






# EVIA & LEBA Monthly Compliance Meeting

0830 Wednesday 02<sup>nd</sup> March 2022




Virtual Meeting via MS\_Teams - [Click here to join the meeting](#)



Please do suggest ideas around the meeting usefulness, format, guests, regulators and subgroups [Reporting; KYC&AML; Monitoring]

## 1. Matters arising





- a.  [EVIA\\_LEBA Compliance Advisory; Regulatory Activities & Initiatives Grid; 2nd March 2022](#)
- b. Operating under Sanctions Regimes
- c.  [FCA Whistleblowing quarterly data 2021 Q4; 28 February 2022.pdf](#)
- d. UK Brexit Rule Changes
  - i.  [EVIA Summary note on HMT WMR Feedback and JG Speech to AFME on MiFID2; 01March2022.pdf](#)
  - ii.  [Sarah Pritchard \(ED, Markets, FCA\) speech on enhancing the UK's capital markets; 08Feb2022.pdf](#)
- e. DTO changes wrt Libor transition
  - i. [Commission adopts amendments to RTS clearing and derivative trading obligations under EMIR and MiFIR in light of benchmark transition](#)
  - ii.  [Commission extends time-limited equivalence for UK CCPs and launches consultation to expand central clearing activities in the EU.pdf](#)
- f.  [New Australian licensing exemptions for foreign firms but questions remain on transition; 18 February 2022.pdf](#)
- g. Reporting Topics
  - i. UPIs and UTIs;  [UPI Timeline Update; ANNADSB Update; 08Feb2022.pdf](#)
  - ii. Crypto Identifiers
  - iii. EMIR Meeting with FCA
- h. Commodities: Credit/ Conduct/ Reporting
  - i. EFET [with LEBA] Credit Project and their Broker List (Standard 2.0) Meeting - 3rd March, 10:00 h CET | 9:00 h GMT
  - ii. [FOR CONSULTATION - 2nd round] [OMPs] Updated version of TRUM 5.0, Annex II to the TRUM and FAQs on transaction reporting - Deadline: 9 March 2022
    1.  [FAQs on transaction reporting\\_v13\\_2nd round.docx](#)
    2.  [ACER\\_REMIT\\_TRUM\\_Annex II\\_Examples\\_v4.1\\_2nd round.pdf](#)
    3.  [ACER\\_REMIT\\_TRUM\\_Annex II\\_v4.1\\_2nd round.docx](#)
    4.  [ACER\\_REMIT\\_TRUM v5.0\\_2nd round.docx](#)

## 2. Sanctions





- a.  [HMT Sanctions List on Russia; 01st March 2022.pdf](#)
- b.  [HM Treasury guidance on monetary penalties for breaches of financial sanctions; 03Feb2022.pdf](#)
- c. [uksi\\_20220194\\_en \(The Russia Sanctions EU Exit Amendment\)](#)
- d.  [Information and summary on the US, UK and EU economic sanctions imposed Friday 25th February.pdf](#)








- e.  [OFAC Sanctions Russian Financial Entities, President Putin and Foreign Minister Lavrov; 28Feb2022.pdf](#)
- f.  [EU Consolidated Sanctions List; 20220301-FULL.pdf](#)
- g. [Sanctions Package Targets 80 Percent of All Banking Assets in Russia](#)
- h. [Reed Smith's Russia Sanctions Briefing following this call](#)
- i. [Simmons; Sanctions arising from the war in Ukraine](#)

### 3. Latest FCA Policy Development updates

- a. FCA approach to the DTO
- b. [FCA approach to TPR Landing Slots](#)
- c. [FCA Regulation round-up February 2022](#)
  - i. A data-driven industry needs a data-led regulator: Our approach to innovation & SupTech
  - ii. New financial sanctions measures in relation to Russia
  - iii. The Temporary Transitional Period (TTP) is ending soon; we expect firms to be fully compliant with onshored regulatory obligations by 31 March 2022.
- d. On 18 February 2022, the FCA updated its [webpage](#) on 'Submit a change in control notification'. The update states that the FCA has seen a significant increase in section 178 notifications. Due to these high volumes, the FCA has experienced delays in allocating FCA-led notifications to case officers. Currently, there is a delay of approximately two months between submission of a complete notification and allocation to a case officer.
- e.  [UK financial crime enforcement; what lies ahead in 2022; 14 February 2022.pdf](#)
- f.  [Sarah Pritchard \(ED, Markets, FCA\) speech on enhancing the UK's capital markets; 08Feb2022.pdf](#)
- g.  [UK financial watchdog faces unrest as union members back industrial action.pdf](#)
- h.  [Heads of compliance and MLRO applicant competency and capability; 02Feb2022.pdf](#)
- i. The FCA has appointed Direct Line Group CEO, Penny James, as Chair of its Practitioner Panel
- j. The FCA has launched a consultation ([GC22/1](#)) on its proposed guidance on the FCA's approach to compromises for regulated firms. Compromises are arrangements that allow a firm to settle its liabilities with creditors and/or shareholders.
- k. The FCA has published a [new webpage](#) on its joint transformation programme with the Bank of England (BoE) on data collection.





### 4. UK Government

- a. [EVIA Response to HMT FRF Response](#)
- b.  [EVIA Summary note on HMT WMR Feedback and JG Speech to AFME on MiFID2; 01March2022.pdf](#)
- c.  [Speech by John Glen MP, Economic Secretary to the Treasury, to the Association of British Insurers Annual Dinner; 21 February 2022.pdf](#)
- d. [Daily Telegraph on UK Wholesale Insurance](#)
- e.  [Gerard Lyons: The City after Brexit. To continue to flourish, it must be at the cutting edge of change; 22 February 2022.pdf](#)
- f.  [The Dormant Assets Bill, has now received Royal Assent.pdf](#)


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- g.  [UK Supreme Court confirms expectation of privacy for individuals under criminal investigation; 28Feb2022.pdf](#)
  - h.  [House of Lords' European Affairs Committee new inquiry into the UK-EU relationship in financial services.pdf](#)
5. IFPR – IFR – Prudential Supervision(Op Risk and Resilience)
- a.  [ITR for standard forms, templates and procedures for notifications for the exercise of the right of establishment and the freedom to provide services by credit institutions; 18Feb2022.pdf](#)
  - b.  [EBA opinion on Comm amendments to the draft RTS for own funds requirements for investment firms based on fixed overheads in line with Article 13\(4\) IFR; 18Feb2022.pdf](#)
  - c.  [IRSG narrative – EU Third Country Regime for Banking Services \(CRD6\); 15Feb2022.pdf](#)
  - d.  [BCBS speech by its Chair, Pablo Hernández de Cos, entitled 'Implementing Basel III'; 10 February 2022.pdf](#)
  - e.  [BOE Governor Andrew Bailey speech entitled 'A resilient financial system'; 11Feb2022.pdf](#)
6. EU Rules and ESAs
- a.  [EBA responds to ESRB recommendation on identifying legal entities.pdf](#)
  - b. [ESMA; Verena Ross' Speech at Eurofi 2022 - The major challenges facing securities regulators](#)
  - c. [ESMA; Trading Venues with the Highest Turnover for Bonds](#)
  - d. ESMA made available the new quarterly liquidity assessment for bonds, the [data for the systematic internaliser quarterly calculations for equity, equity-like instruments, bonds and for other non-equity instruments](#) and the consolidated [tape provider \(CTP\) data](#) under MiFID II and MiFIR.
  - e.  [ESMA publishes supervisory briefing on the use of tied agents under MiFID II; 03 February 2022.pdf](#)
  - f. ESMA publishes final reports on CCP Recovery Regime; *On 31 January ESMA published its [final reports](#) on the recovery regime for central counterparties*
  - g. EMIR: ESMA *has launched a [consultation](#) on anti-procyclicality margin measures for CCPs*
  - h. FMSB publishes final standard for the sharing of investor allocation information; On 15 February 2022, the FICC Markets Standards Board published its [third standard](#) in a series aimed at making primary capital markets more transparent, fair and effective.
7. Conduct/ Enforcement/ PFOF
- a.  [The AFM examines quality of order execution on PFOF trading venues; 09Feb2022.pdf](#)
  - b.  [FCA Whistleblowing quarterly data 2021 Q4; 28 February 2022.pdf](#)
  - c. [Denmark Gets £1.5B Cum-Ex Fraud Claim Revived On Appeal](#)
  - d. [Former Warburg Banker Gets 3½ Years For Cum-Ex Fraud;](#)
8. AML / KYC/ Reg Tech
- a.  [ECB opinion on a proposal for a regulation establishing the AMLAR; 17 February 2022.pdf](#)
  - b.  [Research shows huge increase in use of DeFi protocols for money laundering; 15Feb2022.pdf](#)

- c. [UK banks warned of possible Russian-backed cyber attack](#);
- d. JMLSG publishes revisions to Part II Sector 17; On 17 February 2022, published a [revision](#) to Part II Sector 17 (Syndicated Lending)
- e. **EBA launches 'EuReCA'**; On 31 January 2022, the EBA launched 'EuReCA', its [central database](#) for AML and counter-terrorist financing (CFT). EuReCA will contain information on material weaknesses in individual financial institutions in the EU that Member State competent authorities have identified











## 9. ESG Topics, D&I & Disclosures

- a.  [IRSG Report: 'ESG Ratings and ESG Data in Financial Services – A view from practitioners; 21 February 2022.pdf](#)
- b.  [Corporate sustainability and due diligence; the new EU Directive; Feb2022.pdf](#)
- c.  [New FCA technical note – TCFD aligned climate-related disclosure requirements for listed companies; 28Feb2022.pdf](#)
- d. [ESMA launches call for evidence on climate risk stress testing for CCPs](#)
- e.  [ESMA sustainable finance roadmap 2022-2024; 11Feb2022.pdf](#)





## 10. Energy & ACER

- a. Remit Conduct Complaint
- b.  [ACER Remit Guidance-Note\\_Layering-v7.0-Final-published.pdf](#)
- c. ACER Reporting Schema ongoing Outreach
- d. FMSB published the final [Standard for the Conduct of Participants in LBMA Precious Metal Auctions](#) and an accompanying [press release](#). This Standard is designed to provide some clarity as to the way in which regulatory and conduct risks associated with: (i) sourcing liquidity through an auction process which sets the LBMA Precious Metal Price; or (ii) managing both 'Client Orders' and 'House Orders' in the LBMA Auctions, can be managed, so as to increase the volume of bids and offers submitted to LBMA Auctions and improve the quality of price discovery resulting from them, thereby improving the effectiveness of the market.


## 11. Market Regs: MiFID2.2/ MiFIR/ EMIR/ SFTR / CSDR

- a.  [EVIA Call notes with AMF; 22 February 2022.pdf](#)
- b.  [EVIA - Note to AMF Re Use Cases around the Perimeter.pdf](#)
- c.  [EU MIFID II REVIEW - EVIA Response letter to DG FISMA.pdf](#) [\*Draft]
- d.  [22-4004\\_MiFIRReview\\_EFAMA position.pdf](#)
- e. [AFME letter to EUROFI / EUROFI Panel](#)
- f.  [Feedback from; German Banking Industry Committee; 31Jan2022.pdf](#)
- g.  [EU adopts amendments to RTS clearing and derivative trading obligations under EMIR and MiFIR in light of benchmark transition; 09 February 2022.pdf](#)
- h.  [Are firms trading in the UK subject to CSDR cash penalties; 22Feb2022.pdf](#)
- i. [AFME: No evidence buy-ins improve settlement](#)
- j. [TransFICC Launches Consolidated Tape Pilot For EU Fixed Income Using The AFM Regulatory Sandbox](#)
- k. [Coupe: UK firms ready for end of Brexit transition](#)
- l.  [Commission extends time-limited equivalence for UK CCPs and launches consultation to expand central clearing activities in the EU.pdf](#)
- m.  [ClarusFT; Big Volumes in Credit and Inflation plus European Equivalence; Chris Barnes; February 09, 2022.pdf](#)
- n.  [January 2022 SEF Tracker.pdf](#)






## 12. Benchmarks and LiBOR Topics

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- a.  [USD rates; Is-libor-transition-starting; 01 March 2022.pdf](#)
  - b.  [FCA Update: Finalising LIBOR transition – achievements in sterling markets and what remains to be done; 09 Feb 2022.pdf](#)
  - c.  [ESMA gain more Financial Penalties Powers; 18 Feb 2022.pdf](#)
  - d. [Finalising LIBOR transition – achievements in sterling markets and what remains to be done; Joint Press Release from BOE, FCA](#)
  - e.  [What is client-clearing in repo; LCH Sponsored Clearing; 28 Feb 2022.pdf](#)
  - f. EURUSD, GBPUSD, CHFUSD, JPYUSD and SGDUSD now trade as RFR vs RFR Cross Currency Swaps.
  - g. AUDUSD, NZDUSD, CADUSD, SEKUSD, NOKUSD, DKKUSD, HKDUSD and MXNUSD now trade as Domestic Term vs USD RFR for Cross Currency Swaps.
  - h. TRYUSD now trades as Fixed TRY vs USD SOFR.
  - i. The data suggests that the transition to USD SOFR in Cross Currency markets has gone well.
  - j. [ARRC's Wipf: Work remains in fully ending Libor;](#)
  - k. [Euro market smoothly transitions away from Eonia](#)
  - l. ESMA starts supervision of benchmarks and assumes chair of EURIBOR College;
  - m. Canadian Benchmark Reform – The Road Ahead; February 2, 2022; Opening Remarks; Scott O'Malia, CEO, ISDA

### 13. FX and Money Markets

- a. The [lawsuit brought against Currenex, State Street, Goldman Sachs and HC Tech](#) has been updated, with the [plaintiffs, now joined by XTX Markets, citing “secret” rules that allowed the platform to provide undisclosed privileges to certain customers](#). *It also alleges that HC Tech was provided with administrative access that allowed it to see all orders on the platform and the participants behind them.*
- b.  [Jan 2022 FX Platform Volume Out-turns.pdf](#)

### 14. Digitalisation and Cryptoassets

- a. [Wholesale Central Bank Digital Currencies; AFME, BCG](#)
- b.  [Legislative review of the European crypto-assets “travel-rule” proposal continues; 09 February 2022.pdf](#)
- c.  [DAWG-Mar1-22.pdf](#)
- d.  [FT; Crypto industry makes push into regulated derivatives markets; 23 Feb 2022.pdf](#)
- e. [RT Plus – Advertising of cryptos;](#)
- f. CME Group has unveiled plans to launch two new reference rates for Bitcoin and Ether on February 28 – the CME CF Bitcoin Reference Rate New York (BRRNY) and CME CF Ether-Dollar Reference Rate New York (ETHUSD NY).
- g. [The Swap](#) podcast. Scott O'Malia is joined by my friend and former [CFTC](#) colleague [Mark Wetjen](#) to discuss the outlook on crypto assets and [derivatives trading](#). [FTX US Derivatives](#).
- h. BIS; [Crypto-assets markets are fast evolving and could reach a point where they represent a threat to global financial stability due to their scale, structural vulnerabilities and increasing interconnectedness with the traditional financial system](#).
- i.  [minutes-of-cbdc-technology-forum-january-2022.pdf](#)
- j.  [State Street Digital on TABB; Five Takeaways from Our Digital Assets Survey; 07 Feb 2022.pdf](#)

### 15. US & International

- a. [!\[\]\(065aacad479feea1b3f501fa02b79a7a\_img.jpg\) FSB Chair outlines work priorities for 2022 to G20 Finance Ministers and Central Bank Governors; 18Feb2022.pdf](#)
- b. [!\[\]\(f90d8b6badff022f4fa9e71b17a20969\_img.jpg\) New Australian licensing exemptions for foreign firms but questions remain on transition; 18 February 2022.pdf](#)
- c. [MAS restricts cryptocurrency marketing](#)
- d. [Canadian regulators back move to T+1 settlement;](#)
- e. [!\[\]\(aedc732acbf023768f1c9cdaebdbc316\_img.jpg\) China issues new rules for CIBM and exchange bond market connect scheme; 01 February 2022.pdf](#)
- f. [!\[\]\(76d395b5ba40c2fcb8efc1d8802b90f2\_img.jpg\) china-financial-markets-trends-to-watch-in-2022.pdf](#)
- g. [!\[\]\(958302261281a004a5c61bd3a0252d0b\_img.jpg\) Testing Times Ahead with the CFTC ReWrite Delayed; 28Feb2022.pdf](#)
- h. [Kaizan: Stay ahead of the game on CFTC Reporting \[10/3/22 @ 15.00 GMT\]](#)
  - i. CFTC ReWrite - what firms should do with the extra time
  - ii. Impact of the CFTC ReWrite on SEC and Canadian reporting
  - iii. SEC go-live update and observations
  - iv. G20 harmonisation
  - v. What we are hearing from North American regulators.
- i. [FINRA recently issued their Annual Regulatory and Exam Priorities Letter for 2022](#)
- j. NFA [extended](#) relief through the end of 2022 from the requirement to conduct on-site annual inspections of branch offices and guaranteed introducing brokers. Firms may conduct these examinations remotely.
- k. [!\[\]\(1feb34783a458dc8a9947808fbe07d90\_img.jpg\) CFTC Division of Data issued a no-action letter to provide additional time to comply with amendments to swap data reporting rules; 03 February 2022.pdf](#)
- l. [!\[\]\(110653b75fcec8d107e4c0c489903595\_img.jpg\) The Fed and the Treasury Market; TABB; 03 February 2022.pdf](#)
- m. [!\[\]\(72b14bd552cd234e38796f2a9a16d9cf\_img.jpg\) SEC Chair Addresses Dynamic Regulation and Market Modernization; 03Feb2022.pdf](#)
- n. [SIFMA highlights risks of moving to T+0 settlement cycle;](#)

## 16. Open Consultations

- a. esma70-156-4978\_consultation\_paper\_on\_the\_opinion\_on\_trading\_venue\_perimeter; closes 29 April 2022.
- b. EU Comm [Feedback on MiFIR Proposals](#); 25 November 2021 - 22 March 2022
- c. IOSCO consults on lessons learned from the operational resilience of trading venues and market intermediaries during the pandemic; closes 14 March 2022.
- d. HMT Jan 20th consultation on CCPs and CSDs as part of its FRF Review: statutory objectives, accountability mechanisms and regulatory principles.
- e. FCA a Feedback Statement in relation to accessing and using wholesale data to gather information. In response to a call for input in March 2020, the FCA received concerns that limited competition in the markets for benchmarks and indices, credit ratings and trading data may increase costs for investors and affect investment choices.
- f. ESMA call for evidence on amendments to MiFIR transparency and data reporting RTS to reflect the use of DLT.
- g. FCA and ESMA Discussion papers on the review of the clearing thresholds under EMIR
- h. Consultation on Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP)

## 17. Regulatory Roadmap, Calendar and Weekly Roundups for January 2022

- a. [!\[\]\(661ad2fdbe8fa1392f2b194cfa45d124\_img.jpg\) EVIA\\_LEBA Compliance Advisory; Regulatory Activities & Initiatives Grid; 2nd March 2022](#)

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- b.  [EVIA Weekly News; Week 8; 21st February 2022 to 26th February 2022.pdf](#)
  - c.  [EVIA Weekly News; Week 7; 14th February 2022 to 19th February 2022.pdf](#)
  - d.  [EVIA Weekly News; Week 6; 07th February 2022 to 12th February 2022.pdf](#)
  - e.  [EVIA Weekly News; Week 5; 31st January 2022 to 05th February 2022.pdf](#)
  - f.  [Updated-OTC-Derivatives-Compliance-Calendar-2022-3-1.pdf](#)