

FINANCIAL REGULATION WEEKLY BULLETIN

Major UK and European regulatory developments of interest to banks
insurers and reinsurers, asset managers and other market participants

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Slaughter and May
also produces a
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Newsletter. If you
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GENERAL //

1 EUROPEAN COMMISSION

- 1.1 Protection for whistleblowers - European Commission publishes report on the Whistleblowing Directive - 3 July 2024** - The European Commission (the Commission) has published a report on the implementation and application of Directive (EU) (2019/1937) on the protection of persons who report breaches of EU law (or ‘whistleblowers’) (the Whistleblowing Directive).

The report finds that all member states have transposed the Whistleblowing Directive’s main provisions (albeit the Commission regrets its overall late transposition), and a large majority have extended its protection regime to other areas of national law. Several member states have also provided for additional measures of support, such as financial and psychological assistance to whistleblowers.

The report identifies several key areas for improvement, including the material scope, the conditions for protection and the measures of protection against retaliation. In particular, the Commission stresses that the lack of confidential reporting channels and appropriate protection has a “*chilling effect on potential whistleblowers, with negative impacts far beyond the Directive itself*”.

The Commission states that, after a sufficient period of implementation, and no later than 2026, it will submit to the European Parliament and the Council of the EU a report assessing the functioning of the Whistleblowing Directive and considering the need for additional measures.

[European Commission report on the implementation and application of Directive \(EU\) 2019/1937 on the protection of persons who report breaches of Union law \(COM\(2024\) final\)](#)

2 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 2.1 MiCA - ESMA publishes second final report on draft RTS and ITS - 4 July 2024** - The European Securities and Markets Authority (ESMA) has published its second final report on draft Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) under the Regulation on markets in cryptoassets ((EU) 2023/1114) (MiCA). The RTS and ITS cover a range of matters, including: sustainability indicators for cryptoasset consensus mechanisms; public disclosure of inside information; machine readability of white papers; and business continuity requirements for cryptoasset service providers.

The draft RTS and ITS will be submitted to the European Commission for endorsement, which will decide whether to adopt them within three months.

[ESMA final report: Draft Technical Standards specifying certain requirements of the Markets in Crypto Assets Regulation \(MiCA\) - second package](#)

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BANKING AND FINANCE //

3 BASEL COMMITTEE ON BANKING SUPERVISION

3.1 BCBS publishes outcome of July 2024 meeting - 3 July 2024 - The Basel Committee on Banking Supervision (BCBS) has published the outcome of its meeting held across on 2 and 3 July 2024, at which a range of policy and supervisory initiatives were discussed. Of particular note, the BCBS:

- approved a disclosure framework for banks' cryptoasset exposures, which will be published later in July 2024 with an implementation date of 1 January 2026;
- approved a set of targeted revisions to the cryptoasset prudential standard, aiming to promote a consistent understanding of the standard (particularly regarding the criteria for stablecoins to receive a preferential "Group 1b" regulatory treatment). The updated standard will also be published later this month, with an implementation date of 1 January 2026;
- agreed to update the interest rate shock sizes and associated methodology in its interest rate risk in the banking book (IRRBB) standard. The updated standard will be published later this month, with an implementation date of 1 January 2026 for the adjustments made; and
- agreed to publish a consultation on updated principles for the sound management of third-party risk later in July 2024.

[Press release](#)

4 EUROPEAN BANKING AUTHORITY

4.1 CRR II - EBA publishes final draft RTS on extraordinary circumstances for continuing the use of internal models for market risk - 28 June 2024 - The European Banking Authority (EBA) has published its final report on draft Regulatory Technical Standards (RTS) clarifying the extraordinary circumstances under which competent authorities may soften or waive the application of certain requirements for the use of internal models for market risk under the Capital Requirements Regulation ((EU) No 575/2013) (CRR), as amended by the second Capital Requirements Regulation ((EU) 2019/876) (CRR II).

The draft RTS will be submitted to the European Commission for endorsement, after which they will be scrutinised by the European Parliament and the Council of the EU. The draft RTS will apply on the 20th day after their publication in the Official Journal of the European Union.

[EBA final report: Draft RTS on conditions and indicators that EBA shall use to determine whether extraordinary circumstances have occurred for the purposes of Articles 325az\(5\) and 325bf\(6\) CRR \(EBA/RTS/2024/17\)](#)

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ASSET MANAGEMENT //

5 FINANCIAL CONDUCT AUTHORITY

- 5.1 **SDR and investment labels regime - FCA publishes updated webpage - 1 July 2024** - The FCA has published an updated webpage on its sustainability disclosure requirements (SDR) and investment labels regime, as set out in Policy Statement PS23/16 published in November 2023. The update introduces guidance for firms wishing to notify the FCA about their use of an investment label for a fund, as well as how to apply to make associated changes to a fund's name, investment objectives or policy.

[Updated webpage](#)

INSURANCE //

6 EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY

- 6.1 **EIOPA publishes amended decision on collaboration of EEA insurance supervisory authorities to facilitate cross-border co-operation - 1 July 2024** - The European Insurance and Occupational Pensions Authority (EIOPA) has published an amended decision of its board of supervisors on the collaboration of the insurance supervisory authorities of the EEA member states, which was last updated in June 2021 (the Decision).

The Decision states that the provisions of Directive (EU) 2019/2121 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (the Mobility Directive) also apply to cross-border conversions of insurance and reinsurance undertakings. To ensure smooth implementation of the Mobility Directive in the insurance sector, a new framework for collaboration between the departure and destination supervisory authorities is set out in a new annex.

[EIOPA: Decision of the Board of Supervisors on the Collaboration of the Insurance Supervisory Authorities of the Member States of the EEA \(EIOPA-BoS-24/273\)](#)

[Press release](#)

- 6.2 **Supervision of captive (re)insurance undertakings - EIOPA publishes opinion - 2 July 2024** - The European Insurance and Occupational Pensions Authority (EIOPA) has published an opinion aimed at facilitating risk-based and proportionate supervision of captive (re)insurance undertakings. In particular, the opinion focuses on intra-group transactions (especially cash pooling), the consistent application of the prudent person principle and governance.

[EIOPA opinion on the supervision of captive \(re\)insurance undertakings \(EIOPA-BoS-24/176\)](#)

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7 FINANCIAL REGULATORS COMPLAINTS COMMISSIONER

- 7.1 **BSPS - FRCC publishes timing update on complaints about the FCA - 2 July 2024** - The Financial Regulators Complaints Commissioner (FRCC) has published an updated webpage confirming its expectation that all complaint referrals about the FCA in relation to the British Steel Pension Scheme (BSPS) should be received by 19 July 2024. The FRCC will work to issue its report on the matter within three months of this date, although this will depend on the complexity of the cases. The FRCC confirms that the issue of the report in a timely fashion is a priority, and will publish a further update on 31 July 2024.

[Updated webpage](#)

FINANCIAL CRIME //

8 EUROPEAN BANKING AUTHORITY

- 8.1 **WCTR - EBA publishes final report on 'travel rule' guidelines - 4 July 2024** - The European Banking Authority (EBA) has published its final report on guidelines on information requirements in relation to transfers of funds and certain cryptoasset transfers under the Wire and Cryptoasset Transfer Regulation ((EU) 2023/1113) (WCTR). These information requirements reflect the so-called 'travel rule' adopted by the Financial Action Task Force.

The guidelines specify which information should accompany a transfer of funds or cryptoassets. They further list the steps that payment service providers (PSPs), intermediary PSPs (IPSPs), cryptoasset service providers (CASPs) and intermediary CASPs (ICASPs) should take to detect missing or incomplete information, and what they should do if a transfer of funds or a transfer of cryptoassets lacks the required information.

The guidelines apply from 30 December 2024.

[EBA final report: Guidelines on information requirements in relation to transfers of funds and certain cryptoassets transfers under Regulation \(EU\) 2023/1113 \(EBA/GL/2024/11\)](#)

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This Bulletin is prepared by the Financial Regulation Group of Slaughter and May in London. The Group comprises a team of lawyers with expertise and experience across all sectors in which financial institutions operate.

We advise on regulatory issues affecting firms across the financial services sector, including banks, investment firms, insurers and reinsurers, brokers, asset managers and funds, non-bank lenders, payment service providers, e-money issuers, exchanges and clearing systems. We also advise non-regulated businesses involved in financial regulatory matters. In addition, our leading financial regulatory investigations practice is regularly instructed by financial institutions requiring specialist knowledge of financial services regulation together with experience in high profile and complex investigations and contentious regulatory matters.

Most of the projects that we advise on have an extensive international or cross-border element. We work in seamless integrated teams with leading independent law firms which offer many of the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

Our Financial Regulation Group also produces occasional briefing papers and other client publications. The five most recent issues of this Bulletin and our most recent briefing papers and client publications appear on the Slaughter and May website [here](#).

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