



FIG Bulletin

Recent developments
15 March 2021

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General

AI Public-Private Forum: BoE publishes minutes of second meeting

The Bank of England (BoE) has published [minutes](#) from the second meeting of the Artificial Intelligence Public-Private Forum (AIPPF), which was held on 26 February 2021. The AIPPF was launched by the BoE together with the Financial Conduct Authority (FCA) to help them better understand the impact of AI and machine learning on financial services.

Attendees of the meeting participated in a roundtable discussion in order to identify and discuss the key issues and challenges for each of four topic areas:

- data quality;
- data strategy and economics;
- data governance, ethics, and culture; and
- data standards and regulation.

LIBOR transition and UK BMR: FCA statement on future cessation and loss of representativeness of LIBOR benchmarks and statement of policy on designation of benchmarks under Article 23A

The FCA has published a [statement](#) announcing the dates that panel bank submissions for all LIBOR settings will cease, after which representative LIBOR rates will no longer be available. This is an important step towards the end of LIBOR, and the BoE and FCA urge market participants to continue to take the necessary action to ensure they are ready.

All LIBOR settings will either cease to be provided by any administrator or will no longer be representative:

- immediately after 31 December 2021 for all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and
- immediately after 30 June 2023 for the remaining USD settings.

Based on undertakings received from panel banks, the FCA does not expect that any LIBOR settings will become unrepresentative before the relevant dates. Publication of most of the LIBOR settings will cease immediately after these dates.

The FCA's announcement follows [notification](#) from the ICE Benchmark Administration Limited (IBA) of its intention, following consultation, to cease providing all LIBOR settings for all currencies.

The International Swaps and Derivatives Association (ISDA) has separately [confirmed](#) that, as a result of the FCA's announcement, the "spread adjustments" to be used in its IBOR fallbacks will be fixed from 5 March 2021, providing clarity on the future terms of the many derivative contracts that incorporate these fallbacks.

Regarding "tough legacy" contracts, the FCA states that it will consult in Q2 2021 on using proposed new powers that the government is legislating to grant under the UK Benchmarks Regulation (UK BMR) (through the Financial Services Bill 2019-21) to require continued publication on a "synthetic" basis for some sterling LIBOR settings and, for one additional year, some Japanese yen LIBOR settings. The FCA will also continue to consider the case for using these powers for some USD LIBOR settings. Any "synthetic" LIBOR will no longer be representative for the purposes of the UK BMR and is not for use in new contracts. It is intended

for use in tough legacy contracts only. The FCA will also consult in Q2 2021 on which legacy contracts will be permitted to use any synthetic LIBOR rate.

The FCA has also published [statements of policy](#) on the designation of benchmarks under Article 23A of the UK BMR. These statements of policy confirm the FCA's policy approach, and explain its plans set out above and its intention to propose using, as a methodology for any "synthetic rate", a forward-looking term rate version of the relevant risk-free rate plus a fixed spread aligned with the spreads in ISDA's IBOR fallbacks. The FCA has published a [feedback statement](#) summarising the changes it has made to the related proposals it initially consulted on.

The Working Group on Sterling Risk-Free Reference Rates has issued a [statement](#) welcoming the FCA, IBA and ISDA announcements.

UK BMR: FCA statement of policy on exercise of powers under Article 23D

Following its December 2020 consultation, the FCA has published a [statement of policy](#) setting out its approach to the exercise of its new powers under Article 23D of the UK BMR to impose certain requirements on the administrator of a critical benchmark designated under Article 23A. The FCA explains that it seeks in the statement of policy to identify all relevant factors to a proposed decision to use its Article 23D powers. However, it will need to take any decision in light of the relevant circumstances and market conditions at the time, so may consider that there is good reason to consider additional factors that are not listed in the statement of policy.

Currently, LIBOR is the only critical benchmark and so the only benchmark for which the Article 23D powers could presently be used. In that context the statement of policy has a focus on LIBOR. The FCA will revise the statement of policy in due course, if necessary, to ensure that should any other benchmarks become critical they are adequately addressed.

The FCA has published a [feedback statement](#) summarising the changes it has made to the statement of policy to reflect responses to its previous consultation.

In Q2 2021, the FCA will consult on whether and how to exercise its Article 23D powers in respect of certain LIBOR currency-tenor settings. If it decides to impose requirements under Article 23D(2) on a benchmark administrator of a critical benchmark designated under Article 23A, it will publish a notice in line with the requirements under Article 23D(7) of the UK BMR.

The FCA will also consult in Q2 2021 on its statement of policy for the powers under Article 21A and 23C of the UK BMR.

FCA quarterly consultation 31: CP21/5

The FCA has published its latest quarterly consultation paper, [CP21/5](#). In the consultation paper, the FCA seeks feedback on proposals relating to:

- the Compensation sourcebook (COMP) concerning compensation made by the Financial Services Compensation Scheme (FSCS); and
- the Training and Competence sourcebook (TC) to amend TC to extend the scope of the notification requirements, update the appropriate qualifications table and to amend the relevant rules and guidance.

The deadlines for comments on these proposals are 2 April 2021 for the changes to TC, and 30 April 2021 for the changes to COMP.

Digital Regulatory Cooperation Forum 2021/22 workplan

The Digital Regulation Cooperation Forum (DRCF) has published its [2021-22 workplan](#), which outlines its priorities for the coming year, and marks a step-change in coordination of regulation across digital and online services.

The Competition and Markets Authority (CMA), the Information Commissioner's Office (ICO) and the Office of Communications (Ofcom) formed the DRCF in July 2020. The DRCF was established to ensure a greater level of cooperation between these organisations, given the unique challenges posed by regulation of online platforms. The FCA has been an observer member of the DRCF since the outset and will also join as a full member from April 2021.

The CMA [comments](#) that online services are playing an ever-more central role in our lives, and the digital landscape is developing at pace. Therefore, the workplan for 2021/22 sets out a roadmap for how Ofcom, the CMA and the ICO will greatly increase the scope and scale of their cooperation. This will involve pooling expertise and resources, working more closely together on online regulatory matters of mutual importance, and reporting on results annually.

The workplan focuses on three priority areas:

- responding strategically to industry and technological developments;
- developing joined-up regulatory approaches; and
- building shared skills and capabilities.

The DRCF will update its workplan and report on progress in 12 months' time.

AML SARs: NCA updated guidance

The National Crime Agency (NCA) has published updated [guidance](#) to anti-money laundering (AML) supervisors, including those overseen by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS), directed at improving the quality of suspicious activity reports (SARs). The guidance addresses the need for SARs to be clear and concise, and to contain the reason for the suspicion giving rise to it, as well as reminding submitters that all the SAR information fields need to be completed.

Financial sanctions: OFSI revises guidance on monetary penalties for breaches

The Office of Financial Sanctions Implementation (OFSI) has published a revised version of its guidance, [Monetary penalties for breaches of financial sanctions](#), to include developments from the UK's exit from the EU and subsequent legislation.

The guidance describes OFSI's processes and considerations in relation to the issue of monetary penalties for breaches of financial sanctions, including:

- the case assessment process;
- penalty calculation process; and
- procedural rights.

Cyber-threat intelligence: FCO information sharing guide

The Foreign & Commonwealth Office (FCO) has published [guidance](#) on sharing cybercrime, cybersecurity and cyber threat intelligence information in the financial sector by providing an overview of core principles, objectives, benefits, and best practices. The paper's intended audience includes relevant leaders and practitioners in financial institutions, banking

associations, national computer emergency response teams, government agencies, law enforcement, regulators, and other relevant private and public-sector organisations.

MiCA: ECON draft report

The European Parliament's Economic and Monetary Affairs Committee (ECON) has published a [draft report](#) setting out recommendations to the European Commission on the proposed Regulation on markets in cryptoassets and amending Directive (EU) 2019/1937 (MiCA).

The draft report, which was prepared by Rapporteur Stefan Berger, contains a draft European Parliament legislative resolution, the text of which sets out suggested amendments to the proposed Regulation. The report does not contain an explanatory statement on the Rapporteur's reasons for the amendments, although a justification is provided for each amendment.

IFR: EBA draft ITS on reporting and disclosure

Following an earlier consultation, the European Banking Authority (EBA) has published a [final report](#) on draft implementing technical standards (ITS) on reporting and disclosure requirements for investment firms under the EU Investment Firms Regulation (IFR). The annexes to the ITS are linked from the EBA's [press release](#). Feedback to the consultation is included in the final report.

In the report, the EBA sets out the text of ITS specifying templates, reporting dates and definitions relating to the supervisory reporting and disclosure requirements for investment firms under IFR. The provisions on disclosures and reporting reflect mandates in Articles 49(2) and 54(3) respectively of the IFR.

The EBA will submit the draft ITS to the European Commission for endorsement. The EBA will also develop the data point model (DPM), XBRL taxonomy and validation rules based on the final draft ITS. The EBA intends for the provisions in the ITS on disclosure to apply from 26 June 2021 and for the provisions on supervisory reporting to apply from 30 September 2021. This means in practice that the first reference date for the application of the reporting ITS would be 31 December 2021 for small and non-interconnected investment firms and 30 September 2021 for all other firms.

DORA: ESAs letter

The European Supervisory Authorities (ESAs) have [written](#) to the chair of the European Parliament's committee on economic and monetary affairs (ECON) Irene Tinagli, the President of the Council of the EU's ECOFIN Council Joao Leão, and European Commissioner Mairead McGuinness regarding the proposal for a Digital Operational Resilience Act (DORA) for the financial sector.

The ESAs state that they are in firm agreement with the main principles of DORA. However, in the letter, the ESAs express their views on how to most efficiently take forward important aspects of the governance and operational processes of the oversight framework for critical third-party providers (CTPPs) and the application of the proportionality principle in DORA.

AML/CTF: FATF guidance on risk-based supervision

The Financial Action Task Force (FATF) has published [guidance](#) on applying a risk-based approach to AML/counter terrorist financing (CFT) supervision. In publishing this guidance, the FATF encourages countries to move beyond a tick-box approach in monitoring the private sector's efforts to curb money laundering and terrorist financing.

The FATF states that this guidance should be read alongside forthcoming guidance on proliferation financing which explains new requirements introduced in October 2020 for countries and regulated entities to assess proliferation financing risks and implement risk-based measures.

Banking and Finance

Open banking: CMA consultation on future governance

The Competition and Markets Authority (CMA) is [consulting](#) on the future governance of open banking.

In order to implement open banking, the CMA required the nine largest current account providers in Britain and Northern Ireland to create and pay for an implementation entity – known now as the Open Banking Implementation Entity (OBIE) – and to appoint an implementation Trustee, approved by the CMA, to oversee the process. The implementation phase of open banking is nearing completion (end of 2021) and the CMA is now consulting on what arrangements should be put in place for its governance in the next phase of development.

UK Finance has submitted proposals that involve creating a new body, with a more broadly-based funding and governance model, to succeed the OBIE. It is proposed that this body would take over the OBIE's functions, other than compliance monitoring, which will be handled separately. The CMA considers these proposals as part of its consultation.

Stakeholders are being consulted on three main areas:

- whether the successor organisation proposed by UK Finance proposals will be: independent and accountable; adequately funded; dedicated to serving the customer's interests; and robust and sustainable;
- what compliance monitoring arrangements will it be necessary for the CMA to put in place going forward; and
- what transitional arrangements should be adopted and when should the process begin.

The consultation closes on 29 March 2021.

EU CRR: Delegated Regulation on alternative standardised approach for market risk

[Commission Delegated Regulation \(EU\) 2021/424](#) amending the Capital Requirements Regulation (CRR) with regard to the alternative standardised approach for market risk has been published in the Official Journal of the EU. The update is necessary following revisions to the CRR by CRR II.

The Delegated Regulation will enter into force on 30 March 2021. It will apply from 30 September 2021.

CRD: EBA consults on draft guidelines on common assessment methodology for credit institution authorisation

The European Banking Authority (EBA) has published a [consultation paper](#) on draft guidelines on a common assessment methodology (CAM) for granting authorisation as a credit institution under Article 8(5) of the EU Capital Requirements Directive (CRD).

Article 8(5) requires the EBA to specify a CAM for granting authorisations in accordance with the CRD, with a view to fostering supervisory convergence across the EU. The draft guidelines are addressed to competent authorities across the EU in charge of granting credit institution authorisation. They cover the authorisation requirements set out in Articles 10 to 14 of the CRD.

The EBA will hold a public hearing on the draft guidelines on 22 April 2021. Comments can be made on the proposals until 10 June 2021. The draft guidelines state that they will apply from 1 March 2022.

EBA Consumer Trends Report for 2020/2021

The EBA has published its [Consumer Trends Report for 2020/2021](#). The report identifies topical issues including irresponsible lending, creditworthiness assessments, and digitalisation, which the EBA has recently addressed. Other topics are covered, such as selling practices and access to bank accounts, which the EBA has recently started to work on. The report also explains the measures the EBA has taken to mitigate the impact of the COVID-19 pandemic on consumers.

COVID-19: European Parliament report on unwinding of policy support for banks

The European Parliament has published an [analysis report](#) on when and how to unwind COVID-19 support measures for the banking system. Commissioned by the Committee on Economic and Monetary Affairs, it examines regulatory measures and supervisory practices that have supported public guarantee schemes and moratoria in euro-area countries. Focusing on the flexibility shown to default classifications, accounting practices and the treatment of non-performing loans, the paper identifies some undesirable effects and examines how soon such policies can be normalised.

Consumer Finance

COVID-19: FCA consults on revisions to mortgages tailored support guidance

On 5 March 2021, the UK Financial Conduct Authority (FCA) published a short consultation (which ended on 10 March 2021) on a [revised version](#) of its tailored support guidance for mortgage firms. The guidance supplements the FCA's payment deferral guidance (PDG) and applies to firms dealing with customers experiencing payment difficulties due to circumstances arising out of the COVID-19 pandemic when they are not receiving support under the PDG.

The guidance, which was last updated in January 2021, specifies that firms should not enforce mortgage repossessions, except in exceptional circumstances, before 1 April 2021. This means that from 1 April, firms can enforce repossessions, but only if they act in accordance with FCA guidance and regulatory requirements. Repossession should only take place as a last resort if all other reasonable attempts to resolve the position have failed. Firms will also need to comply with any relevant legislative requirements which may prevent firms from enforcing repossession in certain parts of the UK.

The FCA recognises that repossessions can be difficult and stressful for customers but delaying repossession can lead to poor customer outcomes as a result of increased balances and equity erosion. Therefore, it proposes to allow firms to repossess homes when it is fair and reasonable to do so.

In a separate [statement](#), the FCA highlights that the deadline for applications for new payment deferrals under the PDG is 31 March 2021.

The FCA also states that it will publish the findings of its initial supervisory work monitoring firms' implementation of its temporary guidance by the end of March.

Payments

Strategic trends Pay.UK report and Knowledge Hub

Pay.UK has [announced](#) the publication of a report exploring the key trends that are shaping the future of retail payments. The report, "Strategic trends: Retail payments in a future world", explores the way homes, work and play are being changed by evolving technologies, smarter AI and changing consumer behaviours.

Alongside the report, Pay.UK has launched a "Knowledge Hub", designed to encourage the industry to collaborate and innovate around challenges and topics to shape a shared vision for the future of UK payments.

The first of a number of planned collaborative projects through the Knowledge Hub is to ask the payments community to consider how the COVID-19 pandemic has changed the trajectory of the industry.

Interested parties can access the report and share views on the Knowledge Hub by registering for the [Pay.UK Portal](#).

EU-wide instant payments scheme: European Commission consults on roadmap

The European Commission has published for [consultation](#) an inception impact assessment (roadmap) on a proposal for a Regulation on an EU-wide instant payments scheme. The purpose of the draft roadmap is to assess the need to foster pan-European market initiatives based on instant payments to ensure that anyone holding a payment account in the EU can receive and send an instant credit transfer from and to any other payment account in the EU.

The deadline for comments on the draft roadmap is 7 April 2021. Responses will help the Commission to determine whether to pursue the initiative and, if it does, its final content. The Commission's indicative plan is to adopt a proposal for a Regulation on the initiative in Q1 2022.

Mobile Initiated SEPA (Instant) Credit Transfers: use cases and interoperability models: EPC stakeholder group consultation

The multi-stakeholder group (MSG) on Mobile Initiated Single European Payment Area (SEPA) (Instant) Credit Transfers (MSCTs), which is facilitated by the European Payments Council (EPC), is [consulting](#) on a document it has developed analysing new MSCT use cases and interoperability models.

The document provides an analysis of new MSCT use cases for customer-to-business payment contexts for SEPA Instant Credit Transfer (SCT instant) based on Quick Response (QR) codes, Near-Field-Communication (NFC) and Bluetooth Low Energy (BLE) technology, such as those involving a Payment Initiation Service Provider (PISP) or a Collecting Payment Service Provider (CPSP), as a collector of the transactions on behalf of the merchant, MSCT transactions with unknown final transaction amount, and so-called offline MSCT use cases whereby the consumer device has no internet connection during the transaction.

The document also analyses the technical interoperability aspects of MSCT models involving a PISP or a CPSP, both for MSCTs based on payee- or payer-presented data and the impact on the technical interoperability requirements.

The consultation period closes on 7 May 2021.

Securities and Markets

UK Emissions Trading Scheme: Revised draft Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021

A [revised draft version](#) of the Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021 has been published, together with a [revised draft explanatory memorandum](#). These revised drafts replace those published on 12 February 2021.

The draft Regulations are made under section 8 of the European Union (Withdrawal) Act 2018. They are part of the process for creating a UK Emissions Trading Scheme (ETS) and accompanying emission allowance market. They amend financial services law to reflect the fact that the UK is no longer part of the EU ETS but has now established the UK ETS.

The draft Regulations state that they will come into force the day after they are made. Their operation is dependent on the Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021, which were laid before Parliament in draft on 11 February 2021.

UK Emissions Trading Scheme: FCA CP21/6 on regulating bidding for emissions allowances

The Financial Conduct Authority (FCA) has published a consultation paper, [CP21/6](#), on its proposals to regulate bidding for emissions allowances on the UK auction platform under the UK ETS.

The FCA is consulting on:

- the draft UK Emission Trading Scheme Instrument 2021, which proposes amendments to various FCA Handbook modules which are essentially the reinstatement of material that was deleted at the end of the Brexit transition period and necessary consequential amendments. It is also making certain changes so that the Handbook requirements apply appropriately to the UK ETS rather than the EU ETS; and
- the draft Technical Standards (Market Abuse Regulation) (UK Emissions Trading Scheme) Instrument 2021, which proposes consequential changes to certain technical standards under the UK Market Abuse Regulation.

The consultation closes on 6 April 2021 so that the FCA's rules are in place before the first UK ETS auction is held, which should be no later than Q2 2021.

UK MiFIR: FCA annual transparency calculations for equity and equity-like instruments

The FCA has [published](#) its annual transparency calculations for UK equity and equity-like financial instruments that will apply from 1 April 2021. These calculations are available through the [FCA FITRS](#) (Financial Instrument Transparency Reference System), the FCA's transparency calculations publications database.

The calculations include:

- the liquidity assessment;
- the determination of the most relevant market in terms of liquidity (MRM);
- the determination of the average daily turnover (ADT) relevant for the determination of the pre-trade and post-trade large in scale (LIS) thresholds;

- the determination of the average value of the transactions (AVT) and the related the standard market size (SMS); and
- the determination of the average daily number of transactions (ADNTE) on the most relevant market in terms of liquidity relevant for the determination of the tick-size regime.

The FCA explains that it is publishing the SMS of equity instruments for the purposes of the pre-trade transparency regime for systematic internalisers. This differs from the approach set out in the [statement of policy](#) on the FCA's power to suspend the use of pre-trade transparency waivers for a trading venue under the double volume cap (DVC) mechanism. This is because the FCA now has the capability to publish calculations.

The FCA has assessed that there are 497 liquid shares, and 341 liquid equity-like instruments (such as exchange traded funds), depositary receipts and certificates other than shares.

The FCA expects market participants to monitor the release of the transparency calculations for equity and equity-like instruments daily, to obtain the calculations for newly traded instruments.

UK EMIR: PRA and FCA consult on amending BTS on margin requirements for non-centrally cleared derivatives

The Prudential Regulation Authority and the FCA have published a [joint consultation paper](#) (PRA CP6/21, FCA CP21/7) on margin requirements for non-centrally cleared derivatives, amending the binding technical standards (BTS) in the UK onshored version of Commission Delegated Regulation (EU) 2016/2251 supplementing the European Market Infrastructure Regulation (EMIR).

In the consultation paper, the regulators set out proposals to establish or extend exemptions for some products subject to bilateral margining requirements, as well as proposals to align implementation phases and thresholds of the initial margin (IM) requirements to the standards of the Basel Committee on Banking Supervision and the International Organization of Securities Commissions (IOSCO). In particular, the proposed amendments would:

- change the implementation dates and thresholds for the phase-in of IM requirements;
- require the exchange of variation margin for physically settled foreign exchange forwards and swaps to specified counterparties only; and
- extend the temporary exemption for single-stock equity options and index options until 4 January 2024.

Since the EU BTS were finalised in 2016, the European Supervisory Authorities have proposed several amendments to address emerging issues. However, formal adoption has lagged and remains outstanding. This delay has left a gap between the adopted regulation and practice. The regulators have been operating in practice based on the pending but unadopted amended BTS. The proposals set out in the consultation paper aim to maintain current market practice and give firms legal clarity on these margin requirements.

The regulators plan to use their making and amendment powers under Article 11(15) of UK EMIR and Section 138P of the Financial Services and Markets Act 2000.

Comments can be made on the proposals until 19 May 2021. After considering any responses, the regulators will submit the updated BTS to HM Treasury for approval. Assuming HM Treasury provides approval, the regulators will make and publish the BTS for their respective firms. The changes to the BTS will be effective on publication of the final technical standards instruments, which is planned for 1 July 2021.

UK EMIR and UK SFTR: FCA approach to reporting references to LIBOR in OTC derivatives contracts and securities financing transactions

The FCA has updated its website to outline its expectations on the approach firms should take to reporting references to LIBOR in [OTC derivative contracts](#) under Article 9 of UK EMIR and in [securities financing transactions](#) (SFTs) under Article 4 of the retained EU law version of the Regulation on reporting and transparency of securities financing transactions (UK SFTR).

Under UK EMIR and UK SFTR, counterparties (and, in the case of UK EMIR, central counterparties), must report any modification of a derivative contract or an SFT they have concluded to a registered or recognised trade repository no later than the working day following the modification of the contract or transaction.

The FCA explains that if the terms of a derivative contract or securities financing transaction say that, either immediately or at some other point in time, an alternative rate applies in the place of LIBOR, this would bring about a modification that is reportable under UK EMIR or UK SFTR respectively. The FCA expects the modification to be reported at the time that the alternative rate takes effect. In the case of OTC derivatives, the FCA emphasises that this applies to all agreed terms that result in an alternative rate applying in place of LIBOR, including fallbacks agreed on a bespoke basis and fallbacks that take effect as a result of ISDA's 2020 IBOR Fallbacks documents.

The FCA clarifies that it is of the view that amending a reference rate or adding a fallback would not trigger the application of margin or clearing requirements under UK EMIR, where this amendment relates to the treatment of legacy LIBOR trades. However, for UK EMIR reporting, it is essential that the UK EMIR trade data accurately reflects the details of the trade.

While the FCA expects firms to make necessary preparations to ensure the relevant reports are updated in a timely manner, it states that it will take a proportionate and risk-based approach to applying its supervisory powers for these requirements.

EU CSDR review: European Commission roadmap

The European Commission has published an [impact inception assessment](#) (roadmap) on a review of how the EU rules on central securities depositories (CSDs) are working under the EU Central Securities Depositories Regulation (CSDR).

Comments can be made on the roadmap until 5 April 2021. The roadmap indicates that a legislative proposal may be adopted in the fourth quarter of 2021, although the related webpage indicates that a proposed regulation is planned for the first quarter of 2022. The Commission notes that subsequent revision of the relevant technical standards by the European Securities and Markets Authority may be necessary.

EU EMIR: European Commission consults on Delegated Regulation supplementing EMIR on FRANDT commercial terms for clearing services for OTC derivatives

The European Commission has [published](#) for consultation a draft Delegated Regulation supplementing EMIR by specifying the conditions under which the commercial terms for clearing services for OTC derivatives are to be considered to be fair, reasonable, non-discriminatory and transparent (FRANDT).

The EMIR Refit Regulation amended EMIR to introduce an obligation on clearing service providers to provide those services under FRANDT commercial terms. The requirement to apply FRANDT terms will apply from 18 June 2021. Under Article 82 of EMIR, the Commission is empowered to adopt a delegated act specifying the conditions under which commercial terms for clearing services of clearing service providers are FRANDT.

Article 2 of the draft Delegated Regulation states that the commercial terms for clearing services provided by clearing service providers will be considered to be FRANDT where they meet the requirements laid down in the Annex to the draft Delegated Regulation.

The consultation closes on 7 April 2021. The Commission will consider the consultation responses received when it finalises the draft Delegated Regulation.

Insurance

Value measures reporting: Lloyd's Market Association guidance

The Lloyd's Market Association has published [guidance](#) on value measures reporting and product governance requirements published in the UK Financial Conduct Authority's (FCA) policy statement, PS20/9, on general insurance value measures reporting and publication. The guidance document includes a summary of the requirements and FCA FAQs. The requirements take effect on 1 July 2021.

Funds and Asset Management

Collective investment schemes: IOSCO workstreams on liquidity risk management

The International Organization of Securities Commissions (IOSCO) has [launched](#) a thematic review on the implementation in member regulatory frameworks of its [Recommendations for Liquidity Risk Management for Collective Investment Schemes](#). The review will also gather information on how the recommendations are implemented by firms in practice. The thematic report is expected to be published in Autumn 2022.

IOSCO has also [announced](#) that, together with the Financial Stability Board, it is conducting an analysis on the availability, use and impact of liquidity risk management tools for open-ended funds.

To inform both the thematic review and the joint analysis, IOSCO has issued a voluntary [market participants' survey](#). The survey closes to responses on 16 April 2021.

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