



# FIG Bulletin

Recent developments  
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# General

## Holding company regulatory transaction fees: PRA PS3/21

The UK Prudential Regulation Authority (PRA) has published a policy statement, [PS3/21](#), on holding company regulatory transaction fees. The PRA received no responses to its proposal, in CP21/20, to make a regulatory transaction fee of £2,500 payable in respect of an application for approval or exemption as a holding company made under section 192Q of the Financial Services and Markets Act 2000. Therefore, the PRA has taken forward the proposed amendment to the Fees Part of the PRA Rulebook. A new rule 4.5A came into force on 19 March 2021.

PS3/21 is relevant to PRA-authorised banks, PRA-designated investment firms, and their parent undertakings, which, for this purpose, comprise financial holding companies and mixed financial holding companies, as well as those intermediate holding companies that sit at the top of a sub-consolidation group. It is not relevant to credit unions or insurers.

## Diversity and inclusion: FCA speech and IA report

The UK Financial Conduct Authority (FCA) has published a [speech](#) by Nikhil Rathi, FCA Chief Executive, on why diversity and inclusion are regulatory issues. Of particular note, Mr Rathi comments that he would like to see the FCA's [five conduct questions](#) expanded – and a sixth question added – for all firms: "is your management team diverse enough to provide adequate challenge and do you create the right environment in which people of all backgrounds can speak up?" Mr Rathi explains that this is much broader than representation. It is about a firm's culture, not only about diversity, but also inclusion. "Do people feel comfortable in the work environment such that they can demonstrate, share and bring to bear their diversity of experience and background?"

Mr Rathi also states that, in the years ahead, if the FCA does not see improvements in diversity at senior levels and better answers, it will consider how to best use its powers. For example, Mr Rathi wants to consider whether the diversity of management teams, and the inclusivity of the management culture they create, could be part of the FCA's consideration of senior manager applications.

Separately, the Investment Association (IA) has published a [report](#) titled "Ethnicity in investment management: building positive intentions into meaningful action". The report reflects on the actions investment management firms are taking to better understand their workforce and identify where minorities are under-represented, as well as the reasons behind this. It is designed to provide practical examples through case studies to share good practice.

## IRHP redress scheme independent review: FCA update

The FCA has published an [update](#) on the independent review of the supervisory intervention on interest rate hedging products (IRHPs). The FCA confirms that John Swift QC, the Independent Reviewer, has now completed his discovery exercise and recently provided the FCA with his draft report. There will now be the usual fact-checking and representations process. The report is expected to be finalised and published in summer 2021.

## Duty of care: FCA update

The FCA has updated its [webpage](#) relating to its April 2019 feedback statement on a duty of care and potential alternative approaches (FS19/2) to indicate that it is aiming to consult on options for change in May 2021. This follows delays due to COVID-19.

## Money laundering offences: FCA brings first criminal prosecution against a bank

The FCA has [announced](#) that it has started criminal proceedings against a major bank for alleged offences under the Money Laundering Regulations 2007 (MLR 2007). This is the first criminal prosecution under the MLR 2007 by the FCA and the first prosecution against a bank. No individuals are being charged as part of the proceedings.

The MLR 2007 are no longer in force and have been replaced with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692).

## FCA policy development update

The FCA has updated its policy development update [webpage](#) for March 2021, setting out information on recent and future FCA publications.

## Supporting the wind-down of critical benchmarks: FMLC response to HM Treasury consultation

The Financial Markets Law Committee (FMLC) has published a [letter](#) it has sent to HM Treasury responding to its February 2021 [consultation](#) on critical benchmarks and, in particular, whether there is a case for introducing safe harbours for legacy contracts and the design and scope of any such legislation.

## Supervisory convergence and single rulebook: European Commission consultation

The European Commission has published a [consultation paper](#) on supervisory convergence and the single rulebook, taking stock of the framework for supervising European capital markets, banks, insurers and pension funds.

The aim of the consultation paper is to take stock of what has been achieved so far, particularly as regards supervisory practices among national competent authorities, supervisory convergence and how the EU single rulebook works in practice. The Commission is also seeking targeted views on certain aspects related to its 2019 review of the European Supervisory Authorities (ESAs), including the amendment of existing tools, conferred new tasks and governance changes.

The consultation closes on 21 May 2021.

## MLD4: EBA consults on revising risk-based supervision guidelines

The European Banking Authority (EBA) has published a [consultation paper](#) on proposed changes to the guidelines on the risk-based supervision of credit and financial institutions' compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) obligations, produced under Article 48(10) of the Fourth Money Laundering Directive (MLD4).

Since the guidelines were originally published in 2016, the EBA has observed that supervisors across the EU have been finding implementation of the risk-based approach to AML and CFT supervision difficult. As a result, AML and CFT supervision has not always been as effective as MLD4 and the guidelines had envisaged.

The EBA explains that the changes proposed address the key obstacles to effective AML and CFT supervision identified during its review of the existing guidelines. They also consider changes to

the EU legal framework that have come into force since 2016, as well as new guidance from the Financial Action Task Force (FATF) and the Basel Committee on Banking Supervision.

The EBA will hold a virtual public hearing on the draft guidelines on 22 April 2021. Comments can be made on the proposals until 17 June 2021. When the final version of the revised guidelines comes into force, the original version of the guidelines will be repealed. The draft revised guidelines state that they will apply three months after publication in the official EU languages.

### **SFDR: ESAs consult on taxonomy-related sustainability disclosures**

The ESAs have published a [joint consultation paper](#) on draft regulatory technical standards (RTS) with regard to the content and presentation of sustainability disclosures under Articles 8(4), 9(6) and 11(5) under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

Article 25 of the Taxonomy Regulation amends the SFDR to empower the ESAs to develop further RTS on additional disclosure obligations for products making use of the environmental taxonomy. To satisfy these empowerments, and to minimise duplication and complexity in this area, the ESAs have agreed to:

- amend the draft RTS on the content, methodologies and presentation of disclosures under the SFDR. The ESAs aim to create a single rulebook for RTS on sustainability disclosures for both the SFDR and the Taxonomy Regulation; and
- create one set of RTS for all the environmental taxonomy-related disclosures, covering the six objectives of Article 9 of the Taxonomy Regulation, with two different application deadlines (as laid down in Article 27 of the Taxonomy Regulation), depending on the product's environmental objectives.

The ESAs' proposals on how, and to what extent, activities funded by the product are taxonomy-aligned consist of a graphical representation of the taxonomy-alignment of investments of the financial product and a key performance indicator (KPI) calculation for that alignment, together with a statement that the activities funded by the product that qualify as environmentally sustainable are compliant with the detailed criteria of the Taxonomy Regulation.

The ESAs also propose to standardise the presentation of the disclosures by amending the templates in the draft SFDR RTS to add a new section that includes the Taxonomy Regulation disclosures.

The disclosure requirements added in Articles 8(2a), 9(4a), and 11(1)(c)-(d) of the SFDR refer to information required to be published under Articles 5 and 6 of the Taxonomy Regulation. The European Commission consulted on a draft Delegated Regulation in November 2020, with the final text expected to be adopted later in 2021.

The consultation closes to responses on 12 May 2021. The ESAs intend to publish a final report with final draft RTS, for submission to the Commission, by late June or early July 2021.

### **Trade-based money laundering risk indicators: FATF and Egmont Group report**

The FATF and the Egmont Group of Financial Intelligence Units have published a [joint report](#) on trade-based money laundering (TBML) risk indicators. The risk indicators included in the report are taken from a sample of the data received by the FATF and the Egmont Group in the course of their TBML project. They are designed to enhance the ability of entities to identify suspicious activity associated with this form of money laundering, but the list of indicators is not conclusive.



Several of the indicators identified may not appear to have a direct or exclusive connection with TBML and may be indicative of other forms of money laundering or another illicit activity. However, they may nevertheless be relevant when seeking to identify TBML.

The FATF and the Egmont Group explain that the indicators are relevant to both the public and private sectors. They are relevant to financial institutions, including banks and money value transfer services, designated non-financial businesses and professions, and SMEs and large conglomerates. They are intended to be used by individuals with responsibility for compliance, transaction monitoring, investigative analysis, client on-boarding and relationship management, as well as other areas working to prevent financial crime.

Before using the risk indicators, the FATF and the Egmont Group advise reading the notes in the report, together with their December 2020 [joint report](#) on TBML trends and developments, which provides a comprehensive overview of current TBML risks and outlines best practices in mitigating these risks.

# Banking and Finance

## CRR: Commission Implementing Regulation containing ITS on reporting requirements for market risk

[Commission Implementing Regulation \(EU\) 2021/453](#) containing implementing technical standards (ITS) on specific reporting requirements for market risk under the Capital Requirements Regulation (CRR) has been published in the Official Journal of the European Union (OJ).

The ITS introduce elements of the Fundamental Review of the Trading Book (FRTB) into the EU prudential framework by means of a reporting requirement and cover:

- reference dates and reporting dates;
- reporting on thresholds set out in Articles 94(1) and 325a(1) of the CRR;
- reporting on the alternative standardised approach under Article 430b(1) of the CRR; and
- data exchange formats and information associated with submissions.

The Implementing Regulation enters into force on 5 April 2021 and applies from 5 October 2021.

## Potential EU bank referral scheme for SMEs: European Commission call for evidence

The European Commission has published a [call for evidence](#) on the merits and feasibility of setting up a referral scheme to require EU banks (and other providers of funding) to direct small and medium-sized enterprises (SMEs) whose funding application they have turned down to providers of alternative funding. The objective of this scheme would be to facilitate SME's access to a wider set of funding options, including alternatives.

Responses can be submitted until 9 April 2021 and will feed into the feasibility assessment.

## Basel III monitoring exercise: EBA decision

The European Banking Authority (EBA) has published a [decision](#) about information required for the monitoring of Basel supervisory standards. Among other things, the decision changes the monitoring exercise from being voluntary to mandatory from December 2021. It also provides for a reduced frequency of reporting Basel III data (from semi-annual to annual).

The decision has entered into force.

## SSM: ECB Decision amending Decision on reporting funding plans of credit institutions by NCAs to ECB

[Decision \(EU\) 2021/432](#) of the European Central Bank (ECB), amending Decision (EU) 2017/1198 on the reporting of funding plans of credit institutions by national competent authorities (NCAs) to the ECB, has been published in the OJ.

Decision (EU) 2017/1198 relates to the single supervisory mechanism (SSM). It requires NCAs to provide the funding plans of certain significant and less significant credit institutions to the ECB and establishes harmonised procedures for submitting the funding plans. To ensure consistent, efficient and effective supervisory practices and to facilitate the reporting of funding plans, Decision (EU) 2017/1198 requires funding plans to be reported in accordance with the



harmonised templates and definitions referred to in the funding plan template attached to the EBA's guidelines on harmonised definitions and templates for funding plans of credit institutions. These guidelines were repealed and replaced from 31 December 2020 by the EBA's [2019 guidelines](#). The ECB is one of the addressees of the 2019 guidelines.

Decision (EU) 2021/432 amends Decision (EU) 2017/1198 to align reporting by NCAs of funding plans of credit institutions with the most recent harmonised definitions and templates in the EBA's 2019 guidelines. It also amends Decision (EU) 2017/1198 to ensure compliance with the EBA's 2020 Decision concerning supervisory reporting by NCAs.

Decision (EU) 2021/432 was made by the ECB on 1 March 2021. It is addressed to member states' NCAs and takes effect on the day of its notification to the addressees.

## **EU CRR: EBA report on implementation of LCR**

The EBA has published its [second report](#) on monitoring the implementation of the liquidity coverage ratio (LCR), which was introduced by the Capital Requirements Regulation (CRR), in the EU. The first section of the report focuses on usage of liquidity buffers, guidance on unwinding mechanism waivers, recourse to central bank support, and additional outflows from derivatives, in the context of a crisis (especially in light of the COVID-19 pandemic). The second section discusses some specific practices and approaches (where the EBA is seeing material differences in implementation) and sets out guidance on:

- the treatment of fiduciary deposits;
- LCR optimisation risk;
- interdependent inflows and outflows for LCR purposes; and
- treatment of deposit guarantee scheme deposits.

The EBA will continue regularly monitoring the implementation of the LCR for EU banks and will update its reports on an ongoing basis to set out its observations and provide further guidance, where necessary.

The EBA is currently working on a minimum harmonised methodology for the assessment of a below 3% run-off evidence in the context of Article 24(5) of the LCR Delegated Regulation. Other topics being examined by the EBA are the LCR calculated by significant currency and diversification of liquid assets.

## **COVID-19: ECB speech on NPL management**

The European Central Bank (ECB) has published a [speech](#) by Elizabeth McCaul, ECB Supervisory Board Member, on non-performing loan (NPL) management in the context of the COVID-19 pandemic. Points of interest in Ms McCaul's speech include:

- ECB Banking Supervision initiatives, including its guidance to banks on NPLs, have helped reduce the NPL ratio of euro area banks to around 2.8% in Q3 2020, down from around 7% at the end of 2015. This is significant progress and meant that banks entered the pandemic in a relatively strong position. However, NPLs are expected to increase again in the coming months as the impact of COVID-19 on the real economy intensifies. This challenge must be addressed effectively;
- credit risk is a key priority for ECB Banking Supervision. Ensuring that deteriorated exposures are managed properly and in a timely manner will be key to preventing a build-up of NPLs in the short term. In correspondence to banks in July and December

2020, the ECB emphasised the importance of taking a "look through" approach and identifying borrowers' financial difficulties at an early stage; and

- the ECB expects banks to assess loans, including those subject to moratoria measures and public guarantees, and will closely follow their progress in this regard. In the coming months, the ECB will monitor credit risk metrics related to loans subject to outstanding or expired EBA-compliant moratoria to detect potential misclassifications and to assess whether the short-term consequences of the COVID-19 crisis have evolved into longer-term issues.

### **Internal model outcomes: EBA 2020 assessment**

The EBA has published two reports setting out the results of its 2020 annual assessment of the consistency of internal model outcomes. In the reports, the EBA considers the consistency of risk weighted assets (RWA) across all EU institutions authorised to use internal approaches for calculating capital requirements.

The [credit risk report](#) and accompanying [annex](#) present the key results of the 2020 supervisory benchmarking (SVB) exercise for both high-default portfolios (HDPs) and low-default portfolios (LDPs).

The [market risk report](#) presents the results of the 2020 supervisory benchmarking under Article 78 of the Capital Requirements Directive and the related regulatory and implementing technical standards (RTS and ITS) which define the scope, procedures and portfolios for benchmarking internal models for market risk (MR). The report also summarises the conclusions drawn from a hypothetical portfolio exercise (HPE) that was conducted by the EBA during 2019/20. The primary objective of the exercise is to assess the level of variability observed in RWA for MR produced by banks' internal model.

### **EU deposit guarantee schemes: EBA consults on draft revised guidelines on stress tests**

The EBA has published a [consultation paper](#) on draft revised guidelines on stress tests conducted by national deposit guarantee schemes (DGSS) under the Deposit Guarantee Schemes Directive (DGSD).

In June 2020, following its first peer review of the stress tests, the EBA identified areas in which the DGS stress testing framework could be improved. The EBA is now proposing to repeal and replace the existing guidelines to further strengthen the framework by achieving greater harmonisation and comparability. The proposed framework will enable the EBA to carry out a more robust peer review of national DGS stress tests in 2024/25.

The consultation closes on 11 June 2021. The EBA will hold a public hearing on its proposals on 26 May 2021. It will then finalise the guidelines.

### **CRR: EBA consults on draft RTS on gross jump-to-default amounts and on residual risk add-on under Fundamental Review of Trading Book**

The EBA has published consultation papers on the following draft regulatory technical standards (RTS):

- [consultation paper](#) on draft RTS on gross jump-to-default (JTD) amounts under Article 325w(8) of the CRR. The draft RTS specify the key inputs needed for computing own funds requirements for default risk under the FRTB-SA. Gross JTD amounts determined

in accordance with the draft RTS should be consistent with those determined in accordance with international standards, while employing the formulae and requirements set out in the CRR; and

- [consultation paper](#) on draft RTS on residual risk add-on (RRAO), which specify what an exotic underlying is and which instruments are instruments bearing residual risks for the purposes of Article 325u(2) under Article 325u(2) of the CRR. They clarify the scope of the RRAO (that is, for which instruments the own funds capital requirements for residual risks should be determined), specifying a non-exhaustive list of instruments bearing residual risks, and a list of risks that, in themselves, do not constitute residual risks. These RTS also clarify that longevity risk, weather, natural disasters and future realised volatility should all be considered as exotic underlyings.

The deadline for comment on the proposals is 12 June 2021. A public hearing on the consultation papers will be held on 29 April 2021. The draft Delegated Regulations each state that they will enter into force twenty days after publication in the OJ.

### **CRR: EBA discussion paper on feasibility study of integrated reporting system**

The EBA has published a [discussion paper](#) on a feasibility study of an integrated reporting system under Article 430c of the CRR. Article 430c requires the EBA to prepare a feasibility study for the development of a consistent and integrated system for collecting statistical, resolution and prudential data, and to involve the relevant authorities in the study's preparation. The EBA has also published an accompanying [factsheet](#).

Responses can be submitted to the EBA until 11 June 2021. The feedback received will inform the EBA's final report on, and preparation of, the feasibility study.

# Securities and Markets

## Regulation of UK wholesale financial markets: FCA speech

The Financial Conduct Authority (FCA) has published a [speech](#) by Edwin Schooling Latter, Director of Markets and Wholesale Policy, on a forward look at regulation of the UK's wholesale financial markets. In his speech, Mr Schooling Latter comments that the FCA shares the government's determination to ensure the UK regulatory framework is tailored to allow UK financial markets and their users around the globe to thrive. He considers, among other things:

- whether the UK will diverge from the EU reporting regime under the Regulation on reporting and transparency of securities financing transactions (SFTR), with Mr Schooling Latter stating that it is prudent to allow the regime to mature and that divergence could add complications and costs. However, the FCA is open to considering whether to remove commodities lending transactions from scope. The FCA is also assessing evidence on the relative benefits of single versus double-sided reporting;
- how the FCA will soon consult on changes to MiFID rules, with those changes being described as similar but "not absolutely identical" to the European amendments to the MiFID regime to assist economic recovery from the COVID-19 pandemic;
- the FCA considerations about how to implement on a UK-only basis various elements of the MiFID transparency regime. On dark trading, the FCA's initial approach is not to have automated caps in the absence of evidence that the levels of dark trading it has seen harm price formation or execution outcomes for investors, and given there is no need to preserve the alignment of cap application in the absence of the EU accepting the equivalence of the UK share trading regime. In relation to threshold calculation and application, the FCA is considering how to both simplify the rules and increase flexibility to create options for alignments across different jurisdictions; and
- what the FCA is considering following HM Treasury publishing Lord Hill's report on the UK listing regime. Mr Schooling Latter sees real efficiency gains in better aligning prospectus documentation requirements with the type of transaction being undertaken.

## EU EMIR clearing obligation exemption for pension scheme arrangements: European Commission consults on extension

The European Commission has published for [consultation](#) a draft Delegated Regulation extending the transitional period under Article 89(1) of the European Market Infrastructure Regulation (EMIR).

EMIR provides for a temporary exemption from the clearing obligation for pension scheme arrangements (PSAs) meeting certain criteria. This transitional period is set out under Article 89(1) of EMIR and provides further time for central counterparties (CCPs), PSAs and clearing members to develop viable technical solutions that would allow PSAs to meet the cash variation margin calls of CCPs. The temporary exemption has been extended over the years because no viable technical solution has emerged. The EMIR Refit Regulation extended the temporary exemption until 18 June 2021.

While the aim of EMIR remains central clearing for PSAs, under Article 85(2) of EMIR, it is possible to extend (through two Commission delegated acts) the temporary exemption for PSAs for a maximum period of a further two years. Under the draft Delegated Regulation, the Commission is proposing to prolong the existing exemption by an additional year, to 18 June 2022. The consultation closes on 13 April 2021.

## CMU and impact of Brexit on clearing and derivatives: European Commission speech

The European Commission has published a [speech](#) by Mairead McGuinness, European Commissioner for Financial Services, Financial Stability, and Capital Markets Union (CMU), in which she considers progress in relation to the CMU and the impact of Brexit on the EU, particularly in relation to clearing and derivatives.

Among other things, Ms McGuinness' discusses the UK-EU memorandum of understanding (MoU). She states that the Commission envisages a flexible, non-binding framework similar to its arrangements with the US. Once this framework is in place, the EU will resume the assessment of equivalence with the UK authorities. It will do so progressively, on a case-by-case basis, taking into account the UK's regulatory intentions. However, there cannot be equivalence with wide regulatory divergence and the EU will only grant equivalence when this is in its interest. It will not take a narrow view of that interest, thinking only in terms of costs and market fragmentation. It needs to "look at the big picture and see how to develop our 'open strategic autonomy' – making the best of openness and global cooperation while defending our own interests and values".

The European Securities and Markets Authority (ESMA) is currently re-assessing, with the European Central Bank, the systemic importance of two UK central counterparties (CCPs). ESMA will decide whether to advise the Commission not to recognise these CCPs for some or all the services they offer and whether they should relocate to the EU. In parallel, in January 2021, the Commission established a working group with the ECB and other EU supervisory authorities to better identify the opportunities and challenges for transferring derivatives denominated in euros or other EU currency from the UK to the EU. The working group's recommendations are expected by mid-2021 and will feed into the Commission's reflections on the way forward. While a voluntary scaling back of the industry's exposure to UK CCPs is the preferred option, the Commission will consider very carefully any recommendation from ESMA regarding systemically important UK CCPs.

## COVID-19: ESMA allows decision on reporting net short positions to expire

ESMA has [announced](#) that it has decided not to renew its decision to require holders of net short positions in shares traded on an EU regulated market to notify the relevant national competent authority (NCA) if the position reaches, exceeds or falls below 0.1% of the issued share capital. The measure, which applied from 16 March 2020, expired on 19 March 2021. Therefore, the last reporting where the lower threshold of 0.1% applied related to 19 March 2021 and had to be reported to NCAs by 15.30 on 22 March 2021.

From 20 March 2021, positions holders need to send notifications only if they reach or exceed the 0.2% threshold again, while any outstanding net short position between 0.1% and 0.2% will not have to be reported.

The decision is expiring because ESMA's view is that the current situation in financial markets no longer resembles the emergency situation required by the Short Selling Regulation to maintain the measure. The EFTA Surveillance Authority, in cooperation with ESMA, has published a corresponding [press release](#) stating it is allowing temporary requirements to expire.

## **Proposed EU Regulation on pilot regime for market infrastructures based on DLT: 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 proposal for a Regulation on a pilot regime for market infrastructures based on distributed ledger technology (DLT). The draft report which was prepared by Rapporteur Johan Van Oortveldt contains a draft European Parliament legislative resolution, the text of which sets out suggested amendments to the proposed Regulation.

The report contains an explanatory statement in which Rapporteur Oortveldt supports the overall objectives of the proposed Regulation. However, he also identifies elements of the proposals that could be strengthened in order to reach those objectives.



# Insurance

## UK Solvency II: PRA PS2/21 on expectations for work of external auditors on matching adjustment

The UK Prudential Regulation Authority (PRA) has published a policy statement, [PS2/21](#), setting out its expectations for the work of external auditors on the matching adjustment (MA) under the UK Solvency II regime.

In PS2/21, the PRA provides feedback to its June 2020 consultation paper, CP11/20, and gives its final policy in the form of an updated Supervisory Statement, SS11/16: "Solvency II: External audit of, and responsibilities of the governing body in relation to, the public disclosure requirement".

The PRA has made some changes to the draft policy as a result of the responses, details of which are set out in Chapter 2. It has also made several minor editorial amendments to improve the clarity and readability of SS11/16. The PRA considers that these changes make the final policy clearer and do not result in any additional requirements for firms or auditors compared to the original proposals.

The updated version of SS11/16 will replace the existing version on 1 July 2021. The new expectations in the updated SS11/16 will come into effect for audits in respect of accounting periods ending on or after this date.

## COVID-19: FCA list of business interruption insurance policies

The Financial Conduct Authority (FCA) has updated its [webpage](#) on its test case on business interruption (BI) insurance during the COVID-19 pandemic. It has published a [list](#) of BI insurance policies capable of responding to the COVID-19 pandemic. The list was compiled following an information request sent by the FCA to insurers for updated details of all non-damage BI policies that are, in principle, capable of responding to the pandemic following the Supreme Court judgment.

The policies listed cover over 200,000 policyholders and may be subject to further update. Inclusion in this list does not mean that the outcome on any particular claim for the policy wordings will be affected. Each policy wording and policyholder's circumstances will need to be considered on a case-by-case basis. Where a policy is not included on this list, this may be for a number of reasons, including but not limited to the policy wording being of a type not tested in the test case (for example, containing an exhaustive list of diseases only or where the policy contains a relevant exclusion clause which was not tested). The list also does not include policy wordings which are only held by fewer than five policyholders.

## UK insurance sector regulation: PRA speech

The PRA has published a [speech](#) by Sam Woods, Bank of England (BoE) Deputy Governor for Prudential Regulation and PRA CEO, in which he considers the ways in which regulation of the UK insurance sector is set to change and also comments on the government's Solvency II regime review.

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