the first Policy Statement we will issue to introduce the IFPR. It summarises feedback received to CP20/24, FCA response and sets out near-final rules
- ii. [IFPR-with-Bovill-and-HSF-17.6.21.pdf](#)

e. Conduct / PFOF

- i. [The Whistleblower Directive; key points explained and actions to take.pdf](#)
- ii. [Credit Suisse to pay \\$1.5 million for swap data reporting failures; 29June2021.pdf](#)
- iii. [Briefing-Market-Abuse-June-2021-.pdf](#) – slides on lessons from TFS_ICAP
- iv. [Consumer warning on Binance Markets Limited and the Binance Group.pdf](#)
- v. [On 2 June 2021, the Crown Prosecution Service \(CPS\) updated its guidance on prosecuting failure to report cases under s330 Proceeds of Crime Act 2002 \(POCA\).](#)

f. AML / KYC/ Reg Tech

- i. JMLSG Update
- ii. [FCA TACIG Update \[23June2021\].pdf](#) & [TACIG next meeting:](#)
- iii. [FATF reports and Wolfsberg Group recommendations on opportunities and challenges of new technologies for AML & CFT; 01July2021.pdf](#)
- iv. [Refinitiv Webinar: AML Legislative Trends Across Europe; 29June2021.pdf](#)

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- v. [!\[\]\(cdf2842d82858164c68c92720a337fb9_img.jpg\) EU digital identity and electronic IDs - Overview on the latest legislative developments.pdf](#)
 - 1. [European Commission proposes framework for European Digital Identity; 14 June 2021.pdf](#)
 - vi. [!\[\]\(3973dad7f2f3eafb2c144deb79d5c822_img.jpg\) Symphony acquires Cloud9 Technologies to expand into voice trading; 25June2021.pdf](#)
 - vii. [!\[\]\(78688513da7a924039ac16e546d7bf8b_img.jpg\) Common Domain Model \(CDM\) for repo and bonds plus ISLA adoption for SFTs.pdf](#)
 - viii. [!\[\]\(508a1136d49b79584e89f03b586dfa9e_img.jpg\) Note; ECON discusses amendments on MiCA, DORA and DLTR; 16 June 2021.pdf](#)

h. ESG Topics & Disclosures

- i. [!\[\]\(7a8011739ec4e250e2f89a547d75fb0a_img.jpg\) FCA work on green and sustainable finance presented at the TACC Meeting - June 2021.pdf](#)
- ii. [!\[\]\(07dce76283bf618e2364d95ae0021e26_img.jpg\) KPMG IRSG slides - Accelerating the S in ESG - a roadmap for global progress on social standards - Final.pdf](#)
- iii. [!\[\]\(44ee86b940d3a0ca166486da8985875e_img.jpg\) the-sfdr-jigsaw---putting-the-pieces-together-06-21-final.pdf](#)











i. Energy & ACER

- i. [!\[\]\(8d139a66f540002704b5c70b7fe6cc7a_img.jpg\) London's Ring metals trading floor wins battle to reopen; 07June2021.pdf](#)
- ii. [ESMA opens consultation on future MIFID II position limits regulations](#)
 - a. [This](#) document which covers the method by which changes to the MIFID II position limits and reporting regime will be implemented as part of the "quick fix" that will apply from next year (see [here](#)). The consultation closes on 23 July 2021.
 - b. The changes to the position limits regime include additional exemptions for liquidity provision and for Financial Entities who hold positions on behalf of Non Financial Entities as well as requirements for venues to implement position controls.
 - c. There are many details on the proposed implementation in the document including around the behaviour of specific commodities and also the regimes already implemented in the US and by several venues. A draft of the new version of the Regulatory Technical Standard ("RTS21a") is found at the end of the document.
 - d. The document also covers proposed changes to the position reporting regime, as detailed in Implementing Technical Standard 4 ("ITS4").
 - e. Earlier this year ESMA issued a statement recommending that National Competent Authorities prioritise supervisory actions relating to limits that would still be in force after the change applies next year, in effect requesting that the reduction in scope of the limits regime commence immediately (see [here](#)).
- iii. [Two Traders receive custodial sentence for spoofing and other anti abuse activity](#); UK based trader formerly of Deutsche Bank has been sentenced to a year and a day in US prison for spoofing on the Comex exchange in precious metals futures....
- iv. [REMIT Insider Trading warning and other market abuse cases](#)
 - a. A market participant in Denmark was found by the Danish Utility Regulator to have breached REMIT Articles 3 and 4 by failing to publish Urgent Market Messages relating to an outage at an asset and then carrying out trading activity relating to the asset. The activity occurred in November 2019. The notice in Danish can be found [here](#). The market participant failed to publish the information due to process error, and also argued that nevertheless, the information is not considered "inside information" under the criteria of "precise" and "significant". The regulator disagrees with this assessment and refer to the




REMIT Guidance updated by ACER last year (see [here](#)). As a result the market participant has received a reprimand.

- b. Three banks were fined a total of 371 million Euros, as reported [here](#) on the Reuters site. The banks were fined for engaging in anti competitive behaviour in the bond markets, by inappropriately sharing information relating to prices and volumes in the run up to auctions.
- c. A trader was fined £100,000 and suspended for two years for pre arranged trades on ICE Futures Europe in SOFR Index Futures [here](#). This fine of £44,500 issued by Ice Futures Europe relates to a position limits breach. Fines issued by CME include one for \$25,000 for a position limits breach on NYMEX in crude oil futures [here](#) and another for \$40,000 [here](#).
- d. The UK's Financial Conduct Authority published the 67th edition of the MarketWatch newsletter [here](#). While the newsletter focuses on Equity manipulation, it also covers algorithms and a case where potential spoofing was identified leading to the responsible firm introducing further training and appropriate procedures.
- e. Ofgem, Great Britain's National Regulatory Authority, has opened a consultation on their Enforcement Guidelines and Sectoral Penalty Statement which can be found [here](#).

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

- i.  [ESMA Q&As - list of questions currently under development ; July2021.pdf](#)
- ii.  [CSDR results are in; keep on keeping on repapering; 06July2021.pdf](#)
- iii.  [Common Domain Model \(CDM\) for repo and bonds plus ISLA adoption for SFTs.pdf](#)
- iv.  [After the fog: licensing, divergence and post-Brexit life for EEA financial services providers; A&O Slide Deck.pdf](#)
- v.  [EEA Firms; Becoming Authorised; A&O Slide Deck.pdf](#)
- vi.  [AFM publishes report containing recommendations on transparency and a consolidated tape; 17June2021.pdf](#)
- vii.  [JH noting no UK international markets access plan.m4a](#)
- viii.  [MiFID Quick Fix; Draft delegated act on ancillary activity exemption published for consultation; and ESMA consults on revised commodity derivatives RTS; 27 May 2021.pdf](#)
- ix. [Note on Access to Spanish Trading Venue Liquidity and discussion with CNMV; 28June2021.pdf](#)
- x. [Establishing an Underlying Voice Trading Engine for Institutional Trading - TabbFORUM.pdf](#)
- xi.  [AMF report on SFTR Data Conclusions; 28June2021.pdf](#)
- xii. [Bank of England orders Euroclear to bolster resilience after 2020 outage; Glitch in key part of market infrastructure caused central bank to push back bond sale.pdf](#)
- xiii. [pre-settlement-counterparty-credit-exposure-management-controls-for-dvp-clients.pdf](#)
- xiv.  [London-RMB-Business-Quarterly-Digital; June2021.pdf](#)

k. Benchmarks and LiBOR Topics

- i. ARRC's SOFR First Roundtable this afternoon
- ii.  [FSB statements, SOFR First and a eulogy for LIBOR - June 18, 2021 update on the adoption of the new RFRs, a summary of industry publications, & key transition milestones.pdf](#)
- iii.  [Libor Transition Notes & June 2021 Update.pdf](#)
- iv.  [pwc-libor-transition-market-update-americas-june-1-15.pdf](#)

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- v.  [LiBOR Alternative Variants.JPG](#)
 - vi.  [The Libor replacement stakes_runners and riders - Risk.net.pdf](#)

I. US, No-Action, Interpretative Letters, Other Written Communications, and Advisories

- i. [SEC's Gensler seeks more disclosure on range of risks](#); has directed his staff to propose recommendations on how to toughen rules on topics including special-purpose acquisition companies, meme stocks and equity-based swaps. Gensler has also asked his staff to explore structural changes to Treasury and repo markets and, after a public consultation, has provided additional details on climate and human-capital disclosures, including information on greenhouse-gas emissions, workforce turnover and diversity. Gensler also says the SEC will look more closely at large asset managers.
- ii. [CFTC's Stump wants to expand foreign swap clearing access](#): new talks needed on offshore client clearing; Libor demise should spur rethink on US customer access to foreign clearing provider. [Keynote Address of Commissioner Dawn D. Stump: Back to the Future – The Year 1999](#):
- iii. [The Market Risk Advisory Committee to Meet on July 13](#), At this meeting, the MRAC will receive final reports from the CCP Risk and Governance Subcommittee and a status report from the Interest Rate Benchmark Reform Subcommittee. In addition, the MRAC will vote on a recommendation from the Interest Rate Benchmark Reform Subcommittee for a market best practice that prioritizes derivatives trading in the Secured Overnight Financing Rate (SOFR) for particular market segments, otherwise known as SOFR First
- iv. **The NFA has posted videos on their website from their member regulatory workshops held in May. NFA staff discussed a variety of topics, such as virtual exam tips and Coronavirus-related relief**, cybersecurity, recent rulemaking and common exam findings, among others in these videos, which would be better described as online powerpoint presentations with a talking head in the upper right corner of the window. -- [NFA](#)

m. Regulatory Roadmap, Calendar and Weekly Roundups for June

- i.  [EVIA & LEBA Compliance Advisory; Regulatory Activities & Initiatives Grid; Wednesday 07th July 2021.pdf](#)
- ii.  [Weekly update on Key Regulatory Topics; Week 23; 07th June 2021 to 12th June 2021.pdf](#)
- iii.  [Weekly update on Key Regulatory Topics; Week 24; 14th June 2021 to 19th June 2021.pdf](#)
- iv.  [Weekly update on Key Regulatory Topics; Week 25; 21st June 2021 to 26th June 2021.pdf](#)
- v.  [Weekly update on Key Regulatory Topics; Week 26; 28th June 2021 to 03rd July 2021.pdf](#)