

Key Regulatory Developments 2018

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Issue	Activity	Key dates
Alternative Investment Fund Managers Directive (AIFMD)	<p>HM Treasury to review operation and effect of AIFMD Regulation.</p> <p>ESMA due to review AIFMD in the near future, although timescale not yet fixed.</p>	<p>July 2018</p> <p>2018/2019</p>
Asset Management	ESMA to consult with industry to develop guidance on financial stability in the asset management industry.	Q1-Q4 2018
Asset Management Market Study	FCA expected to publish further consultation paper(s) on outstanding remedies following its asset management market study.	Q4 2017/ Q1 2018
Bank of England (BoE) Stress Test	<p>BoE to publish its detailed scenario and methodology for 2018 exercise.</p> <p>BoE expected to publish results of 2017 stress testing exercise.</p> <p>BoE to conduct 2018 bank stress testing exercise.</p> <p>BoE publishes the results of the 2018 stress testing exercise.</p>	<p>Q1 2018</p> <p>Q1 2018</p> <p>Q2-Q3 2018</p> <p>Q4 2018</p>

Banking	FCA's ongoing strategic review of retail banking business models – project update expected	Q2 2018
	Policy Statement on information about current account services expected	Q4 2017/Q1 2018
Basel III	Basel Committee on Banking Supervision (BCBS) target for the leverage ratio to be implemented as a Pillar 1 measure.	1 January 2018
	BCBS deadline for implementation of its revised framework for Interest Rate Risk in the Banking Book.	1 January 2018
	BCBS expected to finalise Phase 3 of its revision to the Pillar 3 enhanced disclosures.	Q1 2018
Benchmarks Regulation (Regulation (EU) 2016/1011)	Date the regulation enters into force.	1 January 2018
Brexit	PRA paper setting out approach to authorising branches of EEA incorporated banks operating in the UK.	Q4 2017
	European Union (Withdrawal) Bill expected to receive Royal Assent.	Q1/Q2 2018
	UK Government, PRA and FCA to set out draft legislation incorporating relevant EU financial services law into domestic law.	2018
	EC's expected target for finalising withdrawal agreement and starting ratification process.	1 October 2018

<p>Capital Requirements Regulation and Directive (CRD V/CRR II)</p>	<p>Earliest likely date for a potential political agreement by EU institutions on the Level 1 text of the CRD V/CRR II package.</p>	<p>Q4 2018</p>
<p>Consumer Credit</p>	<p>FCA to publish policy statement to its consultation paper on assessing creditworthiness in consumer credit.</p> <p>FCA to publish policy statement to its consultation paper on staff incentives and performance management in consumer credit firms.</p> <p>FCA to consult on any necessary proposal relating to the issues raised in its feedback statement on high-cost credit in respect of overdrafts, rent to own borrowing, home-collected credit and catalogue credit.</p>	<p>Q1-Q2 2018</p> <p>Q1 2018</p> <p>Q2 2018</p>
<p>Crowdfunding</p>	<p>FCA may consult on issues identified in feedback statement regarding the post-implementation review of the FCA's crowdfunding rules.</p> <p>European Commission expected to publish its approach to EU wide framework for crowdfunding.</p>	<p>Q4 2017/Q1 2018</p> <p>Q1 2018</p>
<p>Cross border fund distribution</p>	<p>European Commission expected to publish a legislative proposal on reducing barriers to cross-border distribution of AIFs and UCITs as part of the Capital Markets Union.</p>	<p>Q1 2018</p>
<p>Cyber Security</p>	<p>Date by which member states required to have transposed Cyber Security Directive.</p> <p>Date by which national measures transposing Cyber-Security Directive apply.</p> <p>Date by which each member state is required to identify the operators of essential services within an establishment on their territory under Cyber-security Directive.</p>	<p>9 May 2018</p> <p>10 May 2018</p> <p>9 November 2018</p>

General Data Protection Regulation	Date the regulation comes into force.	25 May 2018
Financial Advice	Amendment to the definition of financial advice for regulated firms in Article 53(1) RAO takes effect aligning "advice" with "personal recommendation". Potential introduction of new delivery model for provision of public financial guidance (replacing Pensions Advisory Service, Money Advice Service and Pension Wise.)	3 January 2018 Q2-Q3 2018
Financial Ombudsman Service	FCA is expected to consult on increasing access to FOS for small and medium businesses.	Q4 2017/Q1 2018
Financial Promotion	New definition of "pooled investment vehicle" for the purposes of the Non-Mainstream Pooled Investments rules expected to be published.	2018
European Market Infrastructure Regulation (EMIR)	Category 4 firms expected to be subject to the clearing obligation for interest rate derivatives.	21 December 2018
FCA Business Plan	The FCA's business plan for 2017/18 is likely to be published in March or April 2018. This will set out the FCA's work programme and priorities for 2017/18.	March/April 2018
FCA fees	FCA consultation closes on policy changes as to how FCA fees will be raised from 2018/2019. Policy statement on changes as to how FCA fees will be raised from 2018/2019.	15 January 2018 March 2018

<p>FCA Mission/Approach documents</p>	<p>FCA consultation closes on Approach to Consumers paper.</p> <p>FCA to publish final policy statement on Approach to Consumers.</p> <p>FCA consultation closes on Approach to Authorisation paper.</p> <p>FCA to publish Approach to Supervision paper.</p>	<p>5 February 2018</p> <p>Q2-Q3 2018</p> <p>12 March 2018</p> <p>Q1 2018</p>
<p>Financial Services Compensation Scheme (FSCS)</p>	<p>Consultation closes on how the FSCS is funded and the increase in protection it provides consumers.</p> <p>Policy Statement on consultation to FSCS funding and the increase in protection it provides to consumers.</p>	<p>30 January 2018</p> <p>Q2 2018</p>
<p>FinTech</p>	<p>European Commission expected to publish EU strategy for FinTech.</p> <p>European Supervisory Authorities expected to publish a joint report on relevant FinTech and digital issues</p>	<p>Q1 2018</p> <p>2018</p>
<p>Illiquid assets</p>	<p>FCA expected to publish paper responding to DP17/1 on illiquid assets and open-ended investment funds</p> <p>IOSCO expected to publish recommendations for liquidity risk management for collective investment schemes</p>	<p>Q4 2017/Q1 2018</p> <p>Q4 2017/Q1 2018</p>
<p>Markets in Financial Instruments Directive (MiFID) II</p>	<p>Date from which MiFID II enters into force.</p>	<p>3 January 2018</p>
<p>Money Market Fund Regulation (MMF)</p>	<p>Date the regulation enters into force.</p>	<p>21 July 2018</p>

<p>Mortgages</p>	<p>PRA to consider thematic review of firms' implementation of underwriting requirements for buy to let mortgages.</p> <p>FCA expected to publish interim report on its market study looking at competition in the mortgage sector.</p> <p>HM Treasury review of Mortgage Credit Directive implementation deadline.</p>	<p>Q1 2018</p> <p>Q1/Q2 2018</p> <p>1 September 2018</p>
<p>Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation</p>	<p>PRIPs Regulation enters into force.</p> <p>Deadline by which the European Commission must review the PRIIPs Regulation.</p> <p>Managers opting to still use NURS-KII document must modify it to bring it in line with FCA modifications.</p> <p>(UCITS management companies exempt from PRIIPs Regulation until 31 December 2019).</p>	<p>1 January 2018</p> <p>31 December 2018</p> <p>19 February 2018</p>
<p>Payment Services Directive (PSD) 2</p>	<p>Date for implementation (except RTSs on Strong Customer Authentication and Secure Communication which are due to enter into force around September 2019).</p>	<p>13 January 2018</p>
<p>Platforms</p>	<p>FCA intends to publish interim report on investment platforms market study.</p>	<p>Q2/Q3 2018</p>
<p>Senior Managers & Certification Regime (SM&CR)</p>	<p>FCA consultation on operational aspects of transitioning FCA firms and individuals to the SM&CR closes.</p> <p>FCA and PRA to publish policy statements and final rules relating to extension of SM&CR to all FSMA authorised firms.</p> <p>Expected extension of SM&CR to all solo-regulated firms.</p>	<p>21 February 2018</p> <p>Q2-Q3 2018</p> <p>mid to late 2019</p>
<p>UCITS</p>	<p>Transitional period for depositaries under UCITS V ends.</p>	<p>18 March 2018</p>

UK Pension Freedoms	FCA to publish its final report on its retirement outcomes review.	Q1/Q2 2018
	FCA Rules on information prompts in the annuities market come into force.	1 March 2018
Unregulated markets and activities	FCA's consultation paper on Industry Codes of Conduct and discussion paper on FCA Principle 5 (CP17/37)(unregulated markets and activities) closes.	5 February 2018
	Policy statement expected to be published.	Q2 2018

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