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Briefing note

International Regulatory Update

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- Recent Clifford Chance briefings: Composition and Pre-insolvency Procedures in Europe; and more. Follow this link to the briefings section.

MiFID2: ECON Committee votes on amendments

The Vice-Chair of the EU Parliament Committee on Economic and Monetary Affairs (ECON), Markus Ferber MEP, has published a statement following the ECON Committee's vote on the EU Commission's proposal to delay the application of MiFID2/MiFIR by one year. The Committee also voted in favour of certain other amendments to the Level 1 MiFID2 text in relation to:

- a specific transparency regime for packaged transactions;
- a clarification for the own account exemption; and
- exempting securities financing transactions from MiFID2 transparency rules.

Mr. Ferber has stated that he intends negotiations with the EU Council on the amendments to MiFID2 to be finalised quickly to ensure certainty for stakeholders.

MiFID2: EU Commission adopts Delegated Directive on safeguarding of funds, product governance and inducements

The EU Commission has adopted a draft Delegated Directive under MiFID2. The Delegated Directive specifies rules relating to:

- safeguarding clients' financial instruments and funds;
- product governance requirements for investment firms that manufacture or distribute financial instruments; and
- inducements.

The draft Delegated Directive also clarifies the application of these rules to management companies under UCITS and the Alternative Investment Fund Managers Directive (AIFMD). The delegated act is based on the technical advice provided to the Commission by the European Securities and Markets Authority (ESMA) on 19 December 2014.

The draft Directive will enter into force on the twentieth day after its publication in the Official Journal and will be transposed by Member States.

MAR: Delegated Act and ITS published in Official Journal

A Commission Delegated Regulation (2016/522), which supplements the Market Abuse Regulation (MAR), has been published in the Official Journal. The Regulation sets out detailed rules in relation to:

- the extension to the exemption of certain public bodies and central banks of third countries from the obligations and prohibitions set out in MAR in carrying out monetary, exchange-rate or public debt management policy;
- indicators of market manipulation;
- minimum thresholds for the exemption of certain participants in the emission allowance market from the requirements to publicly disclose inside information;
- determination of the competent authority for the notifications of delays of public disclosure of inside information;
- circumstances under which trading during a closed period may be permitted by the issuer; and
- types of transaction triggering the duty to notify managers' transactions.

The Regulation will enter into force on 25 April 2016 and will apply from 3 July 2016.

Alongside the Regulation, a Commission Implementing Regulation (2016/523) which sets out implementing technical standards (ITS) on the format and template for notification and public disclosure of managers' transactions under MAR has also been published in the Official Journal. The Commission Implementing Regulation will enter into force on 6 April 2016 and will apply from 3 July 2016.

ESA Joint Committee publishes report on risks and vulnerabilities in EU financial system

The Joint Committee of the European Supervisory Authorities (ESAs) has published its Spring 2016 report on risks and vulnerabilities in the EU financial system.

The report highlights three main risks:

- low profitability of financial institutions in a low yield environment;
- increasing interconnectedness of bank and non-bank entities; and
- potential contagion from China and other emerging markets.

The report makes recommendations for national supervisors to address these risks, including enhanced supervisory monitoring and increased scrutiny of business models.

PRIIPS: ESA Joint Committee publishes final draft RTS on key information documents

The Joint Committee of the ESAs has finalised its proposal for regulatory technical standards (RTS) on Key Information Documents (KIDs) for Packaged Retail and Insurance-based Investment Products (PRIIPs).

The proposed RTS aim to provide retail investors in the EU with simple and comparable information on investment products in the banking, insurance and securities sectors. The proposed KID sets out to increase the transparency and comparability of information about the risks, performance and costs of these products. The new rules include:

- a template for the KID, covering the texts and layouts to be used;
- a summary risk indicator of seven classes for the risk and reward section of the KID;
- a methodology to assign each PRIIP to one of the seven classes contained in the summary risk indicator, and for the inclusion of additional narrative for certain PRIIPs;
- details on performance scenarios and a format for their presentation;
- costs presentation, including the figures that must be calculated and the format to be used;
- layouts and contents for the KID for products offering multiple options;
- rules on revision and republication of the KID; and
- rules on providing the KID sufficiently early.

Pending approval by the EU Commission, the new rules will come into force on the 31 December 2016.

CRR: EU Parliament publishes report on proposal for a regulation as regards exemptions for commodity dealers

The EU Parliament has published a report on the proposal for a regulation amending the Capital Requirements Regulation (CRR) to extend existing exemptions for commodity dealers from large exposures requirements and from own funds requirements.

The exemptions, due to expire on 31 December 2017, were included in the CRR in order to allow regulators to determine a prudential regulation adapted to the risk profile of commodity dealers. The Commission's review on an appropriate regime is underway but will not be completed before the end of 2016, and it is unlikely that any resulting legislation will be prepared, adopted, and applied before the current exemption expires.

CRR: EBA consults on draft amending technical standards on CVA proxy spread

The European Banking Authority (EBA) has launched a consultation on draft amending RTS on credit valuation adjustment (CVA) proxy spread under the CRR. The new RTS propose limited amendments to the Commission Delegated Regulation No 526/2014 aimed at ensuring a more adequate calculation of own funds requirements for CVA risk. These proposals are based on recommendations made in the EBA's CVA report published in February 2015, which showed there were persistent difficulties in determining appropriate proxy spreads and LGDMKT for a large number of counterparties and recommended that the RTS should be amended to address these difficulties.

The EBA intends the proposed amendments to resolve the issues in identifying an appropriate proxy spread and LGDMKT by further specifying cases where alternative approaches can be used. This is expected to result in a more adequate calculation of own funds requirements for CVA risk, including in some cases a reduction of own funds requirements for CVA risk. In turn it is hoped that this will begin to remedy the over-estimation of current own funds requirements for counterparties in the scope of the CVA risk charge in the EU.

Comments on the consultation are due by 6 July 2016.

EMIR: ESMA publishes amended RTS on access, aggregation and comparison of trade repositories data

The European Securities and Markets Authority (ESMA) has published amended RTS on access, aggregation and comparison of data across trade repositories (TRs) under the European Market Infrastructure Regulation (EMIR). The amended RTS aim to provide a higher quality of data, enhance the access to data by authorities and allow for the comparability and aggregation of data across trade repositories.

Key amendments include:

- standardised output format of the TR data;
- standardised and secure data exchange between TRs and authorities;
- standardised frequencies for the provision of direct and immediate access to TR data;

- minimum types of queries that need to be available for the authorities; and
- use of secure machine-to-machine connection and of data encryption protocols.

EMIR: ESMA publishes amended RTS on margin period of risk for client accounts

ESMA has published amended RTS on the margin period of risk (MPOR) for central counterparty (CCP) client accounts under EMIR. The amended RTS allow EU-based CCPs to margin on a one-day, rather than the current two-day, MPOR basis. The revision of the RTS follows the US equivalence decision by the EU Commission, and is intended to help create a level playing field for EU and US CCPs.

UCITS: ESMA consults on share classes

ESMA has issued a discussion paper on share classes under the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive.

This discussion paper, which follows an earlier paper issued by ESMA in December 2014, seeks views on ESMA's current thinking with respect to the development of a framework for UCITS share classes throughout the EU.

The paper describes the nature of share classes, the reasons for their existence, and the key elements of share classes, and establishes common principles that could form the basis of a regulatory framework that all share classes should comply with.

Comments to the consultation close on 6 June 2014. ESMA will consider the feedback in Q2 2016 and plans to take further action on share classes of UCITS by the end of 2016.

AIFMD: ESMA publishes guidelines compliance tables on key concepts and reporting obligations

ESMA has published two guidelines compliance tables showing which competent authorities comply or intend to comply with its guidelines on reporting obligations and key concepts of the Alternative Investment Fund Managers Directive (AIFMD).

With the exception of Norway, whose financial regulator has indicated that it will not confirm compliance with either set of guidelines until the AIFMD has been incorporated into the EEA Agreement, almost every other EU and EEA EFTA state has confirmed compliance with both sets of guidelines. Poland has indicated it intends to comply with ESMA's guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD after the Directive has been transposed into its national law.

Basel Committee consults on revisions to Basel III leverage ratio framework

The Basel Committee on Banking Supervision (BCBS) has launched a consultation on proposed revisions to the design and calibration of the Basel III leverage ratio framework. The proposed changes have been informed by the monitoring process in the parallel run period since 2013, by feedback from market participants and stakeholder and by the frequently asked questions (FAQ) process since the January 2014 release of the Basel III leverage ratio framework.

The proposed revisions in the consultation concern:

- the measurement of derivative exposures;
- treatment of regular-way purchases and sales of financial assets;
- treatment of provisions;
- credit conversion factors for off-balance sheet items; and
- additional requirements for global systemically important banks.

The BCBS has also released a new update of its FAQs on the leverage ratio framework, with new questions and answers on on- and off-balance sheet exposures, specific treatment of written credit derivatives, and securities financing transaction (SFT) exposures.

Comments to the consultation close on 6 July 2016.

CRD 4: FPC sets out approach to setting countercyclical capital buffer

The Financial Policy Committee (FPC) of the Bank of England (BoE) has published a policy statement setting out its approach to setting the countercyclical capital buffer (CCyB). The CCyB is a macroprudential tool provided for under the Capital Requirements Directive (CRD 4), which is implemented in the UK through the Capital Requirements (Capital Buffers and Macro-Prudential Measures Regulations) 2014 (SI 2014/894) and rules made the Prudential Regulation Authority (PRA). The CCyB enables the FPC to adjust the resilience of the banking system to the risk of losses on UK exposures over time.

The policy statement sets out an update to the FPC's strategy for setting the CCyB, published in January 2014, based on five core principles:

- to set the CCyB to ensure the banking system is able to withstand stress without restricting essential services to the real economy;
- to vary the buffer both up and down in line with risks posed at system level;
- insofar as increasing the CCyB restrains credit growth and mitigates the build-up of risks to banks, the primary objective in setting the CCyB will not usually be this aim;
- the FPC intends to set the CCyB above zero before the level of risk becomes elevated, in particular the FPC intends to set a CCyB in the region of 1% when risks are neither subdued nor elevated; and
- the FPC intends to act before risks become elevated and to adjust the CCyB gradually.

The FPC will set the CCyB each quarter with its decision set out in the quarterly record following quarterly policy meetings. More detailed explanations will be published in the six-monthly Financial Stability Report and the rate will be published on the BoE's website alongside the core indicators supporting the decision. The CCyB applies to all banks, building societies and investment firms (other than those exempted by the Financial Conduct Authority (FCA)) in the UK and, under reciprocity provisions in CRD 4, to firms incorporated in other EEA states that have adopted and implemented the CRD, including branches operating in the UK and banks located in EEA states that lend directly cross-border in the UK. The FPC also expects the reciprocity provisions to apply to internationally active banks in jurisdictions outside the EEA that have implemented Basel III.

Alongside the policy statement, the FCA has published a webpage on its proposed approach to the CCyB, which sets out an illustrative example for an IFPRU 730k investment firm. Comments on the FCA's approach are due by 29 April 2016.

FCA publishes 2016/17 business plan

The Financial Conduct Authority (FCA) has published its business plan for the financial year 2016/17. The document outlines seven priority themes which will guide the FCA's core activities and use of its resources. These seven themes are: pensions; financial crime and anti-money laundering; wholesale financial markets; advice; innovation and technology; firms' culture and governance; and the treatment of existing customers. The business plan also includes a risk outlook which identifies key trends and risks in the financial services market and discusses the effect these may have on its participants.

Included in the list of planned activities for the FCA in 2016/17 are:

- reviewing the impact of the 2014 Budget pension reforms on competition and switching in the market;
- continuing to advise the Treasury on the Fourth Money Laundering Directive (4MLD) which requires implementation in the UK by mid-2017;
- continuing to advise and assist on the recommendations of the Fair and Effective Markets Review (FEMR);
- implementing the recommendations in the Financial Advice Market Review (FAMR);
- continuing work on Project Innovate, which aims to encourage innovation, competition and new entrants to the market (including efforts to reduce the regulatory burden on RegTech and FinTech firms and the introduction of a 'regulatory sandbox' where businesses can test whether new ideas will meet regulatory requirements); and
- responding to any recommendations made by the Competition and Markets Authority (CMA) in its final report on competition in retail banking due in May 2016.

FCA consults on 2016/17 regulatory fees and levies

The FCA has published a consultation paper (CP16/9) setting out the proposed 2016/17 regulatory fees and levies for the FCA, the Financial Ombudsman Service, and the Money Advice Service. CP16/9 also contains proposals for consumer credit fees, the ring-fencing implementation fee and the pensions guidance levies.

Comments are due by 27 May 2016.

AMF publishes results of work on possibility of investment funds granting loans

The French Autorité des marchés financiers (AMF) has published a summary of the responses it received to its public consultation on the possibility of French investment funds lending directly to companies and its proposals in this area. The AMF notes that, while there were differing opinions on the regulations to be imposed, all respondents see the possibility of funds lending as an additional opportunity to finance the economy.

The AMF has emphasised the need to reconcile new opportunities with a secure legal framework and believes that:

- the new rules should ensure that equivalent principles are applied among different lenders within a clarified legal framework, taking into account each operator's economic model (cf. insurance firms);
- management companies wishing to grant loans should be licensed by the AMF in accordance with the Alternative Investment Fund Managers Directive (AIFMD) and have a programme of operations that allows for the possibility of granting loans;
- only specialised professional funds (fonds professionnels spécialisés – FPS), securitisation schemes (organismes de titrisation – OT) and professional private equity funds (fonds professionnels de capital investissement – FPCI) should be able to grant loans;
- additional constraints on funds limiting leverage, the use of derivatives and securities borrowing should be applied whenever lending is no longer an ancillary activity – i.e. when loans granted represent more than 10% of a fund's net assets; and
- management companies should regularly report to the AMF and the Banque de France on all loans granted, so that lending can be monitored over time.

The French government is currently working on the Conseil d'Etat decree that could be adopted on the basis of Article 27 of the 2015 Amending Finance Act. The AMF will then publish its policy on requirements concerning the extension of the programme of operations of management companies to grant loans.

CSSF issues regulation setting countercyclical buffer rate for second trimester of 2016

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has published a Regulation (No 16-02) on the setting of the countercyclical buffer rate for the second trimester of 2016. The Regulation follows the Luxembourg Systemic Risk Committee's recommendation of 15 February 2016 (CRS/2016/001) and sets the countercyclical buffer rate at 0% for relevant exposures located in Luxembourg for the second trimester of 2016.

The Regulation entered into force on 1 April 2016.

The CSSF has also published a Regulation (No 16-01) on the automatic recognition of the countercyclical buffer rate during the transitional period. Following the Luxembourg Systemic Risk Committee's recommendation of 15 February 2016 (CRS/2016/001), the Regulation automatically recognises countercyclical buffer rates of up to 2.5%, as fixed by the designated authorities of other EU Member States, during the transitional period foreseen in Article 160 of Directive 2013/36/EU, in accordance with the option taken by the legislator of not adopting a transitional period in Luxembourg.

Regulation No 16-01 is effective between 1 April 2016 and 31 December 2016.

CSSF issues new circular on filing of documents under law on prospectuses for securities

The CSSF has issued Circular 16/635 updating Circular CSSF 12/539 on the technical specifications regarding the submission to the CSSF of documents under the law on prospectuses for securities and general overview of the aforementioned law, as amended by Circular CSSF 15/632.

The amendments made by the new circular take into account the changes introduced by Commission Delegated Regulation (EU) 2016/301 of 30 November 2015 supplementing Directive 2003/71/EC with regard to regulatory technical standards for approval and publication of prospectuses and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004.

CNMV circular on exemptions from obligation to request listing on regulated market when listed on a multilateral trading facility published

The Spanish National Securities Market Commission (CNMV) has issued a circular (1/2016) on exemptions from the obligation to request listing on a regulated market when listed on a multilateral trading facility. Law 5/2015, of 27 April, on the promotion of corporate financing (Ley 5/2015, de 27 de abril, de Fomento de la Financiación Empresarial) amended Law 24/1988, of 28 July, on the Securities Market (Texto Refundido de la Ley del Mercado de Valores) (currently the restated text of the Spanish Securities Markets Law) to require companies listed exclusively on a multilateral trading facility to request listing on a regulated market if their market value exceeds EUR 500 million for more than six months.

CNMV Circular 1/2016 establishes the following requirements for a company to be exempted from the above obligation:

- the relevant company must be of a strictly financial or investment nature (those regulated under Law 35/2003 on collective investment undertakings, Law 22/2014 on private equity entities and other closed-ended collective investment undertakings, and Law 11/2009 on SOCIMIs);

- the capitalisation of the shares listed on a multilateral trading system must exceed EUR 500 million for more than six months; and
- the percentage of shares distributed among the public on the last date of the period referred to above must be lower than 25% of the share capital.

Additionally, investment companies regulated by Law 35/2003 may also be exempted from the above obligation if during the relevant six-month period:

- the volume of transactions in which the price was fixed by matching orders was lower than 25% of the total volume; or
- the price of the transactions fixed by matching orders was within a range of 3% of the net asset value (valor liquidativo) of the relevant collective investment undertaking in more of 50% of the trading days.

The governing entity of the relevant multilateral trading facility is the entity in charge of controlling compliance with the above requirements.

FINMA publishes guidelines on submitting applications for authorisation as a foreign participant (remote member)

The Swiss Financial Market Supervisory Authority (FINMA) has published guidelines to assist applicants applying for authorisation as a foreign participant in accordance with the requirements set out in the Financial Market Infrastructure Act (FMIA).

Foreign participants without a registered office in Switzerland are required to obtain authorisation from FINMA before they can commence operations at a Swiss trading venue.

The application must be in one of Switzerland's official languages but in well-founded cases and subject to FINMA's prior approval, applications could also be made in English. Pursuant to Article 40 of the FMIA, applicants must:

- demonstrate that they are subject to a code of conduct and record-keeping/reporting requirements equivalent to the Swiss regulations;
- obtain confirmation from the supervisory authority of their home country that it does not object to the cross-border activities being conducted by the applicant and that it will cooperate with FINMA; and
- provide general information, including among other things, the applicant's regulatory status, the applicant's company name, registered office, areas of operation, organisational structure etc.

Foreign participants which are granted authorisation are required to notify FINMA in writing without delay where there are changes in facts and circumstances, including:

- changes in the foreign participant's contact details;
- changes in the foreign participant's regulatory status; or
- restructuring of the foreign participant e.g. mergers, takeovers etc.

Foreign participants previously authorised by FINMA, before the FMIA came into force, as remote members at a trading venue are not required to re-apply for authorisation. However, they must meet the requirements set out in the FMIA within one year from the date on which the FMIA came into force, i.e. by 1 January 2017.

China calls for enhanced risk management of banks' overseas operations

The China Banking Regulatory Committee (CBRC) has issued the 'Circular on Further Enhancing the Risk Management of Overseas Operations by Banking Financial Institutions', which is intended to control risks arising from overseas business. In the context of international economic turmoil, the circular requires banking financial institutions (including their overseas branches and subsidiaries) to improve risk identification, management and control measures, and to conduct credit extension and investment activities in a prudent manner. Amongst other things, the following points are worth noting:

- overseas business covered by the circular includes credit extension as well as trading and investment activities, where the client, counterparty and/or risk exposure is outside China;
- if overseas branches or subsidiaries have been set up by a banking financial institution for overseas business, such beaches or subsidiaries should assume primary responsibility and focus more on the local regulatory requirements for the relevant overseas business in addition to satisfying Chinese regulatory requirements. Otherwise, the banking financial institution should focus more on Chinese regulatory requirements in addition to satisfying local regulatory requirements;

- a banking financial institution should enhance pre- and post-drawdown due diligence on overseas borrowers and may not solely rely on information provided by third parties or the borrower, and the group credit limit should apply to both onshore and offshore entities of a group client;
- a banking financial institution's overseas proprietary investment should fully consider the associated risks. In particular, besides third-party credit rating, investment in debt instruments should be assessed under the banking financial institution's overall risk management system; for equity investment to be consolidated in financial statements, the circular requires approval by the board and an overall assessment of the implications of investment loss; and
- country risk should be covered by stress testing.

ASIC clearing exemption for swaptions comes into effect

The Australian Securities and Investments Commission (ASIC) has released the ASIC Corporations (Derivative Transaction Clearing Exemption) Instrument 2016/258, which exempts Swaptions entered into after 4 April 2016 from the scope of the ASIC Derivative Transaction Rules (Clearing) 2015 (Clearing Rules).

A Swaption is defined in the Instrument as any derivative transaction between two parties under which one or both parties is granted an option which, if exercised, would result in the parties entering into a Clearing Derivative, as defined in the Clearing Rules.

The Instrument came into effect on 4 April 2016.

CLIFFORD CHANCE BRIEFINGS

Composition and Pre-insolvency Procedures in Europe – All Change?

Since the financial crisis, there has been a seemingly never-ending evolution of the insolvency regimes across the key European Member States. Legislative frameworks have been pushed to their limits whilst the economic environment has been in a prolonged state of distress.

In this regard, the developments are in keeping with the effects of previous recessions, where legislatures have been prompted to address areas wanting in times of distress. But now, as the dust starts to settle, and we have an opportunity to reflect on what has gone before and anticipate what is to come next, it is not difficult to see that there has been a fundamental shift from the incidence of formal insolvency procedures to an emphasis on restructuring or pre-insolvency procedures.

In this briefing paper Adrian Cohen, Co-ordinating Partner of our European Restructuring and Insolvency Practice, talks to some of our colleagues from around the network about the new pre-insolvency procedures that have been introduced in France, Germany, Spain, Italy and the Netherlands and compares them to the approach in the UK market. They discuss the impact of the new procedures in practice, the opportunities they present, and anticipate what is to come next.

http://www.cliffordchance.com/briefings/2016/03/composition_and_pre-insolvencyproceduresi.html

Creditor engagement in sovereign debt restructuring

The lack of a regime for sovereign insolvency leaves contractual terms as the prime means to facilitate efficient and fair sovereign debt restructuring (including re-profiling), should it prove necessary. The growing use of aggregated collective action clauses in sovereign bonds represents a major step in this direction. Some believe that the next step should be the inclusion in bonds of terms that facilitate open and meaningful discussions between sovereigns and their creditors. The logic is that information sharing and close cooperation between sovereigns and their bondholders are key elements in quick and successful debt restructuring arrangements. The IMF has said that it will consider later this year debtor-creditor engagement during debt restructuring.

This briefing paper discusses creditor engagement and its role in securing a fast and fair sovereign debt restructuring.

http://www.cliffordchance.com/briefings/2016/04/creditor_engagementinsovereigndeb.html

The new UK withholding tax exemption for private placements – how will it work in practice? And does it apply to the wider UK loan market?

The UK has a new withholding tax exemption for private placements, which came into force on 1 January 2016. On 5 April 2016 the LMA published updated private placement documentation facilitating the use of the exemption.

This briefing paper looks at how the exemption works, how the LMA documentation facilitates it, and whether the exemption has wider application to UK loans that are not private placements.

http://www.cliffordchance.com/briefings/2016/04/the_new_uk_withholdingtaxexemptionforprivat.html

Luxembourg Legal Update – April 2016

This is the latest edition of the Luxembourg Legal Update, which provides a compact summary and guidance on the new legal issues which could affect your business, particularly in relation to banking, finance, capital markets, corporate, litigation, employment, funds, investment management and tax law.

http://www.cliffordchance.com/briefings/2016/04/luxembourg_legalupdate-april2016.html

Domestic and cross-border mergers and transfer of registered office of Spanish SICAVs to another EU country

The political uncertainty in Spain is causing concern to some Spanish entities, including SICAVs. Spanish SICAVs are collective investment undertakings (CIUs) regulated, supervised and registered by the Spanish Securities Market Commission (CNMV), which, as CIUs, are taxed at 1%, compared to the standard Corporate Income Tax rate of 25%. However, the future of Spanish SICAVs may change if some of the proposals of the different political groups are eventually approved, including the establishment of a maximum percentage stake for each investor, the granting of powers to the Spanish Tax Agency to monitor and inspect SICAVs, and the elimination of the 1% tax rate.

In this environment of instability, several options are being analysed by Spanish SICAVs in order to deal with the possible changes:

- mergers with Spanish investment funds;
- cross-border mergers with other similar European entities (SICAVs or funds); and
- the transfer of their registered office to other European countries.

This briefing paper analyses these three options, setting out the regulatory requirements applicable in each case, but without including detailed corporate or tax considerations, which must undoubtedly be taken into account when assessing these solutions.

http://www.cliffordchance.com/briefings/2016/04/domestic_and_cross-bordermergersandtransfero.html

China releases Five-Year Plan for financial reform

On 17 March 2016, China officially released its economic and social development blueprint for the five-year period from 2016 to 2020. This is China's 13th Five-Year Plan which, upon approval by the Two Sessions meeting in March 2016, is now the guiding principle for China's development in the next five years. The Plan illustrates the direction China will take in all aspects of its social, economic and political development.

This briefing paper discusses China's initiative under the Plan to accelerate its financial reform in the next five years.

http://www.cliffordchance.com/briefings/2016/04/china_releases_five-yearplanforfinancialreform.html

Inversions – Tough New Rules

On 4 April 2016, the Treasury and the IRS issued temporary and proposed regulations which make it harder to successfully complete an inversion transaction, and to reduce an inverted US company's taxes through the use of intercompany debt.

This briefing paper discussing the new rules.

http://www.cliffordchance.com/briefings/2016/04/inversions_toughnewrules.html