

# 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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[Selmin Hakki](#).

Slaughter and May also produces a periodical Insurance Newsletter. If you would like to go on the distribution list, please contact: [Beth Dobson](#).

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## GENERAL //

### 1 EUROPEAN BANKING AUTHORITY

- 1.1 **Token issuance under MiCA - EBA sets out supervisory priorities - 5 July 2024** - The European Banking Authority (EBA) has published a document explaining its supervisory priorities for issuers and offerors of asset-referenced tokens (ARTs) and e-money tokens (EMTs). Broadly, its priorities concern internal governance and risk management; financial resilience; technology risk management; and financial crime risk management. The EBA has also published a statement noting, among other things, that it expects relevant firms to “comply promptly” with the requirements of the Markets in Cryptoassets Regulation ((EU) 2023/1114)(MiCA).

[EBA: Priorities for ART/EMT issuers supervision - 2024/2025](#)

[EBA statement](#)

[Press release](#)

### 2 BANK OF ENGLAND

- 2.1 **Data and analytics strategy - Bank of England publishes roadmap and delivers speech - 8 July 2024** - The Bank of England (the Bank) has published an updated version of its strategy for data and analytics (D&A). This is a three-year programme that seeks to modernise how the Bank collects, acquires and shares data, incorporating recommendations that were made by the Independent Evaluation Office in October 2023.

The Bank’s priorities for the first year of the programme include establishing cloud capabilities, deploying them for priority use cases and delivering on use cases for AI and machine learning, among other things. Work in years two and three will include a particular emphasis on embedding cloud and AI tools, as well as the continued development of the Bank’s enterprise data platform.

Separately, the Bank has published a speech delivered by James Benford, Executive Director for D&A Transformation and Chief Data Officer, which elaborates on the D&A strategy and the progress made so far towards implementation.

[The Bank’s data and analytics strategy: a three-year roadmap](#)

[Speech: A data revolution: Built together, for everyone](#)

### 3 LAW COMMISSION

- 3.1 **Decentralised autonomous organisations - Law Commission publishes scoping paper - 11 July 2024** - The Law Commission has published a scoping paper on decentralised autonomous

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organisations (DAOs), namely a “*new kind of internet-based collaborative organisation that coordinate people and resources using rules expressed in computer code*” which is principally part of the “*crypto-ecosystem*”.

The paper considers how DAOs might be classified in law and identifies the main options for legal reforms or innovations that might be required to accommodate the status of DAOs and facilitate their uptake. The paper is intended to introduce DAOs and suggest possible avenues for legal reform and related policy work.

#### [Law Commission scoping paper: DAOs](#)

[Summary](#)[Webpage](#)[Press release](#)

## BEYOND BREXIT //

### 4 FINANCIAL CONDUCT AUTHORITY

- 4.1 **Overseas funds regime - FCA updates webpage announcing landing slots for firms in TMPR - 5 July 2024** - The FCA has updated its webpage on the overseas funds regime (OFR) with information on landing slots for fund operators in the temporary marketing permissions regime (TMPR). The FCA will issue a binding direction to each fund operator in the TMPR eight weeks before its landing slot opens, explaining how it can apply for 'recognised scheme' status under the OFR. They are expected to apply within their allocated three-month slot. If a fund fails to submit the application or fails to notify the FCA that no application will be made, it will lose its recognition under the TMPR.

The FCA has published a direction stating that the operator must not apply for a scheme to be recognised under section 271A of the Financial Services and Markets Act 2000 (FSMA) until such period as the FCA may specifically direct. The direction is given under regulation 67A(2) of the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 (SI 2019/325).

[Updated webpage](#)[FCA Direction](#)

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## BANKING AND FINANCE //

### 5 BASEL COMMITTEE ON BANKING SUPERVISION

- 5.1 Basel framework - BCBS proposes technical amendments - 5 July 2024** - The Basel Committee on Banking Supervision (BCBS) has published a range of proposed technical amendments and FAQs to promote the consistent interpretation of the Basel framework (BCBS576). The amendments relate to the standardised approach to credit risk; cryptoasset exposures; counterparty credit risk; the standardised approach to operational risk; the simplified standardised, standardised and internal model approaches to market risk; and the net stable funding ratio.

Comments on the proposed technical amendments can be made until 19 August 2024. The BCBS has also finalised a set of FAQs that have been added to the Basel framework.

[BCBS: Technical Amendment](#)

[Webpage](#)

- 5.2 Third-party risk management - BCBS launches consultation - 9 July 2024** - The Basel Committee on Banking Supervision (BCBS) has published a consultation paper on principles for the sound management of third-party risk management.

The paper proposes twelve high-level principles to assist banks and supervisors on effectively managing and supervising risks from third-party arrangements. Among other things, the principles introduce the concept of a third-party life cycle and emphasise overarching concepts such as criticality and proportionality. The principles are intended to establish a common baseline, while providing the necessary flexibility to accommodate evolving practices and regulatory frameworks across jurisdictions.

The deadline for responses is 9 October 2024.

[BCBS consultative document: Principles for the sound management of third-party risk](#)

[Webpage](#)

[Press release](#)

### 6 EUROPEAN BANKING AUTHORITY

- 6.1 2025 EU-wide stress test - EBA publishes methodology and draft templates - 5 July 2024** - The European Banking Authority (EBA) has published the methodology, draft templates and guidance for the 2025 EU-wide stress test. Participating banks will be required to project the impact of the exercise's defined scenarios under a common set of risks (credit, market, counterparty and operational risk).

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The EBA expects to publish the final methodology at the end of 2024, launch the stress test in January 2025 and publish the results by the end of July 2025.

[Methodological note](#)[Draft template guidance](#)[Press release](#)

- 6.2 CRD IV - EBA publishes report on convergence of supervisory practices - 8 July 2024** - The European Banking Authority (EBA) has published a report on the convergence of supervisory practices in accordance with the fourth Capital Requirements Directive (2013/36/EU) (CRD IV). According to the report, the four key topics identified for supervisory attention in the 2023 European Supervisory Examination Programme (ESEP) (that is, macroeconomic and geopolitical risks, operational and financial resilience, transition risks, and money laundering and terrorism financing risks in the Supervisory Review and Evaluation Process (SREP) and internal controls and governance) were adequately included by most competent authorities in their supervisory priorities. However, there remains scope for further consistency in the identification and treatment of risks covered by Pillar 2 requirements across the EU.

[EBA report on convergence of supervisory practices in 2023 \(EBA/REP/2024/13\)](#)[Press release](#)

- 6.3 Supervisory topics - EBA publishes programme - 8 July 2024** - The European Banking Authority (EBA) has published its 2025 European Supervisory Examination Programme (ESEP) for prudential supervisors (EBA/REP/2024/14). The ESEP, which is published annually by the EBA, sets out key topics for prudential supervisory attention to drive convergence.

The key topics for 2025 include testing and adjusting to increasing economic and financial uncertainties; digital challenges (in particular, information and communication technology (ICT) risk management and building operational resilience towards the digital transformation); and the implementation of Basel III and the EU banking package.

[EBA 2025 ESEP \(EBA/REP/2024/14\)](#)[Press release](#)

- 6.4 CRR - EBA launches consultation on credit value adjustment risk of SFTs - 8 July 2024** - The European Banking Authority (EBA) has published a consultation paper (EBA/CP/2024/14) on draft Regulatory Technical Standards (RTS) on the credit valuation adjustment (CVA) risk of securities financing transactions (SFTs) under Article 382(6) of the Capital Requirements Regulation (575/2013) (CRR) as amended by Regulation (EU) 2024/1623 (CRR III). The consultation proposes using a quantitative threshold approach to determine the materiality of CVA risk exposures arising from fair-valued SFTs.

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Comments can be made until 8 October 2024. The EBA is holding a public hearing on 4 September 2024. The deadline for registering for this is 30 August 2024.

**[EBA consultation paper: Draft RTS on CVA risk of securities financing transactions under Article 382\(6\) of CRR \(EBA/CP/2024/14\)](#)**

**[Press release](#)**

- 6.5 Supervisory reporting under CRR - EBA consults - 9 July 2024** - The European Banking Authority (EBA) has published a final report (EBA-ITS/2024/06) on a new Commission Implementing Regulation containing implementing technical standards (ITS) on supervisory reporting under the Capital Requirements Regulation (575/2013) (CRR).

The ITS cover all the supervisory reporting requirements for firms under the CRR and reflect reforms made by the CRR III Regulation ((EU) 2024/1623) relating to the output floor, credit risk, market risk, operational risk, cryptoassets and the leverage ratio. They will also repeal Commission Implementing Regulation (EU) 2021/451, which contains the current ITS on supervisory reporting under CRR.

The application date for the ITS will be 1 January 2025 and the first reference date will be 31 March 2025.

**[EBA final report: Final draft ITS amending Implementing Regulation \(EU\) 2021/451 on supervisory reporting referred to in Article 430 \(7\) of CRR concerning output floor, credit risk, market risk, operational risk, cryptoassets and leverage ratio \(EBA-ITS/2024/06\)](#)**

**[Press release](#)**

## **7 SINGLE RESOLUTION BOARD**

- 7.1 Resolvability of banks - SRB publishes 2023 assessment - 9 July 2024** - The Single Resolution Board (SRB) has published a report setting out the results of its 2023 resolvability assessment for banks across the banking union. According to the report, banks have showed steady progress in meeting the SRB's expectations and minimum requirement for own funds and eligible liabilities (MREL) policy. Banks have also plugged outstanding gaps relating to the resolvability conditions, notably in relation to liquidity and funding in resolution, separability and restructuring.

The SRB explains that its new approach to assessing resolvability, following the launch of the SRM Vision 2028 strategy, will be more risk-based, relying on a standard template for all banks to enhance transparency. The SRB will consult on the resolvability assessment criteria and the guidance on testing in due course.

**[SRB report: Resolvability of Banking Union Banks: 2023](#)**

**[Press release](#)**

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## 8 EUROPEAN CENTRAL BANK

- 8.1 Digitalisation of banks in the SSM - ECB publishes report and blog post - 11 July 2024** - The European Central Bank (ECB) has published a report on the digitalisation activities of banks in the Single Supervisory Mechanism (SSM). The report sets out the key criteria used by the ECB to assess banks' digitalisation activities and related risks, together with examples of sound practices. In a related blog, the ECB notes that it will focus on reviewing the use of specific technologies more broadly, including the deployment of AI and related business use cases.

[ECB report: Digitalisation: key assessment criteria and collection of sound practices](#)

[ECB blog post: A key step in assessing SSM banks' digitalisation journey and related risks](#)

## 9 BANK OF ENGLAND

- 9.1 Adoption of LEIs in cross-border payments - Bank of England publishes speech - 9 July 2024** - The Bank of England (the Bank) has published a speech given by Victoria Cleland, Executive Director for Payments, on the application and adoption of legal entity identifiers (LEIs) in cross-border payments.

She notes that, while the potential opportunities presented by LEIs are significant, their global use is too low to make a real difference to cross-border payments. Ms Cleland therefore urges public sector regulators and standard-setters to consider opportunities to incorporate LEIs as a compulsory data element. The Bank is taking this step for payments settled in the UK high-value payment system (CHAPS) between financial institutions, with effect from 1 May 2025.

[Bank of England speech: A multi-tool for cross-border payments: the power of Legal Entity Identifiers – speech by Victoria Cleland](#)

## 10 RECENT CASES

- 10.1 *PH and others v European Central Bank*, (Case T-323/22) EU:T:2024:460, 10 July 2024**

*CRD IV - acquiring a qualifying holding in a bank - assessment criteria*

The European General Court has considered the interpretation of the criteria used to assess a potential acquirer of a qualifying holding in a bank. Under Article 23 of the CRD IV Directive (2013/36/EU), supervisory authorities must assess the suitability of a proposed acquirer based on specified criteria. They may oppose the acquisition only if there are reasonable grounds for doing so based on the assessment criteria or if the information provided by the proposed acquirer is incomplete.

The court considered issues that had arisen from a decision of the European Central Bank (ECB) to oppose the acquisition of a bank on the basis that the proposed acquirers did not satisfy the assessment criteria. Among other things, the court held that the assessment of the financial soundness of a proposed acquirer involves examining its future capacity to provide capital to the



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target undertaking. Moreover, it is sufficient that there are reasonable grounds to suspect that the proposed acquisition could increase the risk of money laundering or terrorist financing for the competent authorities to oppose the proposed acquisition. The court also concluded that a lack of clarity in the reasons for the acquisition of a qualifying holding may give rise to doubts as to the integrity of a proposed acquirer. Finally, the assessment of the reputation of the proposed acquirer must be interpreted as including an assessment of their professional competence.

*PH and others v European Central Bank, (Case T-323/22) EU:T:2024:460*

## SECURITIES AND MARKETS //

### 11 EUROPEAN SECURITIES AND MARKETS AUTHORITY

**11.1 Resolution colleges - ESMA publishes final report and revised guidelines - 5 July 2024** - The European Securities and Markets Authority (ESMA) has published a final report (ESMA91-1525761655-3047) setting out revised guidelines on the written arrangements and procedures for the functioning of resolution colleges under the Regulation on the recovery and resolution of central counterparties (CCPs) ((EU) 2021/23) (CCP Recovery and Resolution Regulation or CCPRRR). ESMA has amended the guidelines in the light of certain issues relating to the onboarding of third-country authorities to resolution colleges as college observers.

The guidelines will apply following their publication by ESMA in the official languages of the EU.

**ESMA final report: Guidelines on written arrangements and procedures for the functioning of resolution colleges (ESMA91-1525761655-3047)**

#### [Webpage](#)

**11.2 Corporate sustainability reporting - ESMA publishes final report on guidelines and statement - 5 July 2024** - The European Securities and Markets Authority (ESMA) has published its final report on guidelines on enforcement of sustainability information (GLESI) required by the Corporate Sustainability Reporting Directive ((EU) 2022/2464) (CSRD) as well as a statement on European sustainability reporting standards (ESRS). The GLESI apply to the supervision of the first ESRS sustainability statements published in 2025 (covering financial year 2024) by listed companies. The ESRS statement targets large, listed issuers and contains a number of recommendations relating to the preparation of sustainability statements.

**ESMA final report: GLESI (ESMA32-992851010-1600)**

**ESMA public statement: Off to a good start: first application of ESRS by large issuers**

#### [Press release](#)

**11.3 Supervisory expectations for directly supervised entities - ESMA consults - 8 July 2024** - The European Securities and Markets Authority (ESMA) has published a consultation paper (ESMA84-

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2037069784-2168) on supervisory expectations for the management body of directly-supervised entities. As it stands, ESMA has supervisory mandates in relation to EU-registered credit rating agencies (CRAs), benchmark administrators (BMAs) of EU critical benchmarks and third country recognised benchmarks, third country central counterparties that qualify as systemically important, data reporting service providers, securitisation repositories and trade repositories.

ESMA has also published a consultation paper (ESMA84-2037069784-2169) on guidelines on the submission of periodic information to ESMA by BMAs, CRAs and market transparency infrastructures (MTIs).

The deadline for responses to these consultations is 18 October 2024.

[ESMA consultation paper: Supervisory expectations for the management body \(ESMA84-2037069784-2168\)](#)

[ESMA consultation paper: Guidelines on the submission of periodic information to ESMA by BMAs, CRAs and MTIs \(ESMA84-2037069784-2169\)](#)

[Press release](#)

- 11.4 Fifth EU-wide CCP stress test - ESMA publishes report - 9 July 2024** - The European Securities and Markets Authority (ESMA) has published a report (ESMA91-1505572268-3627) setting out the results of its fifth EU-wide stress test exercise on central counterparties (CCPs) together with accompanying Q&As (ESMA91-1505572268-3847).

ESMA tested the resilience of 16 CCPs (that is, the 14 authorised EU CCPs as of May 2023 and the two third-country Tier 2 CCPs (LCH.Clearnet Ltd and ICE Clear Europe)) under market stress scenarios, enhanced model risk assessments for concentration and extended reverse stress tests for credit and liquidity. The exercise also featured an exploratory analysis of climate risk.

The results confirmed the overall resilience of the CCPs to core credit and liquidity financial risks under the tested scenarios.

[ESMA final report: Fifth ESMA Stress Test Exercise for Central Counterparties \(ESMA91-1505572268-3627\)](#)

[FAQs](#)[Press release](#)

- 11.5 CSDR Refit - ESMA launches consultations - 9 July 2024** - The European Securities and Markets Authority (ESMA) has published three consultation papers relating to the Regulation amending the Central Securities Depositories Regulation ((EU) 909/2014) (CSDR) ((EU) 2023/2845) (CSDR Refit). The consultations relate to draft technical standards concerning the review and evaluation process under the CSDR; draft technical standards on the information that third-

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country central securities depositories (CSDs) are required to provide to ESMA; and technical advice for the European Commission on the scope of settlement discipline under the CSDR.

ESMA intends to consult on other aspects of the CSDR in the coming months.

The deadline for responses is 9 September 2024.

[ESMA consultation paper: Technical Advice on the Scope of CSDR Settlement Discipline \(ESMA74-2119945925-1976\)](#)

[ESMA consultation paper: Draft RTS on the information notified by third-country CSDs under Art. 25\(13\) and 69\(4a\) of CSDR \(ESMA74-2119945925-1984\)](#)

[ESMA consultation paper: Draft technical standards amending Regulation \(EU\) 2017/392 and Regulation \(EU\) 2017/394 under CSDR on review and evaluation \(ESMA74-2119945925-1996\)](#)

[Press release](#)**11.6 Equity transparency under MiFIR II and MiFID III - ESMA launches consultations - 10 July 2024 -**

The European Securities and Markets Authority (ESMA) has published a consultation paper (ESMA74-2134169708-7011) relating to equity transparency measures under MiFIR II ((EU) 2024/791) and MiFID III ((EU) 2024/790).

The consultation covers, among other things, the requirements relating to the liquidity assessment for equity instruments, equity transparency and the volume cap. It also contains a draft of new implementing technical standard on the content and format of the systematic internaliser notification as well as draft regulatory technical standards on the equity consolidated tape provider in relation to the input and output data.

The deadline for responses varies according to the section of the paper: it is 15 September 2024 for sections 3, 4 and 8 of the consultation paper and 15 October 2024 for sections 5, 6 and 7.

[ESMA consultation paper: MiFIR Review - Consultation Package 3 \(equity transparency, volume cap, circuit breakers, SI, the equity CTP, flags under RTS 2\) \(ESMA74-2134169708-7011\)](#)

[Webpage](#)[Press release](#)**11.7 EMIR 3 - ESMA publishes statement on use of collateral by NFCs acting as clearing members -**

**10 July 2024 -** The European Securities and Markets Authority (ESMA) has published a statement deprioritising supervisory actions relating to the eligibility of uncollateralised public guarantees, public bank guarantees and commercial bank guarantees for non-financial counterparties (NFCs)

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acting as clearing members under the legislative proposals to amend the European Market Infrastructure Regulation (648/2012/EU), known as EMIR 3.

EMIR 3 enables, under certain conditions, the acceptance of fully uncollateralised bank guarantees by the CCPs to cover their initial and ongoing exposures to NFCs acting as clearing members and clients. The provisions will effectively make permanent the main features of the temporary amendments to Commission Delegated Regulation 153/2013 regarding CCP requirements adopted during the energy crisis, which expanded the eligible pool of collateral to alleviate certain liquidity concerns, in particular for NFCs. These temporary measures are due to expire on 7 September 2024.

[ESMA: Public statement on emergency collateral requirements \(ESMA91-1505572268-3857\)](#)

[Webpage](#)

[Press release](#)

## 12 FINANCIAL CONDUCT AUTHORITY

**12.1 Listing regime reform - FCA publishes policy statement, Primary Market Bulletin 50 and consults - 11 July 2024** - The FCA has published a policy statement (PS24/6) confirming the FCA's final reforms to the UK Listing Rules (UKLR) sourcebook.

According to the FCA, the rule changes mark the biggest changes to the listing regime in over three decades and will better align the UK regime with international market standards. In short, they set out a simplified listings regime with a single category and streamlined eligibility for those companies seeking to list their shares in the UK. They remove the need for votes on significant or related party transactions and offer flexibility around enhanced voting rights. Shareholder approval for key events, like reverse takeovers and decisions to take the company's shares off an exchange, is still required. The new rules will apply from 29 July 2024.

The FCA has also published edition 50 of its Primary Market Bulletin, along with a consultation paper (GC24/3) on revisions to key technical and procedural notes to reflect the changes to the listing regime. The deadline for responses is 5 September 2024.

The FCA has already published final rules on some of the recommendations from Lord Hill's UK Listing Review, which had also made a recommendation in relation to special purpose acquisition companies.

[FCA policy statement: Primary Markets Effectiveness Review: Feedback to CP23/31 and final UK Listing Rules \(PS24/6\)](#)

[UK Listing Rules Instrument 2024](#)

[UK Listing Rules \(Consequential Amendments\) Instrument 2024](#)

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## ASSET MANAGEMENT //

### 13 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 13.1 **AIFMD II - ESMA consults on liquidity management tools - 8 July 2024** - The European Securities and Markets Authority (ESMA) is consulting on draft regulatory technical standards (RTS) (ESMA34-1985693317-1095) and guidelines (ESMA34-1985693317-1097) on liquidity management tools (LMTs) under Directive (EU) 2024/927 amending the Alternative Investment Funds Directive (2011/61/EU) (AIFMD) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive (2009/65/EC) (otherwise known as AIFMD II). Of particular note, the drafts clarify the functioning of specific LMTs, such as the use of side pockets, which is a practice that currently varies significantly across the EU.

The deadline for responses is 8 October 2024. ESMA intends to publish final reports on the draft RTS and guidelines by 16 April 2025.

[ESMA consultation paper: Draft RTS on LMTs under the AIFMD and UCITS Directive \(ESMA34-1985693317-1095\)](#)

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[ESMA consultation paper: Guidelines on LMTs of UCITS and open-ended AIFs \(ESMA34-1985693317-1097\)](#)

[Webpage](#)

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## INSURANCE //

### 14 BANK OF ENGLAND AND PRUDENTIAL REGULATION AUTHORITY

- 14.1 **UK Solvency II regime - Bank of England publishes speech - 9 July 2024** - The Bank of England (the Bank) has published a speech by Gareth Truran, PRA Executive Director for Insurance Supervision, on developing the UK Solvency II regime.

Mr Truran refers to the matching adjustment (MA) reforms, which came into force on 30 June 2024. The PRA is actively considering an MA "accelerator", which could allow firms to self-certify

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eligibility for MA of a limited portion of assets, in advance of seeking formal approval from the PRA. The implications of the rapid growth of "asset-intensive", or "funded", reinsurance remains high on the PRA's supervisory and policy agenda. Details on the PRA's final policy in this context are expected shortly. The PRA is taking forward its plans for the next round of insurance stress testing in 2025. It will publish information for general insurers next week.

Mr Truran also noted that the PRA remains on track to complete its work to reform the UK Solvency II regime by the end of 2024.

**[Bank of England speech: Solvency UK - time to build – speech by Gareth Truran](#)**

- 14.2 Life Insurance Stress Test 2025 - PRA publishes approach - 10 July 2024** - The PRA has published a document on its approach to the 2025 life insurance stress test (LIST 2025), which will apply to those UK insurers who participate in the bulk purchase annuity (BPA) market and who have the largest annuity portfolios.

The document sets out the purpose and objectives of LIST 2025 and the key components of the stress testing framework. It also considers the implications of the Solvency UK regime, as LIST 2025 will be the first life insurance stress test run under the new regime. LIST 2025 will contain a core scenario and two exploratory scenarios. The test is expected to test a severe scenario and it does not expect all firms to show solvency capital requirement (SCR) coverage of 100% or more following the stress scenario.

The PRA has also published a letter requesting technical input from the participating firms.

The deadline for responses is 6 September 2024.

**[Bank of England and PRA: Approach to LIST 2025](#)****[Bank of England and PRA: LIST 2025 Scenario Specification, Guidelines and Instructions](#)****[Bank of England and PRA: LIST 2025 Results and Basis of Preparation Report](#)****[Letter to life insurance firms](#)****[Press release](#)**

## FINANCIAL CRIME //

### 15 FINANCIAL ACTION TASK FORCE

- 15.1 Virtual Assets - FATF publishes update on implementation of standards - 9 July 2024** - The Financial Action Task Force (FATF) has published a targeted update on the implementation of its standards on virtual assets (VAs) (cryptoassets) and virtual asset service providers (VASPs) (also

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known as cryptoasset service providers, or CASPs). The update relates to FATF recommendation 15 (R.15) and the related interpretative note (INR.15), as well as recommendation 16 (R.16) (known as the travel rule) and the related interpretative note (INR.16).

Of particular note, the report finds that jurisdictions have not made sufficient progress implementing the travel rule, which is a key anti-money laundering (AML) and counter-terrorist financing (CTF) measure. In the light of the update, the FATF will continue to engage with FATF member countries, the global network, technical assistance providers and the private sector on progress and challenges.

**FATF: Targeted update on implementation of the FATF standards on VAs and VASPs**

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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.

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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](#).

If you would like to find out more about our Financial Regulation Group or require advice on a financial regulation matter, please contact one of the following or your usual Slaughter and May contact:

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